UNESCAP 75th Session of the Commission, Bangkok (27 May 2019)

COUNTRY STATEMENT
To be delivered by Hon. Maatia Toafa

Empowering people and Ensuring Inclusiveness and Equality

(5 minutes)

Chairman, Colleague Ministers, Ladies & Gentle men

It is an honor and privilege for me to be invited here to share with you some insights and perspectives on Tuvalu's efforts to empower people and ensuring inclusiveness and equality.

Let me begin by saying that Tuvalu's National Development Plan – Te Kakege III – recognizes that there ought to be a balance between economic growth, social equity and environment protection. The aim is to increase the sum of the three capital stocks, or if there is a decrease in one, this would be offset by one or both of the other two stocks. In my 16 years of experience as a policy maker, I have learned that there is no simple answer to the question of what is the right policy mix to deliver inclusive growth. There are a lot of tradeoffs, and it is the job of government to manage these well, in accordance with the wish of the people.

I acknowledge the four mutually reinforcing elements proposed in the report: Accelerating Progress: An Empowered, Inclusive, and Equal Asia and the Pacific that explores how to empower people and ensuring their inclusion in social, economic, and political activities can accelerate progress towards the Sustainable Development Goals (SDGs).
I specifically note the proposed elements namely: rights and justice, norms and institutions, participation and voice, and resources and capabilities that can promote empowerment and inclusion.

Tuvalu has come a long way introducing effective policies, implement reforms that help empower its people, improve inclusiveness and equality. They include the followings:

- The introduction of the Tuvalu's National Labour Migration Policy that seeks to provide pathways for all Tuvaluans, including women, for overseas temporary employment in New Zealand and Australia. This is one avenue for greater economic empowerment of women.

- Ensuring an enabling legal and regulatory environment for individuals and organisations is critical to build trust, enhance people's engagement in decision-making and hence improve accountability and transparency.

- On the Public Finance Management front, the following reforms were implemented to enhance transparency, accountability and ensure value for money:
  
  o Introduction of a robust procurement legislation and regulation, implemented by a newly established Central Procurement Unit
  
  o Establishment of an Internal Unit and Internal Audit Charter
  
  o Centralized Contract Management Unit to oversee the negotiation and management of commercial contracts

- We see PFM improvements as also having a role in securing the trust and confidence of Development Partners which is crucial in maintaining, if not increasing, financial assistance.

The redistributive effects of fiscal policies mean careful consideration must be given to the design of taxation reforms and social expenditure programmes.

On the revenue side:

- Our most recent taxation reform that began in the late 2000s, featured the redesigning of a progressive taxation system. High tax-free thresholds were introduced to reflect prevailing income levels at the time and in consideration of the cost of living.
• A presumptive tax was also introduced with several thresholds in favor of small – medium sized enterprises, most of which are operated by women in areas like mobile food canteens, handicraft, guest houses, lodges, etc.

• Enforcement of corporate tax remains a challenge due to capacity limitations, outdated technology and poor connectivity. However, smart use of existing resources was an important strategy whereby targeted audits of major taxpayers are being carried out to raise revenue collections and at the same time deter non-compliance.

• The introduction of the Tuvalu Consumption Tax is a response to Tuvalu’s obligation to lower its customs duties as part of regional trade agreements. We are aware of the regressive nature of direct taxation and we are monitoring this.

On the Expenditure side,

• It is our firm belief that investments in public education and health help reduce income inequality over the medium term and can enhance social mobility. The following are examples of social programmes introduced, including those targeting marginalized groups and they include:

  o Senior citizen scheme – a monthly cash transfer scheme for the elderly

  o Disability scheme – a monthly cash transfer scheme for people living with disabilities

  o Free education – government pay the salaries of all teachers and provide operational grants, from Pre-School to High School, regardless of school ownership. In return, schools are directed not to charge any fee on the students.

  o Free domestic health services for all citizens, as well as a referral Medical Treatment Scheme where government meets the full cost of tertiary treatments of eligible citizens

  o Fully funded academic scholarships at tertiary level

  o Credit guarantee scheme – allowing entrepreneurs access credit finance

  o Annual grants to Non-profit organizations including the Tuvalu National Council of Women
• But the government appreciates that spending more does not necessarily lead to the achievement of effective outcomes. Transparent and efficient spending is crucial. Quality assurance is required at all levels and at all sectors.

• On the issue of gender inequality, it is the ambition of the National Gender Policy to institute Gender Responsive Budgeting. Each ministry is required to incorporate a gender perspective throughout its planning and budgeting process and in the delivery of sectoral programmes and services.

Ladies and Gentlemen, this is a snapshot of our efforts in relation to Empowering people and Ensuring Inclusiveness and Equality through domestic resources mobilization, social accountability and public engagement and effective legal and regulatory systems.

As mentioned earlier, Tuvalu has come a long way however, it still needs a lot of efforts and actions to empower people, tackle inequality and achieve inclusive, sustainable development. It requires international efforts. More so for a Least Developing Country and Small Island Developing State like Tuvalu and many other. The unique development challenges we are facing makes resource allocation that much more difficult. Most importantly, the threat posed by natural disasters and the effects of Climate Change makes our economies so vulnerable and fragile. Increased financing from Development Partners will therefore be required to solidify our domestic efforts. Improved access by LDCs and SIDS to climate financing is also paramount and I call on the development partners to make it happen.

Thank you.