



H.E. BERETITENTI ANOTE TONG'S STATEMENT

(On Possibility of Kiribati Graduating from Least Developed Country Status

29 January 2015)

Chairman

Members of the Expert Group of the Committee for Development Policy

Partners, Observers, Friends

Ladies and gentlemen

Let me begin by conferring to you all best wishes in the New Year and warm greetings from Kiribati. *Kam na bane ni Mauri (May you be blessed!)*

I would like to thank the expert group of the Committee for Development Policy for providing me and my delegation with the opportunity to share with you the views of the Government of Kiribati on the issue graduation from the Least Developed Country Status. We see this process as very important which is why I have chosen to come personally.

Chairman

Today, I represent at this meeting, one of the most vulnerable members of this united family of nations and perhaps one the most vulnerable people on the planet.

Chairman

Decisions will be made in this room over the next few days concerning the future of our people, the very people who are on the frontline of the greatest challenges amongst Small Island Developing States and LDCs.

These decisions and the assessment provided to the Expert Group relies heavily on statistics. Yet, statistics and data does not tell us the whole story. Statistics can help provide a measure of the level of development of countries only when data is readily available, that data is accurate and up to date. This is often not the case in most LDCs, Kiribati included. Those statistics need to be contextualized with the actual situation on the ground. Yet we sometimes see a tendency to treat statistics and data with reverence, as an end in itself, forgetting that development as is graduation in this case, is really about PEOPLE.

I am advised that there are three criteria for graduation if a country passes two of the three; firstly GNI per capita, secondly the Human Asset Index and thirdly, the Economic Vulnerability Index, then that country is qualified for graduation.

Chairman

Our meeting today and the consideration for Kiribati to graduate from the LDC category, is based on the premise put forward by the CDP Secretariat that Kiribati has passed the first two criteria. This to me is good news; it is a very positive reflection on our national endeavours to improve the quality of life for our people, which we welcome.

I am however of the strong view that, the assessment on which graduation is recommended, does not accurately reflect the situation on the ground in Kiribati. Neither does it reflect recent developments internationally and within this family of nations. I am concerned that maybe we are not asking the right questions anymore about graduation, for countries like mine. All said, I think that at this time, graduation is premature and could very well serve to undermine our efforts towards sustainable development.

GNI Per Capita

- I agree that there is no argument that Kiribati is higher than the GNI per capita threshold of USD 1,242 averaged over the three years from 2011 to 2013. Nevertheless I would contest the proposition that Kiribati is more than twice the size of the GNI per capita threshold as shown by the CDP in their analysis. However I do agree with the World Bank figures on GNI per capita over the past three years which show an average of \$2,413. It should be noted that these figures are below the double of the threshold.
- I note that you have used UN statistics in your assessment (such as the UN Statistics Division National Accounts Main Aggregates Database), along with UNDP estimates of population (not the World Bank data).
- UNDP World Population Prospects (WPP) 2012 uses a population figures of 98,000 for 2010 census. From the Kiribati 2010 Population Census, the population of Kiribati was 103,058, significantly higher than the UNDP data. The UNDP WPP 2012 also suggests that the population growth rate between 2005 and 2010 was 1.55% but it was actually 2.2%.

- The UNDP population estimates for 2011, 2012 and 2013 would all be judged as incorrect since they operate on a population growth rate of 1.54%. Therefore we would argue that the CDP GNI per capita data is totally flawed.
- I would also agree with the UNCTAD assessment of the economic vulnerability profile on Kiribati that there is a double counting of the GNI and GDP data for Kiribati. I support the UNCTAD position that fishing license fees are a key counterpart of government wages and salaries in the measurement of GDP.
- As well, I would suggest that the addition of income derived from our sovereign wealth fund, the Revenue Equalisation Reserve Fund should not be counted as GNI as this income remains overseas and is not distributed to the people of Kiribati with the exception of when there are drawdowns on the fund.

Human Assets Index

- I would also contest the CDP position that 92% of the population of Kiribati are literate. The latest data shows that primary school enrolment rates were 74% in 2013. If primary school enrolments are so low then it is extremely doubtful that literacy rates would be higher than 80%. I would suggest that the UN adopts an international standard for the measurement of literacy rates so that there is consistency between countries.

Impact of Graduation

Chairman

Graduation portrays a message of “well-being and all being good and on track to sustainable development.” This cannot really be said of Kiribati.

One of the major losses that Kiribati faces if it does graduate is the loss of access to the LCDF. If Kiribati graduates from LDC status it will no longer have access to the LCDF. Kiribati has relied heavily on the LCDF for funds for adaptation projects. The Least Developed Countries Fund recognises the interconnectivity between development and adaptation and focuses on the need to reduce the vulnerability of key areas such as water, agriculture and food security, health, disaster risk, and coastal zone management. The loss of access to the LCDF will be significant for Kiribati. This has been downplayed in the CDP analysis.

Chairman

We are advised that graduation will also mean loss of funds from donor organisation for our health programmes for vaccinations, including the introduction of the Rota virus vaccine.

Rota virus is the most common cause of diarrhoea in Kiribati. Diarrhoea is the most common cause of death in children. A loss of these funds will have a major impact on the Kiribati health system, over and above existing health challenges which are many.

While most donors may not in the short term alter the development assistance funds going to Kiribati, particularly the major donors such as Australia, New Zealand and Taiwan, over the longer term, this may not be the case. Other donors such as the EU may downgrade assistance to Kiribati in the longer term as well. Specific UN agencies such as UNDP and UNFPA allocate funds for LDCs which will be unavailable should Kiribati graduate.

Over the longer term, donor governments may take the signal that graduation from LDC status is a sign of a new prosperity and could potentially redefine their limits of ODA assistance. While access to concessional finance provided by donor financing agencies may not be affected in the short term, it will be, in the long term because of this perception of new prosperity.

Chairman

It is also important to highlight that donor assistance in the past few years has increased markedly and this has had a direct impact on our GDP levels and economic activity. Reduction in donor assistance will in turn affect long term GDP.

Chairman

The biggest deficiency in the assessment of the impact of graduation, is the relative little importance accorded to the relationship between sustainable

development and the changes we are experiencing in our climate system. I am convinced that the snow storm that hit New York at a time originally planned for our meeting, happened for a reason.

It has served as a stark reminder to all of us of the crippling impact of environmental considerations on development...A reminder that we cannot talk about sustainable development without also addressing the change in our climate system especially when it poses existential challenges as it does for my people.

Chairman

Climate Change is one of the most singular challenges of this century, a challenge posing danger to all of us globally, if in varying degrees. In Kiribati, we are at the forefront of this global calamity with sea level rise posing the real possibility of our nation being uninhabitable within this century.

The science forthcoming from the IPCC AR5 has confirmed what we already know and are experiencing on the ground. ...our coastlines are fast being eroded with whole communities having to be relocated... more frequent flooding from king tides... sea water intrusion into our ground water lens and water supplies...we are seeing increasing water-borne illnesses and higher infant mortality rates and escalating resultant socio-economic costs... our limited resources are being stretched and our technical and institutional capacity grossly limit our adaptive capacity to address these challenges.

National funds for already high priority sectors such as health and education have had to be reallocated to adaptation to these emerging urgent needs. These

impacts are putting enormous pressure on domestic institutions, the national budget, and the sense of well-being of the people. These events will continue to get worse.

In my country, climate change is not a future scenario, it is something that we are struggling with today. Climate change is a threat to security and to survival in Kiribati and it confronts my people with an uncertain future.

The UN has recognized the special vulnerability of low-lying countries against climate change and during the 3rd International SIDS held in Samoa last year this was further emphasized. It poses a dilemma therefore that the graduation criteria should not have the vulnerability criteria as the paramount criteria for graduation if the very challenges associated with climate change are the reasons that impede development in these countries including Kiribati.

Chairman,

Climate change is an urgent global problem. Sadly, the pace of global action nowhere near matches the severity and urgency of the problem. We may be on the frontline now, together with other low-lying countries like Tuvalu, Marshall Islands, Maldives and Tokelau whose very existence is challenged by climate changebut so are the scores of millions of people in our region and around the world living in low lying coastal cities, towns and village communities.

Chairman,

The loss of support for attendance at UNGA and major UN funded meetings that comes with graduation means the limited capacity by Kiribati to advocate and share its story and concerns relating to this major calamity. We believe that

being on the frontline of climate change not only comes with a responsibility to our people to mobilise multilateral assistance to respond to this, but also a responsibility to the global community to share our story.

Chairman.

I would like to suggest that in the case of Kiribati that the vulnerability index is the key to its future development and that greater consideration should be placed on this index in providing a path for graduation in the future.

The value of discussions such as in this Expert Group Meeting will amount to nothing if this major challenge posing serious violations of the basic right of our people to development and to survive are not addressed as well in this process.

If

there is a challenge to sustainable development that we need to all work together on, including in this Committee, Climate Change IS THE ONE. I challenge this Expert Group to focus and catalyse global action to address this major challenge not only for us but for the global community. In this connection together with the reasons stated earlier, I submit the case of Kiribati that, it is premature for us to graduate from LDC status at this point in time.

However, we would be pleased, once the 2015 Population Census has been done and a better assessment of literacy rates and other crucial statistics can be made, that we then to revisit the question of graduation, with the possibility of a

further review in 2018 after a road map has been constructed. Climate change and its impact on Kiribati and its people need to be featured into this road map.

To conclude, I wish to bestow upon you our Kiribati traditional blessings of Te Mauri Te Raoi ao Te Tabomoa. (Good Health, Peace and Prosperity to you all.)