

Resource Mobilization for Sustainable development in Tuvalu

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Outline

- Facts about Tuvalu
- What is Resource Mobilization
- Strategic Plans and Policies
- Remittances
- Financial Institutions
- Sources of domestic and international financial resources
- Major donors/development partners of Tuvalu
- Current situation of resource mobilization in Tuvalu - challenges
- Opportunities to mobilize more resources for sustainable development

FACTS ABOUT TUVALU



- Geographic isolation

- Heavily dependent on aid

- Vulnerable Environment- prone to climate change

- Limited Capacity

- Narrow economic base

WHAT IS RESOURCE MOBILIZATION

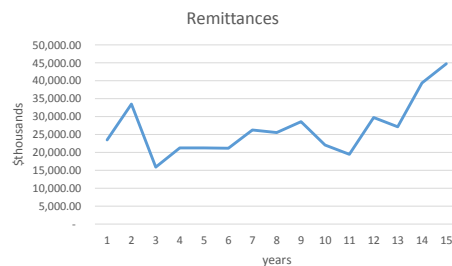
- Pulling together of resources from all sources, domestic and international, public and private, the facilitation of trade, the development and transfer of reliable, affordable, modern technology on mutually agreed terms, capacity-building assistance and enabling institutional and policy environments at all levels and continued international support to achieve internationally agreed goals (Boland, 2005)

National Strategic Plans and Policies

- Strategic Plans/ National Development Plan- TE Kakeega III (2016-2020): contains 12 priority areas:
 1. Health and Social Development
 2. Falekaupule and Island development
 3. Private Sector Development, Employment and Trade
 4. Education and Human Resources
 5. Natural Resources
 6. Infrastructure and Support Services
 7. Environment
 8. Migration and Urbanisation
 9. Ocean and Sea
- Road map
- Corporate plan
- Sectoral Policies
- These are all aligned to the Istanbul Programme of Action in LDC, 2030 Agenda and the SDGs

Remittances

- Seafarers working in merchant vessels, however there's a drop in the market recently
- Migration remittances
- Seasonal workers in Australia and NZ- diversification of opportunities from fruit picking to other sectors such as Tourism and Hospitality



Financial Institutions

- National Bank of Tuvalu

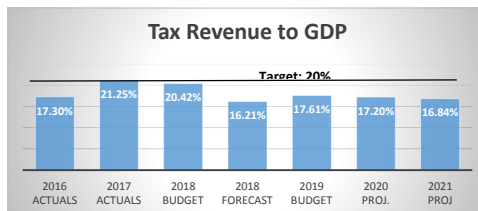
- Development Bank of Tuvalu



- Limited access to financial services- there is an inequality of accessing financial resources- mostly working individuals are eligible to loan
- Non existent of modern financial technologies such as online banking, credit card facility
- Small pools of funding available for lending
- Limited loan schemes for SMEs

Sources of domestic Financial Resources

- Revenues collection through government charges-selling of our sovereign rights ie,.tv-7.1%, fishing licenses- 30% of all the income received
- Revenues collection through government investment
- Revenues collection through taxation



Example of source of domestic resources

- Fisheries mission is to *maximise social and economic returns to the people of Tuvalu through the sustainable management and wise use of Tuvalu's living marine resources.*
- Revenues collected from fishing licenses would therefore be mobilized to support important sectors such as Education and Health.



Government's revenues from Fishery licenses now accounts for 49% of all income.

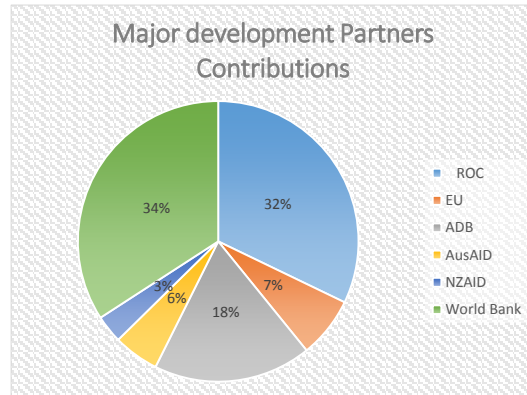
Source:
<http://www.tuvalufisheries.tv/tag/revenue/>

Sources of External Financial Resources

- From Overseas Development Assistance (ODA)
- Externally funded projects are expected to total to \$143 million in 2019. Among others are:
 - ❖ Australian In-Service Scholarships costing \$1.6 million funded by DFAT.
 - ❖ New Zealand In-Service Scholarships costing \$5.4million funded by MFAT.
 - ❖ The Energy Sector development project funded by World Bank costing \$11.8 million.
 - ❖ The Outer Island Maritime Infrastructure Project funded by ADB amounting to \$37.2 million.
 - ❖ The continuation of the World Bank Aviation Project totalling to \$11.2 million
- Climate finance- received already \$36 million from GCF for the Tuvalu Coastal Adaptation Project (TCAP)
- Accreditation Application as a National Implementing Entity to Adaptation Fund of an amount of \$10m is still undertaking

Major donors/development partners of Tuvalu

- DFAT (Australia)
- MFAT (New Zealand)
- Asia Development Bank (ADB)
- EU
- World Bank
- ROC



Thus, ODA is still the most source of external financing for Tuvalu- contributing to about 34 percent of the National budget for 2019

In kind contributions from donors/development partners

- Cash/grants/concessional loans- government projects
- Goods- disaster relief goods, equipments- particularly on waste and health sector
- Services- technical assistance, specialist team visit from overseas
- Trainings- exchange programs, scholarships

STATUS QUO

- Tuvalu remains a special case for sustainable development in view of its unique and particular vulnerabilities thus remain constrained in meeting its goals.



Source: Tuvalu climate change: [tuvalu+climate+change&source=lnms&tbn](https://www.inms.gov.tl/tbm)

Current situation of mobilization resources- Challenges

- Lack of capacity
- Poor coordination
- Poor Internet Connectivity
- Higher airfares
- Lack of Foreign Investment
- Remote Islands
- No proper infrastructure
- Aid Volatility
- Prone to Climate change and natural resources
- Limited access to financial institutions and resources
- Political Instability
- Complex application procedures of Climate Finance Mechanism thus delays Tuvalu's app. to directly access to climate Finance.

Opportunities to mobilize more resources for sustainable development

- Strengthened Country ownership and leadership
- Strengthened Government Institutions and Processes
- Strategic Plans with clear objectives- eg: long term investment on resilient infrastructure, roads, national carrier, foreign direct investment
- Political will and support
- Better coordinate between line ministries
- Capacity building
- Tax reforms
- Continued support from development Partners through effective negotiation between Bilateral and Multilateral Partners
- Leverage revenue opportunities- contract management

Thank you