

TUVALU

Follow-up of the Implementation of the Istanbul Programme of Action for the Least Developed Countries, 2019



**Ministry of Finance
Government of Tuvalu**

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ACRONYMS

ART	Antiretroviral Drugs for Treating and Preventing HIV
ADB	Asian Development Bank
CAF	Climate Adaptation Fund
CIF	Consolidated Investment Fund
CDDC	Commodity Dependent- Developing Country
CDP	Centre for Development Policy (ECOSOC, UN)
CEDAW	Convention on the Elimination of All forms of Violence against Women
CRC	Constitutional Reform Committee
CSD	Central Statistics Division
DTIS	Diagnostic Trade Integration Study 2016 (DTIS 2016)
ECCE	Early Childhood Education and Care
ECE	Early childhood education
EEZ	Economic Exclusive Zone
ESDP	Energy Sector Development Project
APG	Associated Petroleum Gas
PILON	Pacific Island Legal Officers Network
RRRT	Regional Rights Resource Team
IPU-UNCAC	International Parliamentary Union- United Nations Convention against Corruption
IRG	Implementation Review Group
SPLA	South Pacific Law Association
FAD	Fish Aggregate Device
FASNETT	Facilitation of the Achievement of Sustainable National Energy Targets of Tuvalu
FDI	Foreign Direct Investment
FIFB	Foreign Investment Facilitation Board
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility (GEF)
GHG	Green House Gas Emission
GPI	Gender Parity Index
GSHS	GSHS Global School-based Health Survey
HIES	Household Income and Expenditure Survey
HRM	Human Resource Management
ICT	Information, Communication Technology
ISMs	International support measures (ISMs)
IMTS	International Merchandise Trade Statistics
ISP	Island Strategic Plan
ITU	International Telecommunication Union
IPOA	Istanbul Plan of Action
IWRM	integrate water resource management (IWRM)
LDC	Least Developed Country
MEYS	Ministry of Education, Youth and Sports
MCS	Monitoring Control and Surveillance
MICs	Multiple Indicator Cluster Survey
MICRO	Tuvalu Maritime Investment in Climate Resilient Operations Project
MOH	Ministry of Health

MTCC	Maritime TCC - SPC
NACCR	National Advisory Committee on Children's Rights
NAFICOT	National Fishing Corporation of Tuvalu
NCDs	Non-Communicable Disease
NER	Net enrolment rate
NTDS	National Tourism Development Strategy 2015-2019
NTP	National Trade Policy
NTSC	National Trade Steering Committee
PAC	Pacific Access Category (PAC)
PACER+	Pacific Agreement on Closer Economic Relations
PICTs	Pacific Islands Countries & Territories
PILNA	Pacific Island Literacy and Numeracy Assessment
PMH	Princess Margaret Hospital
PIPSO	Pacific Island Private Sector Organization
RE	Renewable Energy
RSE	Recognized Seasonal Employment
RUDD	Rural & Urban Development Department
SDG	Sustainable Development Goals
SOE	State Owned Enterprises
SPC	Secretariat for the Pacific Community
SRH	Sexual and Reproductive Health (SRH)
SWP	Seasonal Workers Programme
TASMP	Tuvalu Agriculture Strategic Marketing Plan 2016–2025
TB	Tuberculosis (TB)
TEC	Tuvalu Electricity Corporation
TESPIII	Tuvalu Education Sector Plan III 2016-2020 (TESPIII)
TFSP	Tuvalu Fisheries Support Programme
TKIII	Te Kakeega III – National Strategy for Sustainable Development (2016-2020).
TMTI	Tuvalu's maritime training Institute
TMTS	Tuvalu Medical Treatment Scheme
TNCP	Tuvalu National Culture Policy
TNPSO	Tuvalu National Private Sector Organization
TPF	Tuvalu Trade Policy Framework 2016
TTC	Tuvalu Telecommunication Cooperation
TTF	Tuvalu Trust Fund
TuEGRA	Tuvalu Early Grade Reading Assessment
TuFHA	Tuvalu Family Health Association
TVSD	Technical Vocational Skills Development (TVSD)
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNCRC	United Nations Convention on the Rights of the Child
UNCRPD	United Nations Convention on the Rights of Persons with Disabilities
UNCAC	United Nations Convention Against Corruption

Country level review of the Implementation of the Istanbul Programme of Action (IPoA) 2011-2020

I. EXECUTIVE SUMMARY

This report provides comprehensive information and analysis of progress in the Implementation of the Programme of Action for Least Development Countries for the Decade 2011-2021 (Istanbul Programme of Action -IPOA), covering areas for action and overarching goal of enabling graduation from the LDC category. This report includes key decisions and actions by Tuvalu on the implementation of the IPOA. Further, the report presents highlights of activities by other stakeholders, including civil society, entities of the UN, donors and the private sector. The report also builds on Tuvalu's LDC 2016 Report.

As a Small Island Developing State, the biggest and most pressing challenge arises from extreme exposure to climate change and natural disasters and climate change induced weather events. This is exacerbated by the country's small geographical size, small population, remoteness and extreme vulnerability to external shocks. With weak productive capacity, limited agriculture sector, underinvestment in rural development and youth, and heavy reliance on primary commodity (fish) given its price volatility, Tuvalu is marginalized in global trade. Tuvalu's vulnerability is further constrained by limited connectivity, small private sector, with government being the largest employer, and emerging education and health challenges.

The Government of Tuvalu has adopted the 2030 Agenda into its national strategic sustainable development plan 2016-2020 as a framework to guide the SDGs implementation¹. Equally important, much of the IPOA targets are in many ways reflected in the sector strategies and work programmes, but government departments may not be cognizant that its aligned. Similarly, the Government has made significant progress in conducting extensive consultation with the outer island communities on the SDGs targets to raise awareness and its integration into the Island Strategic Plan (ISP) process for each of the Island communities.

Tuvalu has articulated its commitment to mainstream climate change, gender equality and good governance into the development framework and sectoral policies, but the confronting challenge it faces is limited resources especially staff to work on these cross-cutting issues, coordination arrangements, legislation and awareness of climate change and its impacts.

The key concern for Tuvalu is that graduation will mean the withdrawal of LDC specific international support measures (ISMs) which includes modalities and access to certain concessional finance instruments and preferential market access for exports and the allocation of aid and climate finance. To ensure that this does not disrupt graduates' development progress, smooth transition measures remain critical. Graduation must be anchored in a long term of structural transformation and aligned to national development goals and plans. Tuvalu calls for a more detailed analysis of the consequences of graduation is needed in order to prepare a smooth transition strategy.

Tuvalu's development partners have contributed actively to the implementation of action areas under the Istanbul Programme of Action, individually or through a range of joint programme and activities. In the same way, development partners also provide budget support enabling Tuvalu to deliver its national development strategies and strengthen its financial management systems.

¹ Auditor General Report on Tuvalu's Preparedness for the Implementation of the SDG, 2018

The Government acknowledges the need to strengthen its engagement and coordination of development partners, to ensure that key deliverables reflects Tuvalu's priorities and are result focused. Equally, the design of Tuvalu next national strategic development plan (TK4) will espouse the vision of ***“Improved quality of life and strengthened family unit, and community order that ensures that Tuvalu people remain healthy, happy, secured, prosperous and live a peaceful life”***. It is anticipated that the approach will focus on increased information exchange, improved coordination of activities and coherence across government on development priorities.

II. INTRODUCTION

Located approximately 1,100 km north of Fiji, Tuvalu consists of nine inhabited low-lying island atolls and scattered 500,000 square kilometers of the western Pacific. The total land area is around 26 square kilometers and all of the islands are less than 4 meters above sea level. The islands are made up of young, poorly developed, infertile sandy or gravel coralline soil – soil is of poor quality supporting limited variety floral – this explains the limited agricultural development on the atoll country. The island is in most places less than 75 meters wide, which provides limited space for any development. Tuvalu's nearest neighboring states (more than 1,000 km away) are Kiribati to the North and Fiji to the South, and 3,500km from its nearest major market of New Zealand.

These geographical features have considerably exposed Tuvalu to the impacts of climate change. Storm surges, king tides and floods are common occurrences. These have intensified due to changes in weather patterns, and sea level rise (estimated by some at about 5 mm/year).

Fongafale, the main island within Funafuti atoll, is the capital and where over 50 percent of the country's population of 11,000 live. It is also where the country's hospital, primary school, a branch campus of the University of the South Pacific (USP), radio station, main port, international airport as well as most of the businesses are located.

The runway of Funafuti International Airport (FUN), is located at the widest part of Fongafale (about 650m), covers around one third of the whole island and plays a key role in connecting Tuvalu to the region. Unlike most other Pacific Island Countries, which predominantly rely on their airports for bringing tourists into their countries, FUN is Tuvalu's strategic lifeline. Tourism accounts for roughly half of all arrivals, however, given the shortage of work opportunities in Tuvalu there is significant migrant work culture reliant on air-services to reach work destinations. Travel for education, health and family connections are also common.

Access fees have formed an important part of Government revenue for many years, and with the introduction of the Purse Seine Vessel Day Scheme (VDS) in 2010, these has been a sharp rise in fish license income which now account for more than half of Government revenues. Revenues collected from fisheries access increased from approximately AUD10 million in 2012 to AUD13.6 million in 2014 to the current situation in which annual revenue is more than AUD30 million. The 2019 budget reports that Tuvalu has enjoyed an unprecedented six consecutive years of economic growth 'on the back of increasing revenues from fishing licenses and back-to-back infrastructure projects that were-funded and administered by development partners.'

The Tuvalu Trust Fund (TTF) provide a source of recurrent revenue to the Government of Tuvalu. The Fund was invested on 21 August 1987, with an initial value of AUD27.1 million of which AUD1.6 million was contributed by Tuvalu, AUD 8 million by Australia, A\$8.3 million by New Zealand, \$8.5 million by

United Kingdom, AUD0.7 million by Japan and A31,000 by South Korea. Since inception, the Fund has been receiving additional contributions from the parties to the Fund.

In November 1993, the TTF Board of Directors endorsed the initiative of the Tuvalu government to create a buffer account, the Consolidated Investment Fund (CIF). The CIF was created based upon the need to provide a mechanism for holding distributions from the TTF until such time as they were required. The CIF belongs entirely to the Government of Tuvalu as opposed to the TTF which is managed by the Board in trust for the people of Tuvalu and governed by an International Agreement.

Since 2016², the Fund has been able to contribute to the financing of the recurrent budget to allow Government to perform its normal functions effectively and efficiently without incurring debit interests. This stream of funding allows the Government to fund its infrastructure development, scholarships and medical treatment scheme among its other priorities highlighted in the 100 days plan and the Four-year plan.

Report preparation

In preparing the report the Ministry of Finance requested all key stakeholders in all Government agencies to provide an assessment of their respective sectors against the report guideline. Ministries were encouraged to use statistics to report on progress and in the absence of data, a qualitative assessment may be provided. It was evident from this process, the weak link between national development priorities and the ministries' planning process and the annual resource allocation discussion.

The major challenge with the report preparation is the lack of quality disaggregated data for an informed judgement on achievement or lack of in relation to targets. This report highlights several data gaps, but not restricted to; absence of data on gender equality, development finance. There is also a lack of data about children with disabilities, other vulnerable groups, and out-of-school-youths.

III. THE NATIONAL DEVELOPMENT PLANNING PROCESS

The Government of Tuvalu has adopted the 2030 Agenda and the Samoa Pathway in its national strategic sustainable development plan 2016-2020, known as the Te Kakeega 3 (TKIII). This provides the framework to guide the SDG implementation. The TK III's strategic area 13 has established a mechanism to monitor, follow up, review and report on progress towards TK III and SDGs implementation. However, a draft performance audit report on the preparedness of Tuvalu to implement the SDGs suggests that there is limited monitoring, follow-up, alignment, and reporting at the ministry level. This will impede the ability of government to implement the SDGs.

The Government, is committed to developing the next development plan Te Kakeega 4 (TK4), and new priorities have been pronounced by Government through its Vision and policy direction underpinned by the goals of poverty alleviation, social inclusion, improved resilience, vulnerability and financial stability. Tuvalu is also committed to the SDG Voluntary National Reporting now scheduled for 2021, and ensuring that lessons learned from these reports are reflected in the design of the next development plan, TK4.

² In 2016, government approved a total of \$8.5 million to finance its recurrent budget and redeemed it from the CIF. In 2017 a total of \$6.5 million contributed to the 2017 and in 2018 it was \$7.9 million

IV. Assessment of progress and challenges in the implementation of the Istanbul Programme of Action for the Decade 2011-2020

a. Productive capacity

Tuvalu's remoteness, narrow production base and weak banking sector constrain private sector activity, leaving public expenditure as the main source of growth. Since joining the IMF in 2010, Tuvalu's macroeconomic performance has improved. Over the last 6 or so years, Tuvalu has maintained macroeconomic stability. In 2015, the economy grew by 2 percent and rose to approximately 3.5 percent in 2016 and tapered to 3.2 percent in 2017. The growth since 2016 was driven largely by externally financed infrastructure (airport, energy, landfills) and housing projects in preparation for the Polynesian Leader's Summit in 2018 and the Pacific Leader's meeting in 2019.

Since 2014 Tuvalu has received substantial income from fishing license fees largely driven by higher vessel day prices and a strong El Nino event in the region. This is accompanied by an increasing expansionary fiscal policy leading up to the Leaders' meeting.

While the proposed spending is affordable and the medium-term economic outlook remains positive, maintaining fiscal sustainability in an environment of unpredictable revenue sources— in view of the importance fishing license fees—remains a key challenge for the government.

To mitigate the risk of a downturn in revenue, the government has been rebuilding its fiscal buffer through the Consolidated Investment Fund (CIF). In 2016, Tuvalu reinvested its Trust Fund earnings of around AUD4.7 million back into the fund as a commitment to grow the minimum maintained balance to AUD200 million by 2020. In its effort to build resilience into the budget, Tuvalu established the Survival Fund to provide future security of the people of Tuvalu against climate change and natural disasters by providing financial assistance. The Survival Fund stands at AUD 9 million as of 2019.

In recent years, inflation has fluctuated substantially. Over the period of 2011-2018, inflation has decreased hovering at around 5 percent in 2018, explained by higher food and transportation prices. Reserve coverage is broadly sufficient at 9 months of imports at the end of 2017 (World Bank).

Fisheries

Tuvalu's Exclusive Economic Zone (EEZ) extends over more than three quarters of a million square kilometers and is more than three hundred times the land area. Located in the east of the main equatorial tuna fishing grounds, Tuvalu EEZ supports substantial purse seine and longline fisheries. The fishing sector has experienced increasing growth from 2013-2017, at around a 22 percent growth. This is accounted by substantial increases in fishing revenue over the recent past reaching around 50 percent of GDP in 2017. This an increase from 15 percent of GDP in 2011, and accounts for almost 60 percent of total fiscal revenue. With the receipt of a one-off payment from a sub-regional pooling scheme, fishing revenue exceeded 70 percent of GDP in 2018. However, it should be noted that fishing revenue remains a volatile income source.

Access fees have formed an important part of Government revenue for many years, and with the introduction of the Purse Seine Vessel Day Scheme (VDS) in 2010, these have risen sharply and now account for more than half of Government revenues. Revenue collected from fisheries access license increased from AUD10.2m in 2012 to AUD\$13.6m in 2014 to the current situation in which annual revenue of more than AUD\$25m is collected annually³.

Recognizing the importance of fishing revenue and its volatility, Tuvalu is committed to sustainable management of oceanic fisheries resources through regional cooperation and compliance with regional

³ GoT National budget

commitments and a strong and innovative Monitoring Control and Surveillance (MCS) programme⁴ Further Tuvalu will sustain economic benefits from tuna fishery by maximizing access fees, while developing other economic opportunities including employment.

The IMF article IV mission encourages closer coordination between the Tuvalu’s Ministry of Finance and the Fisheries Department in order to strengthen the revenue forecast given the complexities around the vessel day scheme under the regional arrangement. Similarly, Tuvalu is committed to continuing regional cooperation and collaboration to enhance the region’s negotiating power to sustain fishing revenue in the medium term.

Energy

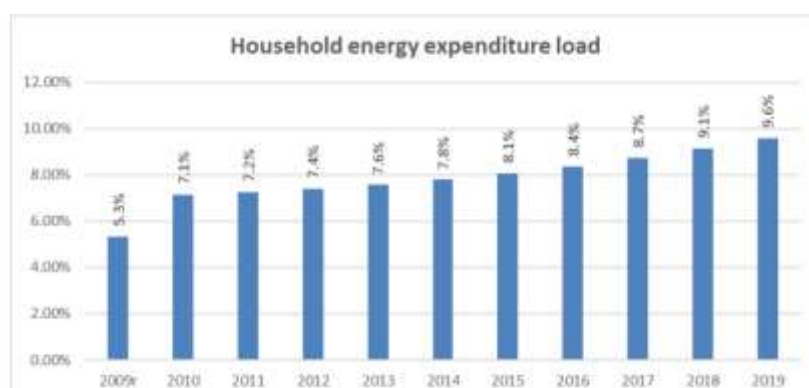
Tuvalu is one of the Pacific countries who has achieved 100% access since 2017, in line with SDG 7.1 on access. For the period 2013-2017, the electricity sector experienced a slight growth of 0.7 percent, explained mainly by the increasing trend in renewable installation by the Tuvalu Electricity Corporation (TEC)⁵. The trend in 2019 is expecting a decrease in growth. The transport sector particularly maritime shows significant growth of 15 percent from 2013 to 2017. For the same period, the road transport sector continues to increase use to around 63 percent and the fishing sector growth reflecting 22.1 percent.

The kerosene consumption for international aviation also show considerable increase between 2013-2017 by 66 percent. This is explained largely by the increase in international flights to Tuvalu. Tuvalu’s access to modern and clean cooking energy sources is around the 54 percent with Funafuti at around 85 percent and the outer islands standing at around 22 percent.

In spite of achieving universal access to electricity, Tuvalu is heavily reliant on imported petroleum products for transport, electricity generation and household use such as cooking and lighting. The high fuel prices and fluctuations impact heavily on businesses and households and undermine growth and food security, especially the most isolated outer islands. The tariffs are largely insufficient to recover current operating costs and there is no provision for capital works or unexpected maintenance. The heavily reliance on fossil fuel consumption in Tuvalu is illustrated in Figure 1 (below).

Tuvalu’s electricity generation from 100% diesel to 100% renewable energy by 2030

Figure 1: Household Energy Expenditure Load – Share of household income spent on cooking fuel, electricity and transportation fuel



Source: HIES 2010, 2015/2016, Non survey years – SPC estimates, Energy Situation Analysis

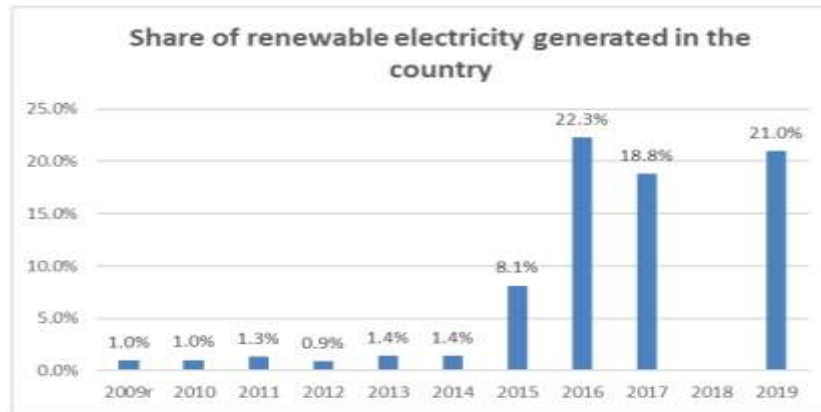
⁴ Fisheries Corporate Plan 2020-2022

⁵ Tuvalu’ national energy supplier

Tuvalu’s Renewable Energy Master Plan 2012-2020 articulates Government’s vision to enhance energy security by reducing its dependence on imported fuel for power generation and achieving 100 percent renewable energy for all its power generation by the end of 2020 and increase energy efficiency in Funafuti by 30 percent.

Since 2013, the Government of Tuvalu accelerated investment flows in sustainable energy, shifting from fossil fuel-based power generation to renewable energy. This is demonstrated in the rapid increase in renewable energy in the country expected to reach 21 percent in 2019 (refer to Figure 2). While Tuvalu is receiving substantial support to accelerate its effort to achieve its renewable energy target, it will not fully achieve its target by 2020. In spite of this Tuvalu is committed to working toward this target and recently announced that the time to achieve the target is extended to 2025.

Figure 2: Share of renewable electricity generated in the country



Some of the key renewable energy highlights includes the establishment of the Renewable Energy and Energy Efficiency Unit within TEC, to assist with moving towards meeting its energy targets. Further, the World Bank provided support through the Energy Sector Development Project (ESDP) to support a reduction on imported fuel for electricity generation through investment in renewable energy development and increasing the efficiency of energy supply and use. This support also includes improving the capacity of the Government of Tuvalu and the national energy supplier (TEC), to better manage energy delivery.

In 2018, Tuvalu with the support of the United Nations Development Programme (UNDP), accelerated its effort to realize its renewable energy target, through the Facilitation of the Achievement of Sustainable National Energy Targets of Tuvalu (FASNETT), plans to improve awareness and attitudes towards sustainable renewable energy and energy efficiency technology applications in the public, commercial and energy sectors, support to establish a coherent and integrated implementation of enhanced policies regulations and projects on energy development and utilization.

ICT

Tuvalu is one of the least connected countries in the Pacific region in 2018. Internet reached was estimated at around 57 percent⁶ an increase from 35 percent in 2014. Despite this progress, Tuvalu will

⁶ ITU statistics

not meet the universal access to Internet for LDCs by 2020⁷ The access to ICT services is summarized in the Table 1 below.

Table 1. Access to ICT Services, 2018 (% of population)

Service	Fixed Lines	Fixed (ADSL) Internet	Mobile (2G) (active)	Mobile 3G/ 4G (active)
% population	11.0	3.0	0	25.0
Number of Active Subscribers	1,200	105 (Business & Residential)	0	2,800

Source: TTC

In recent years, Tuvalu has experienced significant development in mobile broadband connectivity. In 2018, 4G mobile internet services and 3G mobile voice services is accessible only in Funafuti, while the remaining four islands have 2G service of intermittent operation and low quality. Since the shutdown of the 2G services, the outer islands have migrated to 3G services.

Government's owned provider Telecommunication Corporation (TTC)⁸ provides fixed and mobile voice, fixed broadband, Wi-Fi hotspot and both 3G and 4G mobile internet. All outer islands (except Niulakita – population 30) are served with fixed location services (i.e. customers must go to a dedicated location to use the service). Fixed voice services to individual premises are limited to two of the nine islands (Funafuti and Vaitupu)

Given the size of Tuvalu the provision of these services is costly and of variable quality. The condition of the infrastructure and quality of services both on the main island (Funafuti) and on the outer Islands is poor. On Funafuti the fixed line (copper cable) network needs frequent repairs and its envisaged that copper cables will be pulled out by 2020 due to poor condition and costs of maintenance.

The very small population and low GDP of Tuvalu has limited the potential for private sector involvement. The ICT market is also highly fragmented with scattered islands and some 40 percent of population living in the outer Islands outside of Funafuti. These outer islands represent only about 25 percent of the total revenue from the national market due to the lower disposable income of the population on the islands. The vast distances and lack of economical transportation services are significant contributors to the high operational costs in Tuvalu. All these factors have contributed to a perpetuating cycle of limited services, high prices, low revenues and ongoing Government subsidies and financial support.

Despite the slow growth, the expansion of mobile-broadband access in Tuvalu is a result of effective partnerships between government and number of development partners such as ITU and other regional agencies.

The New Government's vision and policy directions (2019) recognises the need for more affordable and reliable internet services and its intention to accelerate reforms in the ICT sector so the people of Tuvalu can access a sound and efficient telecommunication services that would provide e-commerce; telemedicine and e-learning.

To enhance internet connectivity and work towards meeting the universal internet access, the Government of Tuvalu in partnership with the World Bank, is investing in a submarine cable system to connect Funafuti atoll to the international optical fibre network. This is planned to run from 2019-2023 The Project will address the physical connectivity infrastructure and the enabling environment needed to

⁷ Target 9.c of the SDGs

⁸ TTC is a very small entity with limited business, marketing and services delivery competencies, low international and national access capacity

support the implementation of a public-private partnership structure ownership, management and operation of connectivity infrastructure. This is expected to create significant potential for sustainable development by increasing the flow of information and access to education, finance, health and other services.

Transport, Trade and Connectivity

As a remote and import dependent island, Tuvalu’s competitiveness is restricted. As international air service is limited and shipping is crucial for Tuvalu’s economic and social development. In the absence of domestic air services, Tuvalu relies solely on inter-island vessels for the movement of its people and goods around the eight Islands, and connecting people with the key social services available in Funafuti.

The government-owned and operated ships services the outer islands and intermittently Fiji. Therefore, each island has access to these ships once in 2-3 weeks. The costs associated with shipping services and maintaining the conditions of the vessels has been a major expenditure outlay for the national budget.

The diesel consumption of maritime transport shows significant growth of 15 percent from 2013 to 2017 (Figure 3). To make shipping safer and more efficient, Tuvalu is committed to developing its local capacities to understand latest development on new technologies, tools and methods available to monitor and reduce energy from the operations of ships in Tuvalu in order to contribute to national efforts to reduce GHG emissions – actions which Tuvalu plans to continue progress towards safe and energy efficient shipping includes: capacity building, implementation of laws and standards and gaining access to new technologies.

Figure 3: Fuel Consumption by Section Trend 2013-2017



Source: SPC, 2018 data collection mission for Policy Review Source – Fuel price monitoring data, Department of Energy

To improve transport connectivity, facilitate trade and provide affordable services to its people, in the last 10 years, Tuvalu has accelerated its effort to improve transport infrastructure. With the support of its development partners, Tuvalu has made considerable progress in the improvement in aviation related infrastructure. This is seen in the completion of its airport terminal and control tower; provision of air traffic control equipment and, satellite communications network and the rehabilitation of its runway. In spite of this development, in the last 10 years, Fiji Airways has not increased its number of services between Suva and Funafuti. In 2018, Air Kiribati commenced a weekly flight between Tarawa and Funafuti.

To improve peoples' livelihoods and safety - through effective partnership⁹ –Tuvalu has invested in safe, reliable and sustainable maritime transport system. In 2017, through the Outer island Maritime

⁹ Partners are ADB and the World Bank

Infrastructure project, Tuvalu has commenced the construction of small-scale harbor in the outer islands and improving operational capacity on the island of Nukulaelae¹⁰. This is the first island prioritized for the construction of small scale maritime ports facilities. This is to be followed by rehabilitation of boat ramps in the islands of Nanumaga and Niutao. This improvement is expected to bring about more resilient ports, safer passage for people and less risk of goods being damaged. In the design of the infrastructural works, climate resilience is incorporated into the design and operations, and access needs for people living with disability and elderly.

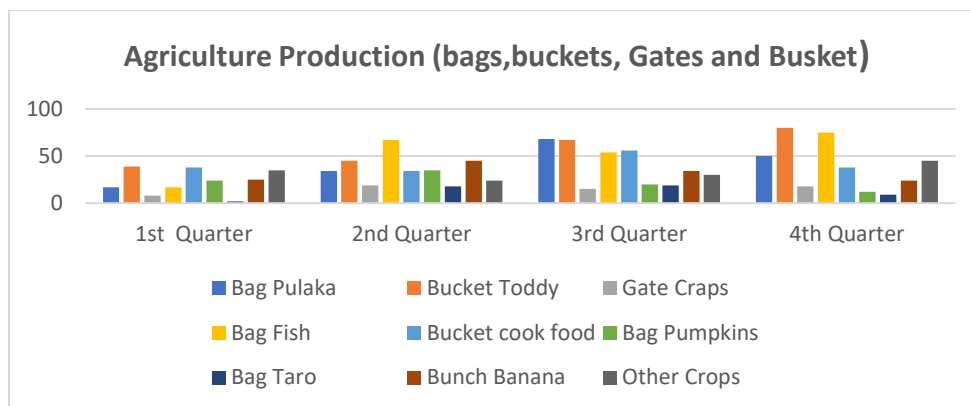
b. Food Security - Agriculture

Tuvalu’s agricultural sector is characterized by harsh physical environment, poor soil quality and small land area. This is intensified by very high population density, especially on the island of Funafuti, declining outer island population and lack of interest in traditional farming and limited local market access.

The sector’s contribution to economic growth is small as Tuvalu is regarded as an ocean state, where its ocean area is expansive and marine resources represents a major part of national income. Subsistence farming and fishing continue to be important for food security, sustainable livelihoods and for national economic growth.

Urban Funafuti area is heavily dependent on imported foods such as meat products, fruit, bread and cereals root crops, fruits and vegetables (56% of food consumption), while the rural areas its mainly fish and sea food is the main food category¹¹. At the national level, approximately 29 percent of the value of food consumed is produced. Approximately 92 percent of urban households purchase food they consume. For the outer islands around half (49%) of the value of food consumed is home produced¹².

Figure 4: Agriculture Production shipped to Funafuti (bags, boxes, bucket, gate, Bunch), 2018



Source: Department of Agriculture, 2018 Annual Report

Data from the Department of the Agriculture indicates that outer islands continue to provide local foods to urban Funafuti. In 2018, data collected on agriculture production shipped from the outer islands to Funafuti is presented in Figure 4. The three main foods transported to Funafuti includes fish, bananas and toddy. No data is available to indicate whether the food is sold on the market or meet family needs.

¹⁰ Approximate population of 253 (population mini census 2017)

¹¹ Tuvalu HIES 2016

¹² ditto

At a national level, the highest proportion of total income from salaries and wages, only 8 percent is derived agriculture, forestry and fishing. The main income and salaries of people is derived mainly from public administration (33%) and education, around 17 percent¹³.

Tuvalu Agriculture Strategic Marketing Plan 2016–2025 (TASMP) articulates the commitment by Government to revive domestic and international trade of locally produced agricultural products through domestic activities and trade arrangements. The Plan highlights the need to boost production of local farming, increased consumption of local foods to combat NCDs and farming as a source of income through trade. Similarly, the Plan emphasizes the need for a national policy on food security to provide the supporting framework for the successful implementation of the TASMP.

Through effective partnerships with agencies such as FAO and SPC, Tuvalu has continued to expand its effort to increase food security in Tuvalu through environmentally sustainable local food production. To increase food security through agricultural productivity, Tuvalu continues to place emphasis on its agriculture extension services to encourage and support the outer islands farmers' association explore opportunities through horticulture or livestock¹⁴.

To encourage youth in agriculture, Tuvalu, through the agroforestry farming scheme encouraged young people to participate in community planting of crops on their own land. Further the Government has invested in upgrading of soil maps of Tuvalu to assist farmers improve their understanding of soil and make informed decisions on sustainable farming practices. Other measures have included the construction of a nursery house to store plantings materials, propagating of tradition crops, raising tissues culture plant, and compost production. In recent years, Tuvalu has invested in vegetables and crop trial through the Garden of Hope, to propagate fruit trees, and producing multiplication of vegetable plants such as tomatoes. In partnership with international and regional partners, Tuvalu has demonstrated an improvement in Tuvalu's ability to distribute tissue culture to disaster affected areas.

Climatic events

To enhance vulnerabilities in agricultural development, the investment in tissue culture plant and storage illustrates effort by the Government of Tuvalu to prepare its communities to survive changing climatic hazards and their impacts. Responding to Tuvalu's Climate Change policy strategies, development partners have assisted Tuvalu strengthen adaptation measures to build the resilience of its communities to live a harmonious life. Some of these measures have included assessment and analysis of salt and/or heat tolerant food crops (such as *pulaka*) and tree species for coastal protection through re-planting programmes and other appropriate schemes.

Food security - Fisheries

Fisheries have always been central in the lives and well-being of the population of Tuvalu. With a limited land area and poor soils, the people of Tuvalu rely on fishing for their survival. Today, with a range of imported foods available, per capita consumption of seafood is one of the highest in the world, with average per head consumption at around 60kg (Tuvalu HIES 2015). Fisheries resources, is therefore essential for food security and health. Nearly all households engage in coastal fishing, and small scale commercial fishing supports the livelihoods of many who are not in formal employment.

¹³ ditto

¹⁴ Tuvalu, Department of agriculture, 2018 Annual report

Through the Fishery Support Program (2014-2019), Tuvalu has been able to ensure sustainable harvest of fish stocks; livelihoods and food security for its people, through improving the management of the lagoon and coastal fisheries resources. As coastal fishery is crucial for livelihoods and is essential for food security, there is evidence that subsistence fishing of the lagoon and reef fish is putting pressure on inshore resources. As a response, the Program supports the development of management arrangements and targeting of sustainable tuna stock to relieve pressure on lagoon species, particularly in Funafuti where more than half of Tuvalu's population live. Other measures include improving the management of coastal fisheries through comprehensive data collection and analysis and working closely with island communities to improve management of the resources and the broader ecosystem. This is to be complemented by effort to support to sustainable of small-scale fisheries for livelihoods, food security and healthier diets through training, fish aggregate device (FAD) deployment, safety at sea initiatives and building a larger class of vessel for offshore fishing.

The Government, through the Fisheries Department, will act as a responsible custodian of oceanic and designated inshore fishery resources and fisheries rights so that they generate national revenues and sustainable employment opportunities. The Department will also support the **Kaupule/ Falekaupule** local government to manage inshore fisheries to support livelihoods and provide local food security

Rural Development

Falekaupule and the **Kaupule**¹⁵ are the statutory institutions created to govern local communities through what is perceived to be the traditional way or culturally accepted practices. As Tuvalu society is increasingly more exposed, this undermines the traditional governance style when communities aspire to adhere to western business model. To assist the **Kaupule**, the Department of Rural Development¹⁶, amongst its core functions, assist the **Kaupule** promote economic and social development of communities throughout Tuvalu.

Through the 2019 national budget, the **Kaupule** - Island Councils, each received an additional AUD200,000, to their annual allocation of around AUD200,000 from the fish vessel day scheme, with additional grant from Government for administration and development purposes. This was a significant increase from previous years and the recognition by Government of the importance of local government in the development of the Islands.

Further, the Island communities also have access to their **Falekaupule** Trust Fund (FTF). The FTF¹⁷ was established in 1999 as devolution program to achieve the following objectives (i) to assist the acquisition and development of skills and self-reliance in the communities through local training; (ii) to enable the communities to acquire, maintain, and improve community assets and resources in order to further education and self-reliance; (iii) to fund community projects that improve the living conditions of the communities; and (iv) to increase the ability to generate revenue within the community for the good of the community. While the Fund is intended for development purposes, the results have been poor in achieving development objectives for the islands. The poor performance is explained by weak supervision and monitoring. A number of initiatives by the Rural & Urban Development Department (RUDD) is ongoing to improve the capabilities of local government to better manage their resources.

¹⁵ *Kaupule* is the local government body managing the island's business affairs, essentially the executive arm of the Falekaupule

¹⁶ The newly elected government in September 2019, reorganized the government departments and renamed the Department of Rural Development to the Department of Local Government under the Ministry of Local Government and Agriculture.

¹⁷ The FTF is managed by the Representatives of the local councils (Falekaupule) and the Government of Tuvalu. The Fund is financed by the contributions of the outer islands and matched by the Government.

Since 2016, the Island community grant through RUDD, has provided significant support to strengthen the **Kaupule** offices in developing good governance training for **Kaupule** representatives; housing development projects and incoming generating activities such as building of pig pens. Its difficult to determine whether the development projects were effective in meeting the project objectives in the absence of a monitoring and evaluation framework.

Through the Local Climate Change Adaptive Living (LoCAL), local government has been an instrumental body in advocating for climate change resilient communities and economies by increasing financing for investment in Climate Change Adaptation (CCA) at the local level. These have included CCA mainstreamed into government planning and budgeting systems; increased awareness and response to climate change at the local level and lobbying for increased amount of CCA finance available to local government to assist in their effort to improve the vulnerability of their communities.

c. Trade

Tuvalu is comparatively an open economy with a protracted structural trade deficit with trade consisting almost entirely of imports. The bulk of imports consist mainly of food, fuel, and building materials, medicine and medical equipment, as well as all consumer products including motor vehicles, appliances, clothing, etc. There is no manufacturing industry in Tuvalu.

While data quality varies, in 2015 the trade deficit stood at close to AUD49m, compared to 2010 when the deficit was around \$24m¹⁸. Preliminary data suggests that the trade deficit has exceeded the 2015 level given the major development infrastructure since 2016.

Tuvalu is a net exporter of services, in the form of temporary migrant labor (including seafarers, RSE scheme with NZ and SWP and PLS with Australia). This mostly non-trade landscape is unlikely to change over the term of TKIII, but efforts will continue to develop some type of material exports, a broad policy objective that has been in effect since independence in 1978.

The Government of Tuvalu has duly recognized importance of trade in national development, hence incorporated trade and private sector development as a priority area in Te Kakeega III (TK III), the National Strategy for Sustainable Development (2016-2020). In line with the priorities of TK III, the Government formulated Trade Policy Framework 2016 (TPF 2016) and Diagnostic Trade Integration Study 2016 (DTIS 2016) as a part and parcel of trade mainstreaming in national and sector development plans.

Tuvalu is a signatory to the Pacific Agreement on Closer Economic Relations (PACER Plus)¹⁹ and plans to ratify PACER in 2020, following consultation with the new government and the completion of its revenue and tax assessment. As part of PACER+ readiness, Tuvalu has completed its outreach consultation, completed the legal review of its legislation to support Tuvalu of its legal and administrative framework to determine what actions are required to implement before ratification, after ratification and after entry into force, establishment of the trade portal (online website) and the transposition of the Harmonised System (HS) 2012 to HS 2017. To develop an enabling environment for product diversification, Tuvalu has developed two value chains producers training program, nutritional and quality testing of selected goods

¹⁸ Central Statistic Division, 2016

¹⁹ As a LDC, Tuvalu face a delayed timetable for tariff reductions. For signatories, Pacer Plus provides Pacific Island countries such as Tuvalu with duty and quote free access to Australia and New Zealand, but requires members to reduce import tariffs overtime and to liberalise incoming services trade and investment. Alongside PACER Plus, Tuvalu concluded a Labour Mobility Arrangement (LMA) providing a new platform for enhanced dialogue and regional cooperation on labour mobility.

and facilitating trade fair for private sector lead. Other measures put in place to improve productivity by the private sector included establishment of an MOU with pre-defined procedures with NZ Trader to export Tuvalu goods (red toddy *kaleve kula*, virgin coconut oil, slated fish, handicrafts, and breadfruit chips) to New Zealand Market. No data is available to indicate whether these interventions have generated the desired results²⁰.

Currently, Tuvalu accesses three bilateral programs which employ Tuvalu nationals abroad - New Zealand's system of Recognized Seasonal Employment (RSE), the Pacific Access Category (PAC) system, and Australia's Pacific Labour Scheme (previously known as Seasonal Workers Program - SWP). At present, over 100 Tuvalu nationals are working under one of the three schemes, in addition to seafarers on foreign vessels. However, the number of seafarers employed on foreign vessels has been decreasing over the time, and is thought to be significantly lower than the peak of 1000 recorded in 2007 to be working overseas merchant shipping companies.

The participation in the employment schemes has assisted in partly offsetting the loss of household income from declining seafarer employment. Tuvalu's Department of Labor plans to increase the number of Tuvaluans recruited under the labour initiatives by raising migrant worker reputations and promoting them as reliable and hardworking employees.

With one of the world's smallest population and most isolated island, Tuvalu has an exceptionally small private sector. The Tuvalu National Private Sector Organization (TNPSO) suffers from low technical and business management capacity receiving significant assistance from the Department of Trade. This makes export diversification extremely difficult. Despite Tuvalu's limited productivity capacity, its Trade Policy Framework 2016 (TPF), recognizes the importance of developing export trade in certain areas. The TPF identifies four sectors that can be developed for export expansion and include fisheries and agriculture (good sector); tourism and labour mobility, as services sector. Tourism and labour probably offer the greatest and most realistic potentials for export expansion.

Tuvalu as an LDC is a beneficiary of the Enhanced Integrated Framework (EIF) programme of multilateral trade-related assistance since 2007 which led to the development of the Trade Policy Framework (TPF) and Diagnostic Trade Integration Study (DTIS). Under the EIF, Tuvalu benefitted from an institutional capacity building project (known as EIF Tier 1 project) to strengthen institutional mechanism for trade sector development, formulation and implementation of DTIS and TPF and trade mainstreaming in national and sectoral development plans. A National Trade Steering Committee (NTSC) has been established in 2013 as an umbrella body that oversees all trade related issues. The government works closely with the private sector through the National Trade Steering Committee (NTSC). The NTSC is a multi-sectoral body whose chair is the permanent secretary/CEO of the Ministry of Fisheries and Trade (MF&T)²¹ and the vice-chair is the president of Tuvalu National Private Sector Organisation (TNPSO). It comprises key ministries, state enterprises and civil society bodies including Tuvalu National Council of Women (TNCW). The NTSC advises the government on both national and international trade matters. The TNPSO is the focal point for engagement and regular dialogue with government ministries and departments on matters affecting the development of the private sector

²⁰ This MOU signed this year and will be starting next year to send the container in 2020

²¹ The Government ministries are reshuffled by the new government following the parliamentary election held in September 2019. The Department of Trade, which was earlier under the Ministry of Foreign Affairs, Trade, Tourism, Environment and Labour was reorganised with the Ministry of Fisheries and Trade (MF&T).

Following the ratification of PACER+, Tuvalu will focus on product quality standard requirements. To accelerate its effort to enhance productive capacity, Tuvalu will need to mobilize aid for trade to resource trade facilitation measures and to enhance supply side capacities.

d. Commodities

The fisheries sector is Tuvalu's single most important source of merchandise export²² since 2013 accounting for over half the country's national income. However, the sector is highly dynamic and subject to rapidly changing circumstances. Tuvalu's Fishery Corporate Plan place emphasis on remaining responsive and flexible irrespective of planning framework.,

PROP investments will build upon the support provided to date by the Government of New Zealand to strengthen coastal and ocean fisheries management and the benefits it can generate for Tuvalu. The Tuvalu Fisheries Department (TFD) will be supported with funds to improve the recording, assigning, and enforcement of vessel days in tuna fisheries. TFD will also receive funds to conduct coastal fisheries assessments in selected islands, and deliver support to develop and implement management plans for approval by local councils.

As indicated above, the priority areas in the service sector for trade is tourism and labour mobility in addition to two goods for trade - agriculture and fishery. While it's difficult to diversify, Tuvalu's Trade Policy places emphasis on expanding the productive capacities through a number of measures (outlined in the Trade section above). In order to do this, Tuvalu need to mobilize aid for trade to resource trade facilitation measures.

e. Private sector

Tuvalu has very small private sector and government expenditure is the main driver of economic growth. A vast majority of Tuvalu's businesses is micro-enterprise²³, and others fall into small businesses, partnership or joint venture, a public company or non-profit organization. Business activities included selling of food, supermarket or related, construction and fishing or marine related. The recent National Business Sector Survey 2019 identified 603 businesses, approximately 335²⁴ were registered, a considerable increase from 79 businesses surveyed in 2013²⁵. Over half of the businesses surveyed are located on the main island of Funafuti, and the remaining distributed throughout the outer islands.

In fishery, investment by development partners in the sector has enabled Tuvalu to capitalize on opportunities which has substantially exceeded the external investment. These benefits are seen in employment gains and general improvement in the standard of living. There is evidence that jobs for women, in particular, have increased and although women are still under-represented in formal employment the situation is reported to be improving. Through the oceanic fishery programme, benefits have included employment mainly of fisheries observers and transshipment around the Funafuti lagoon. The Government, through the National Fishing Corporation of Tuvalu (NAFICOT) is also a partner in several

²² According to UNCTAD Report 2019, Tuvalu could be described as borderline commodity-dependent developing country, as commodities such as fishery sector account for almost 60% of the total value of merchandise export

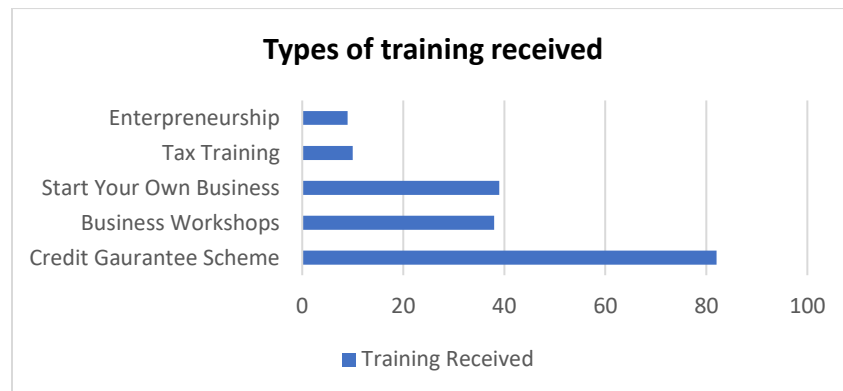
²³ a sole trader having total assets of less than \$5000

²⁴ 10% of businesses were registered but because they were not current operating, had not obtained or renewed the license, National Business Sector Survey, 2019

²⁵ 2013 private business survey was conducted by Pacific Island Private Sector Organization (PIPSO) and focused on Funafuti-based businesses

joint venture fishing operations with the purpose of generating economic benefits for the people of Tuvalu²⁶

Figure 5: Type of Training received by Business



Source: National Business Sector Survey, 2019

The government-endorsed Tuvalu National Private Sector Organization (TNPSO) focuses on improving internal governance and performance to build membership base, other training provided is illustrated in Figure 5²⁷: includes credit guarantee and entrepreneurship. On the other hand, training need that would be most helpful identified by the businesses (shown in Figure 6) suggests that there is some divergent between training provided and what is actually needed by the businesses.

Figure 6: Type of Training needed by Businesses



Source: National Business Sector Survey, 2019

According to the 2019 National Business Survey relate to management and book keeping. In addition, other challenges were identified relating to export and import, most common is transportation costs.

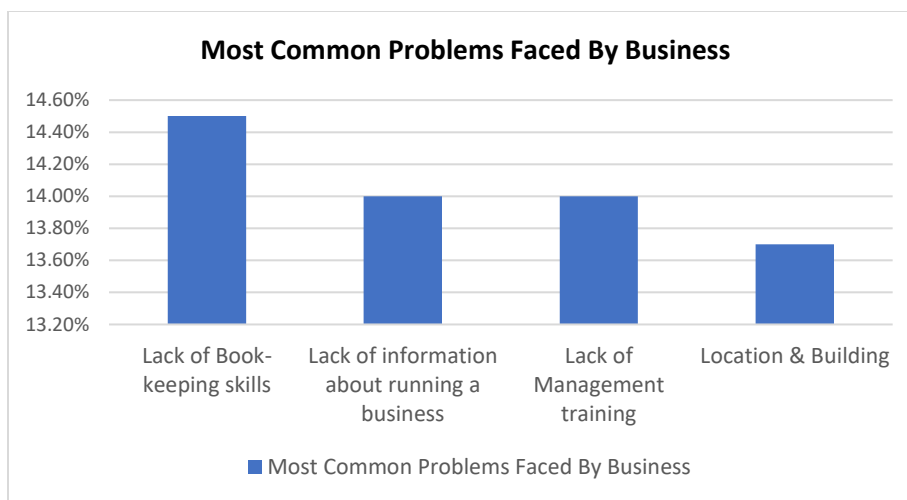
²⁶ TFSP Activity Completion Report, September 2019

²⁷ The graph shows top five trainings that have been received by 207 Tuvaluan businesses that responded to the question.

While access to finance is a major constraint to business operations, private sector development is also constrained by the limited supply and high costs of energy, skill gaps, and limited connectivity (Figure 7).

While the Tuvalu Private Sector Development Plan 2018-2022 identifies seven key result areas to provide an enabling environment for private sector development, in light of the results of 2019 National Business Sector Survey, the Plan will need to be reviewed to address the findings of the survey and to incorporate new priorities of the new Government

Figure 7: Most common problems faced by Businesses



Source: National Business Sector Survey, 2019

Nonetheless, Tuvalu’s Trade Policy expresses that private sector development will require a host of measures to accelerate an export oriented private sector. As highlighted in the Trade section, Tuvalu identifies four sectors that can be developed for export diversification - and it includes fisheries and agriculture (good sector); tourism and labour mobility, as services sector.

Measure to promote private sector growth will include the introduction of modern, accessible financial services, improved transport linkages, a national export strategy and enhanced support for private sector initiatives such as the development of incubators for small businesses. Additionally, the government will pursue expanded market access for goods, services and temporary labour mobility through bilateral, regional and multilateral trade agreements.

Tourism development is core of the National Tourism Development Strategy (NTDS) 2015-2019 and will continue to be a priority in the new National Tourism Sector Strategy/Policy (2020-25). The Department of Tourism will assist tourism-related business development, and to seek out funding for small tourism related ventures focusing on eco-tourism.

For the TNPSO, priority actions include financial management training, and business networking event, the creation of a Government and Private Sector Agreement and Partnership Board are nearing completion. A suitable model for micro-business funding has been assessed and progressing through an approval process. Based on a proven and sustainable model currently operating in other Pacific nations, financial training, mentoring and access to business development funds will be made available to new business ventures – particularly targeting women.

f. Human & Social Development

Education

Primary education is not only free in Tuvalu but enrolment of students in school is compulsory up to the age of 15, by law and every parent must ensure their children are enrolled.

The net enrolment rate (NER) for early childhood education (ECE) in Tuvalu has improved considerably since 2012. In 2015, the NER for early childhood education stood at approximately 85 percent and since it has slowly declined to approximately 77 percent in 2018²⁸. Fees are significant barriers to accessing ECE for children from socio-economically disadvantaged families. The primary education NER also decreased from an almost universal 97.4 per cent in 2013 to 82 per cent in 2015 and an average of 96 per cent for 2017 and 2018²⁹. Anecdotal evidence suggests that while enrolment is high, attendance rates are much lower.

In contrast, the secondary education NER increased from a low of 50 per cent in 2013 to 56 per cent in 2015. Access to primary and secondary education for children with disabilities is an area of concern, with currently only one privately operated special needs school³⁰. Children with disabilities and special needs are not included in this enrolment data as schools are not resourced or trained in the area of *inclusive education* and students with disabilities and special needs are excluded. However, children with special needs and disabilities are able to enroll and attend. The level of support and suitability of program is not necessarily suitable³¹.

Although there are poor overall pass rates in secondary school, around 31 per cent of students passed the National Year 10 Examination, of those who passed, girls across all subjects are outperforming boys. Similarly, the 2017 education data show male students (19%) achieving significantly less than girls (32%). (*Tuvalu Education Department 2016 and 2017 Education Statistical Report, p39*)

There has been considerable investment by the Government and development partners over many years in education, in understanding issues, collecting data, and producing reports on the education system of Tuvalu. Many actions have been taken, and improvements achieved, especially in increasing primary school completion rates, and passing rates in Year 8. However *significant weaknesses in student achievement* remain and the pace of improvement is *far too slow* for the Government and the Ministry of Education.

In terms of school achievement, children have ***serious literacy weaknesses***, which have been evident for some years. In 2012 the Pacific Island Literacy and Numeracy Assessment (PILNA) showed that only 27 percent of Year 4 students and 31 percent of Year 6 students were at or above the Pacific literacy benchmark. The weak results are also reflected in Tuvalu specific measures such as the Tuvalu Junior Certificate examination pass rate of just 39% in 2015 and the 2013 Tuvalu Standardized Test of Achievement TUSTA that found only 29% of year 4 students satisfactory in literacy.

More recent data shows that *literacy weaknesses* remain and have persisted. The PILNA 2018 results for Year 4 literacy identify 32 percent of children at or above the minimum proficiency level. In Year 6 the number of children who are at or above minimum proficiency level is 47 percent. The children below the minimum proficiency level do not have the basic literacy skills required to adequately access learning

²⁸ Tuvalu Early Learning Roadmap. 2018. Ministry of Education, Youth and Sports

²⁹ Ditto

³⁰ UNICEF, 2017

³¹ There are isolated cases in Vaitupu where special Needs students attending classes in primary school and received an extra teacher (untrained) provided to support them with lessons – different from the mainstream classes.

content in all other subject areas. The likelihood of these children achieving basic literacy skills during the remaining years of their schooling is very low. The discrepancy highlighted between girls and boys in Year 10 results is also evident in this PILNA data with 73 percent of boys and 31 percent of girls below proficiency level in literacy at Year 6. Tuvalu's attainment results when compared to Regional and SIS results are concerning. The percentage below others in literacy is between 15 – 45 percent.

In relation to numeracy skills, there appears to be progressive improvement since 2012, particularly for Year 6 children. The PILNA data 2015 indicates that approximately 78 percent in year 4 and 71 percent of children in Year 6 achieved at or above the Pacific proficiency benchmark. The 2018 PILNA results show a decrease for Year 4, where fell to 68 percent of children were at or above the expected minimum proficiency, while for year 6, there is a noticeable improvement from 71 percent to 83 percent of children were at or above the expected minimum proficiency benchmark.

There is current effort to review and update the Education Act 1974 to incorporate current practices and to include cross cutting issues such as inclusive education, gender and social inclusion and child protection. The National Advisory Committee on Children's Rights (NACCR) has worked to progress Children's rights in Tuvalu. The baseline Study on Child Protection was completed in June which has been the bases of the draft Bill for Child Policy which is nearing completion.

The Mid-Term review of the National Curriculum Policy Framework is currently underway and providing the Ministry with a clear need to improve curriculum and resourcing. majority of teachers are qualified, but Science and Mathematics teachers are needed across all school. Many new developments are ready to be rolled out to schools but there is a lack of capacity with the Ministry to complete all targeted activities.

To date, Government and its development partners has made considerable investment in education over many years in understanding issues, collecting data, and producing reports on education system in Tuvalu. Many actions have been taken, and while there are some improvements, especially in increasing primary school completion rates and passing rates in Year 8³², its unclear whether the standards have improved. However, significant weaknesses in student achievement remain and the pace for improve continues to be too slow for the Government.

Tuvalu Education Sector Plan III 2016-2020 (TESPIII) sets out the education priorities, for which many initiatives, in partnership with development partners, have been achieved. These initiatives have included, but not limited to; early child care education (ECCE) teacher training and implementation of new ECCE curriculum across all ECCE centers in Tuvalu. The ECCE Curriculum was finalized and printed in October this year³³. implementation of the Pacific Early Age and Readiness Program (PEARL)³⁴. Through the Australian Support to Education in Tuvalu (2018-2021), there will focus on literacy and numeracy³⁵³⁶, and Technical Vocational Skills Development (TVSD).

To address the literacy weaknesses, Tuvalu and the World Bank will continue to invest in early education to improve the readiness of children entering first grade, improve the reading skills of students in primary

³² Anecdotal evidence suggest that while the number of children given a score that allows them into year 9 (HS) may have increased, the standards are openly questioned with test not moderated and marking not checked and HS teachers report that many students in recent years are entering HS with very low literacy levels.

³³ During consultation of this report, suggests that no training of teachers has taken place and no plan how this will be implemented and a one off workshop will not change teacher practice;

³⁴ Tuvalu Early Education Roadmap, 2019-2023

³⁵ As of 2020

³⁶ Allowed only to support Year 1 – 4 teachers, and some support to Year 5-8 teachers in the outer islands. The Programme has announced that it will be moving to Year 5-8 years in 2020)

school and strengthen education system management in Tuvalu. Its expected that this project will commence in mid August 2020.³⁷

Skills Development

Tuvalu has limited ongoing technical or skills training for early school leavers or students who are not suited for academic streams, or for adults who need to develop new technical or trade skills, or build on existing skills. However, the TKIII recognizes the importance of increased access to technical vocation skills development (TVSD) as an alternative pathway for students and its potential contribution to economic growth.

Currently, Tuvalu's Ministry of Education, Youth and Sports is drafting the TVSD Framework, in collaboration with its development partners. Through the Australia Training Coalition (APTC) allows Tuvalu support to address the barrier on language, literacy and numeracy. Since 2009, approximately 121 Tuvalu nationals have benefitted from APTC training in a number of areas such as aged care, early childhood care, carpentry and tiling, refrigeration, hospitality and mechanical/engineering,

The existing arrangement with APTC provides support for the delivery of short courses on skills for work and vocational pathways that enable people with no foundational skills to have a pathway to enroll in Certificate II in Skills for Work and Vocational Pathways.

Recently, Tuvalu with the support of regional agencies, launched the Pacific Skills Portal Initiative³⁸. The purpose of which is to improve access to and sharing of information about skills requirements of Pacific economies to inform policy and planning, and ultimately enhance investment in essential skills for Pacific people.

Due to lack of quality data collected, this report is unable to undertake a comprehensive assessment of progress towards the elimination of gender disparities in education and training.

Population and Primary Health

Tuvalu's child mortality rates have been declining steadily over recent decades reflecting the government's comprehensive maternal and child healthcare program and effort to reduce maternal and perinatal morbidity and mortality. However, despite this progress, Tuvalu has not yet been able to meet international child mortality reduction targets. Immunization coverage in Tuvalu is largely adequate. As of 2013, Tuvalu had an estimated 327 tuberculosis (TB) cases per 100,000 population³⁹. Tuvalu records an unadjusted maternal mortality ratio of zero⁴⁰.

Antenatal coverage for at least one visit stands at 97 per cent; 93 per cent of women deliver their babies in a health facility; and 98 per cent of deliveries are attended by a skilled attendant, which indicates near-universal coverage. Tuvalu's contraceptive prevalence rate is around 31 per cent, lower than the PICTs-wide average of 35 per cent. Around 24 per cent of married women have an unmet need for family planning.

Currently there is no known cases of AIDS/HIV in Tuvalu, and at 21 per cent, the highest chlamydia prevalence amongst 15-24- years in the PICTs region.

³⁷ Funded by the World Bank, and estimated at USD9m

³⁸ A collaboration between Pacific Community's Pacific Data Hub, the Australia Pacific Training Coalition, the International Organization for Migration (IOM), the Pacific Immigration Development Community, the Pacific Islands Forum Secretariat, UNICEF and the University of the South Pacific (USP)

³⁹ the fourth-highest TB prevalence rate in the Pacific region (including Papua New Guinea)

⁴⁰ This is estimate needs to be interpreted with caution, given the small number of vital events in Tuvalu

STIs in Tuvalu

Due to a lack of robust recording during 2018 it is not possible to provide accurate data about the actual number and type of cases treated. Anecdotal information was between 5-10 patients per month. A further six patients were treated in Outpatients. No patients with an STI were admitted for inpatient care.

A Register detailing STI clinic presentations is now being kept which should ensure accurate data for 2019 will be available for reporting in the future. Discussions will also be had with doctors to encourage all patients presenting to Outpatients for treatment of an STI be referred to the STI clinic for follow-up

A specialist MOH clinic on Funafuti provides specialist care for patients presenting with an STI and the Tuvalu Family Health Association also provide STI screening services and MOH assist with treatment services of required. The outer islands have a health clinic on each island that also provide STI screening and treatment services.

On a positive note, alcohol use and attempted suicide rates amongst school children aged 13-15 are some of the lowest in the PICTs region.

Approximately 37 per cent of children under 5 years are stunted⁴¹ and childhood wasting prevalence stands at 3 per cent. Childhood underweight and low birth weight are relatively minor problems in Tuvalu. However, obesity and associated non-communicable diseases represent a significant health concern. Nearly 50 per cent of school children aged 13-15 are considered overweight, and 21 per cent are obese. Some 35 per cent of children in Tuvalu receive exclusive breastfeeding for the first 6 months after birth, which is the second-lowest rate in the PICTs region.

The Tuvalu Ministry of Health continues to work towards achieving universal health coverage for all Tuvaluan residents. Sexual and Reproductive Health (SRH) services, including family planning and antenatal care are provided and also available in all health clinics on Funafuti and the outer Islands. All clinic has a midwife on staff who manage SRH clinics. In addition, registered nurses are posted to outer island clinics in 2018 in an effort to strengthen service delivery to the outer island populations, where over half of the total population reside.

All women attending antenatal and postnatal clinics in Tuvalu are provided with information about contraception options⁴² and offered the opportunity to use contraception in a safe, non-demanding and confidential environment.

Table 2: Total births by Sex, 2014-2018

Year	Female	Male	Unknown	Total
2018	116	130		246
2017	101	125	1	227
2016	120	88	1	209
2015	70	66		136
2014	122	140		262

Source: Ministry of Health, 2018

To reduce maternal mortality, the Ministry has recruited one resident obstetrician located at the national hospital in Funafuti. In line with the Tuvalu Medical Treatment Scheme, all primigravida⁴³ travel from the

⁴¹ Sally Brinkman, Alanna Sincovich, Binh Thanh Vu, 2017. 'Tuvalu's children Developing? Evidence-based policy recommendations for better early childhood development of Tuvaluan children'

⁴² Injectable, oral (the 'pill'); implants, intra-urine device (IUD); male and female condoms, sterilization

⁴³ A woman who is pregnant for the first time

outer islands to Funafuti at 36 weeks gestation, attend a pre-natal obstetric clinic and deliver their babies in the national referral center.

In 2018 recorded births was 246 births, an increase of around eight per cent (8%) from the previous year. Table 2 (above), shows the total number of births by sex from 2014-2018.

In 2018, the adolescent (teenage) birth rate in Tuvalu in 2018 was 32.97 births per 1,000 population of girls aged between 15-19. The adolescent birth rate in Tuvalu has increased from 24.2 births in 2017 to 33.0 births in 2018 and evidence suggests that the rate has been steadily increasing over the last five years⁴⁴.

TB & HIV Programs

In 2018, 100 percent of antenatal patients were screened for HIV. No HIV cases were detected. In the same year, two patients died as a direct result of tuberculosis. Tuvalu Ministry of Health contracted a specialist TB specialist in an effort to strengthen the TB Program. A TB team is in place to directly provide support to the Observed Treatment (DOT) volunteers who support community members to take their TB medication daily.

As part of its ongoing commitment to minimize the risk associated with HIV, in 2018 the Ministry of Health and the Tuvalu Family Health Association (TuFHA) and other development partners launched several National Guidelines to assist clinicians to employ a consistent approach to diagnosis and care based on international best practice. In 2018, the Ministry of Health published the following guidelines; National TB Management Guidelines; Guidelines on the Use of Antiretroviral Drugs for Treating and Preventing HIV Infection; National Guidelines on the Prevention of Mother to Child Transmission of HIV, Syphilis and Hepatitis B & C; Guidelines for HIV Testing Services; and the National ART Guideline.

Overweight & obesity

Non-communicable disease (NCD) still remain a major challenge for management and control. The diabetes prevalence rate is estimated at 14.5 for 2013⁴⁵ and its expected to be much higher today. Overweight and obesity are common as with other NCD risk factors such as smoking and alcohol abuse.

The 2014 Global School Health Survey (GSHS) data from Tuvalu suggest that obesity is also affecting a large proportion of school children (aged 13 to 15), with 48.3 per cent considered overweight, and 21.5 per cent considered obese. A higher percentage of girls than boys were overweight (52.2 per cent compared to 44.3 per cent) and a slightly higher percentage of boys than girls were obese (22.1 per cent compared to 20.9 per cent)⁴⁶.

Tuvalu National Noncommunicable Diseases Strategic Plan, 2017-2021⁴⁷, indicates high levels of obesity at around 62 percent, tobacco use (35%), binge alcohol drinking among drinkers (19.%), and hypertension (42%), as well as low levels of physical activity (32%) among adults aged 18-69 years in Tuvalu. Approximately 64 percent of Tuvaluans have 3 to 5 risk factors for NCD.

Although NCDs continue to be the leading cause of death among the adult population of Tuvalu, several cost-effective interventions have been identified to reduce the burden of NCDs. Through this current

⁴⁴ The small numbers of women and births will invariably mean significant swings may occur between individual years, although any increase in the adolescent birth rate may be a cause for concern.

⁴⁵ Health Reform Strategy 2016-2019, Government of Tuvalu

⁴⁶ UNICEF, 2017

⁴⁷ Ministry of Health, Tuvalu cites the 2015 Tuvalu NCD STEPS survey

National NCD Strategic Plan, Tuvalu is implementing several interventions to prevent and manage NCDs. The expected outcome of this plan is to reduce the number of people with behavioral risk factors for NCDs while also identifying those at high risk for developing NCDs. For instance, the plan aims to reduce diabetes incidence by 10 percent from the 2015 baseline.

Facilities

Tuvalu is committed to the development of new health infrastructure, upgrading and extension of existing buildings and equipment necessary for strengthening the Ministry of Health to enhance service delivery. The progress to date, has been incremental, with an increase in the health budget of over AUD 500k in 2017 for new equipment, repair and maintenance. The upgrade to the main hospital also included the construction of an oxygen plant. Similarly, in 2018, the designs for two mini-hospitals for outer islands were completed, and construction is awaiting the availability of resources. This would allow the decentralization of key services currently based in Funafuti.

As NCDs is a major development challenge for Tuvalu, a cost-benefit analysis for the establishment of dialysis unit and further capacity development opportunities for health staff in the area of kidney dialysis management. On the preventative level, Tuvalu in collaboration with its development partners are investing in initiatives to effect behavioral change in relation to NCDs risk factors. There has also been progress improving mortuary facility with plans a Rehabilitation Center and isolation Facility for patients with infectious diseases and bulk storage facility for safe storage of drugs and supplies.

Youth Development

The Tuvalu National Youth Policy's definition of Youth, is a person in the age group range of 15 – 35 years. According to the 2017 mini census, approximately 35 percent of Tuvalu's population is classified as youth or between the ages of 15-35 years of ages. Around 39 percent of this group is unemployed⁴⁸. Some of the social challenges affecting young people relate to criminal offences, commonly related to tobacco smoking, alcohol abuse, and benzene sniffing. Although there are no formal data on suicides in youth, it is considered to be an issue in Tuvalu. The Tuvalu Health Department reports that alcohol sniffing, tobacco, family problems and peer pressure are all risk factors for Tuvalu youth.

Tuvalu launched its national Youth policy in 2015, recognizing the voice of young people in decision making. The policy provides a framework for engagement by the youth, especially in the decision-making process both at national and local level. Similarly, the Tuvalu National Culture Policy Strategic Plan 2018-2024 encourages the development of arts and entrepreneurship and the growth of its cultural production to create employment opportunities for youth.

Tuvalu's main effort to include young people in governance and decision-making processes comes in the form of the Tuvalu National Youth Council. The Council was established as part of the wider Pacific Islands network of National Youth Councils, following Tuvalu's declaration of independence in 1978, and seeks to "encourage young people to take an active role in the development of their respective island communities and at the national level." The Council is mandated to work alongside the Government's youth department within the Ministry of Education, Youth and Sports.

While the National Youth Policy is in place, the resources to implement the policy is not readily available. Resourcing for youth still remains an issue, with the Tuvalu Government being the major contributor to

⁴⁸ Tuvalu Mini Census in 2017. The high unemployment rate of youth can be explained by the fact that the persons in the age range of 15–18 are still in school and were registered unemployed.

the youth budget. With the support of its development partners, the Tuvalu National Youth Policy midterm review was carried out in 2018, highlight the following risk factors for attention:

- Increased number of youth with disabilities in micro enterprises business
- Increase number of youth included in decision-making opportunities
- Equal opportunities of females and males receiving tertiary scholarships
- Increase the creativeness of youths, through arts

In other areas of this report, its highlighted that development partners are investing in skills development⁴⁹ providing standard skills and qualifications across a wide range of vocational careers for the young people of Tuvalu to participate in the skilled workers scheme across the Pacific.

Water and Sanitation

Improved water coverage in Tuvalu stands at a universal 98 per cent, which is significantly above the PICTs average. However, access to improved sanitation facilities is more limited, at only 83 per cent. Open defecation is still practiced by around 4 per cent of the population. Tuvalu’s rural areas have, on average, lower improved sanitation coverage than urban areas.

Rainwater is the only primary source of freshwater in Tuvalu. The country does not have centralised piped water supply system, each individual household on Funafuti has rainwater harvesting system such as water tanks or cisterns. Secondary source of water supply is from government or communal reserves. In Funafuti, the total communal water storage is approximately 34.5 million litre’s (Table 3) and this level has been achieved with investment by development⁵⁰.

Table 3: Days of water supply for Funafuti Atoll only (2016)

Source	Total Storage (Full Capacity)	Litre’s/Person	Days 50 l/p/d	Days 80 l/p/d	Days 100 l/p/d
Government Reserves	5,018,020				
	2,768,020	615	12	8	6
Community Reserves	3,426,000	761	15	10	8
Household Rainwater Tanks	23,291,736	5176	104	65	52
TOTAL	34,503,776	6552	131	83	66

Source: Public Works Department.

Note: The following table is based on a population estimate of 4500-500, it only intends to show a general estimation of the days of supply that could be provided by the current existing infrastructures.

Tuvalu recognizes that water is a socially vital economic good which is scare and need to be protected and conserve water to meet basic human needs and other development needs of the people must be carefully managed and protected. Government initiatives in the past has included providing water infrastructure and provisions for communal and household tanks and water cisterns. The main problem facing the nation is critical water shortage to satisfy human needs, during times of drought period.

⁴⁹ The Australia Training Coalition and the Government of Tuvalu signed an Agreement in 2018 for one year in response to the ongoing barrier on language, literacy and numeracy. The Agreement supported 3 trainings - Short course on skills for work and vocational pathways that enable people with no foundational skills to have a pathway to enroll in Certificate II in Skills for Work and Vocational Pathways targeting 40 Tuvaluans; Certificate II in Skills for Work and Vocational pathway targeting 15 Tuvaluans from the Short Course cohort; Certificate I in Construction (RPL) targeting 8 Construction Workers identified during the construction of the Australian High Commission facility in 2018

⁵⁰ water cistern recently built by the PACC project in Lofeagai and Kavatoetoe, the total volume is now around 4,426,000L. The government storage (i.e. hospital, Public Works Department, government buildings) can also hold a total volume of water around 5,018,020L

In terms of water management, there is no regulation on domestic water supply, and the maintenance of water infrastructure is at the expense of each households. However, most of the rainwater catchments have been provided by the Government with the support of its development partners. Communal water storages are managed at a community level. In the event of a drought, the government takes control of all the communal storages and coordinates the distribution of water supply.

While there appears to be general improvement in water security and sanitation, with accelerated development investment there remains serious challenges with water security on the outer islands relating to storage and supply. In relation to water quality improvement there is a need to establish an effective health data base collection programme/system. Ongoing effort must be invested in carrying out water quality assessment in all islands (ground water) in order to establish sound base line data.

To support Government’s effort to increase water efficiency and productivity, development partners have invested in, but not restricted to; the installation of rainwater tanks and catchments; improve sanitation and water security through public awareness; strengthen collection of water statistics for improved decision making; improvement of liquid waste management and water conservation; improvement of rainwater harvesting systems; improvement in sustainable freshwater supply on Vaitupu.

More recent infrastructure investment has included rehabilitation degraded coastal and inland forest and landscapes and supporting the delivery of integrated water resource management (IWRM) and integrated coastal management (ICM) to enhance governance and institutional capacities of communities on coastal resource management. In the area sanitation, Tuvalu is placing emphasises on the need to revise the National Water and Sanitation Policy, and potentially the review of the National Water Act.

Gender equality and empowerment of women

Since 2011, only one of Tuvalu’s 16 seats in national parliament is held by a woman. Women representation in local government *Kaupule* has improved from 1 out of 48 women members in 2015 to 5 out of 48 in 2016⁵¹. . In 2017, there were two women who held the highest position of president of their *Kaupule*. In 2019, only the *Nukulaelae Kaupule* is headed by a woman. In 2017 Tuvalu appointed its first female ambassador. While women are elected into the *Kaupule*, traditional gendered roles make it difficult for them to actively engage in decision-making⁵².

Table 4: Force indicators (%), 2012 - 2017

Employment indicators	2012	2017
Labour force participation rate	59.4	49.3
male	67.6	58.5
Female	51.1	39.7
Employment population ratio	28.6	32.7
Male	40.1	40.0
Female	31.6	25.2
Unemployment rate	39.6	28.5
Male	40.7	27.2
Female	38.1	30.4

Source: Tuvalu Household and Population Census 2012; Tuvalu Household and Population Mini Census 2017

In terms of economic activity, the participation of women in the labour force, either formal or informal, has declined from 51 percent in 2012 to approximately 40 percent in 2017. There is approximately a 17

⁵¹ There is a planned Kaupule election for 2019 or early 2020

⁵² Pacific Women, Roadmap Report consultations

percent gap in the labour force participation between women and men (Table 4). This could be explained by the cultural expectation for women to undertake domestic responsibilities⁵³.

The employment population ratio, or the portion of the adult population employed, increased from 28.6 in 2012 to 32.7 in 2017, and seen for both men and women. Nevertheless, a higher portion of men compared to women are employed (Tables 5 and 6). For the same period, unemployment rate has fallen from almost 40 percent to 28.5 percent, with women more likely than men to be unemployed, both in Funafuti and in outer islands. The Development Bank of Tuvalu recognizes that women in Tuvalu are disadvantaged in starting businesses because bank loans mostly depend on the husband's salary as loan security, because majority of women in Tuvalu do not own land that can be used as collateral.

Table 5: Labour force participation by sex and island, 2017

Employment indicators	National	Funafuti	Outer islands
Labour force participation rate (%)	49.3	54.8	40.9
male	58.5	63.2	50.9
female	39.7	45.6	31.3
Employment population ratio (%)	32.7	38.8	23.4
male	40.0	46.4	29.6
female	25.2	30.6	17.5
Unemployment rate (%)	28.5	25.5	34.5
male	27.2	23.3	34.9
female	30.4	28.8	33.7

Source: Tuvalu Household and Population Census 2012

Table 6 – Labour force Participation rate by sex – 2012

Employment indicators	National	Funafuti	Outer islands
Labour force participation rate (%)	59.4	66.6	52.0
male	67.6	72.5	62.3
female	51.1	60.4	41.9
Employment population ratio (%)	35.9	43.4	28.1
male	40.1	47.7	31.9
female	31.6	38.9	24.5
Unemployment rate (%)	39.6	34.9	45.9
male	40.7	34.3	48.8
female	38.1	35.6	41.7

Source: Tuvalu Household and Population Census 2012

In 2017, the male population dominated Tuvalu's total population, estimated at 51 percent to 49 percent of females⁵⁴. Of all widowed category, approximately 76 percent are women⁵⁵. It is estimated that around 40 percent of Tuvaluan women will experience physical and/or sexual violence in their lifetime⁵⁶.

⁵³ Pacific Women, Tuvalu case studies 2018.

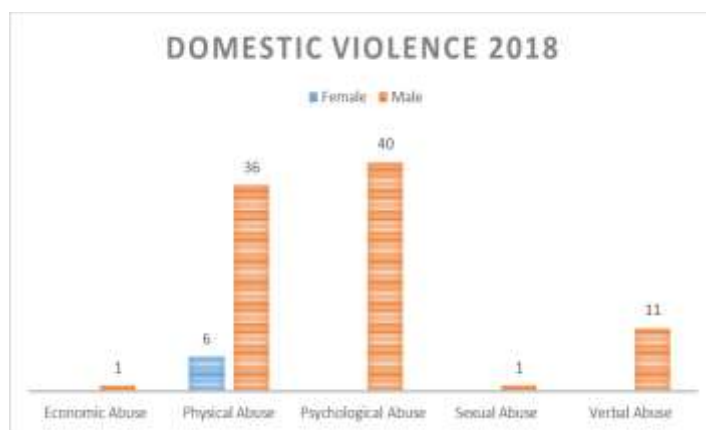
⁵⁴ Tuvalu Population and Housing Mini Census 2017

⁵⁵ ditto

⁵⁶ Pacific Women Tuvalu profile 2018

Women and girls have equal access to education as its compulsory, and free for primary school scholarships are based on merit, and girls tend to perform better than boys at both secondary and tertiary level.

Figure 8: Domestic violence by type and sex, 2017

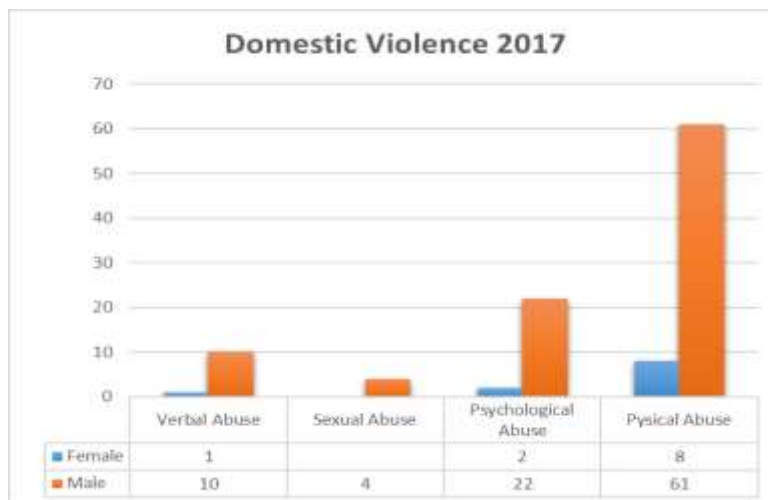


Source: Tuvalu Police Force, Counselling Unit

Recent evidence from the Tuvalu Police Service’s Counselling Unit indicate the reported cases of domestic violence continue to be high⁵⁷. The common type of violence is physical and psychological abuse. Figures 8 and 9 suggest that in 2018 there is a sharp increase in psychological abuse compared to 2017. According to anecdotal evidence from the Judiciary, domestic violence cases processed through the courts have rapidly increased especially for 2019.

The enactment of the Family Protection and Domestic Violence 2014 was designed not only to criminalize domestic violence but to encourage women to report cases and facilitate access to justice for women. Due to the limited availability of data⁵⁸, this report is unable to indicate whether there has been a decrease in the reported cases of domestic violence since the enactment and whether cultural norms might be discouraging women reporting.

Figure 9: Domestic violence by type and sex, 2017



Source: Tuvalu Police Force, Counselling Unit

⁵⁷ Numbers only for 2017-2018

⁵⁸ The Multi-Indicators Clusters Survey in 2019 is expected to provide some baseline data on this issue.

Tuvalu's 2014 National Gender policy articulates Government's commitment towards gender equality and the empowerment of women at all level of decision making as a means of enhancing their leadership. The policy recognises social, cultural and economic barriers limit the participation of women in economic participation. The Policy set targets to continue promoting gender balance in four key policy areas – institutional strengthening, economic empowerment, decision making and ending violence against women.⁵⁹ Government's commitment to gender equality is further reinforced in its Tuvalu National Culture Policy Strategic Plan 2018-2024 (TNCP) in which the policy strategies are grounded in the principles of human rights and gender equality.

Over the period 2013-2018, accelerated effort has been in place to promote gender equality and women's empowerment. A significant milestone for Tuvalu is the enactment of the Family Protection and Domestic Violence Act 2014. The Act is envisioned to provide greater protection for women and girls from violence within domestic relationships, ensuring the safety and well-being of victims in a domestic relationship and also provide for shelters of victims of domestic violence. Likewise, government has established a Domestic Violence Unit and counselling services within the Police headquarters to support victims.

Gender equality measures by Tuvalu's Gender Affairs Unit has included; gender policy orientation and gender training for senior management and mock parliament for women and encouraging women to participate in income generating activities raised public awareness on the opportunities available for women and their contribution to development⁶⁰. Gender mainstreaming has been carried out by the Tuvalu Human resources management unit⁶¹ with the support of a technical adviser. There is statistical evidence to show that this may have contributed to more gender balance in the public service workforce from 2015–2016.⁶²

There is evidence through development projects, that gender consideration is taking place. For example, some of the infrastructure related projects have adopted gender-responsive procurement by promoting women to participate in the bidding processes, gender consideration⁶³ in the selection of services, goods, and civil work and their impact on gender equality are being addressed. Through the outer island maritime project, measures are in place to ensure equal opportunities and benefits for women in local employment during construction, and the design of user-friendly facilities is explored to ensure wider access among women and other vulnerable groups.

Economic empowerment measures in place include support for women entrepreneurs especially to showcase products for trading, encouraging and supporting women in local handicrafts and fishery in business and spotlighting initiatives by both men and women contributing to sustainable economies at the local level. Some of the notable measures have included women working on patrol boat and women as fisheries observers.

While efforts have been in place to train Government departments in gender mainstreaming there is limited data is available to indicate progress against the target over the period. Although the Government is taking a lead role in working collectively with Non-Government sector to address gender based violence (GBV), this effort is viewed with suspicion and often misinterpreted. This is further compounded by the wide geographical distribution of people which means that many are marginalized from the effort to address domestic violence and addressing gender inequality.⁶⁴ In an effort to strengthen data collection

⁵⁹ Women's Unit, 2017 Annual report

⁶⁰ Tuvalu UPR Statement, 2014

⁶¹ Under the Office of the Prime Minister

⁶² Pacific Women, 2017

⁶³ Outer Island Maritime Infrastructure Project (RRP TUV 48484), ADB project

⁶⁴ Gender Affairs Unit, 2017 Annual Report

and planning to improve the lives of the most vulnerable families and children, Tuvalu is currently implementing the Multiple Indicators Cluster Survey, planned to be completed by early 2020.

In terms of political empowerment of women, support from various development partners have assisted Tuvalu participate in regional programs such as the Pacific Commonwealth Women Parliamentarians Mentoring Program. Similarly, the Gender Affairs Department has recommended to include enabling clause for the introduction of temporary special measures (TSM) in line with CEDAW Article. 4. GAD through the Constitutional Review process⁶⁵.

Through the National Gender Policy, effort has been made to address women's health concerns in relation to non-communicational diseases (NCDs), through regular screening and health checkup, and to extend this to the outer island women. With the support of development partners, Tuvalu has been able to extend immunization services not only for children but also for girls to prevent cervical cancer. Further details on health is covered in the relevant section of this report.

Social Protection

The government of Tuvalu continues to make strategic and incremental progress in creating a safety net against hardship and vulnerability for the people of Tuvalu. Since the last report to the IPOA, significant policy and legislation changes have contributed to strengthening social protection in Tuvalu, which is a key strategy under TKIII. The following successes have been achieved;

A disability policy which was drafted in 2016, was approved by Cabinet in June 2019. The new policy extends eligibility for individuals with an acquired disability to receive payment under the scheme. Previously, only those assessed as having a disability at birth were eligible for financial support. In addition, disability is now ranked into three categories, mild, severe and moderate. The support payments of, AUD70, AUD85 and AUD120 respectively are paid monthly. This classification has been key in addressing the high cost associated with the care needs of those with physical disabilities.

In 2018 after a periodic review by cabinet, a 30 percent increment was applied to payments under the Senior Citizens Scheme in 2019. As of 2018, 3 percent of the population were in receipt of payment under the Senior Citizens Scheme. In October 2019, the Tuvalu newly elected government announced an incentive payment for the elderly under the initiative '100 Days Priorities.' The incentive will allow for once off payments to citizens at the ages of 80, 90 and 100. Despite the once of nature of the payments, this demonstrates the Government's ongoing commitment to bolster social protection in Tuvalu.

In 2018, Tuvalu established its first formal counselling service after enactment of the Family Protection and Domestic Violence Act (2014). It was acknowledged that there was not much support for victims of family violence, who often are women. 20 counsellors from 7 outer islands were trained and accredited by the Australian Pacific Training Coalition. There are plans to train 20 more counsellors to achieve at least diploma level qualifications so they can provide counselling to women who are victims of Gender Based Violence and vulnerable children.

The Tuvaluan Government has made strides in its commitment to the care and protection of children by drafting the Child Protection and Welfare Bill 2019. The bill mandates the Department of Health and Social Welfare as lead in the coordination of child protection matters in Tuvalu. Currently, a technical assistant has been engaged to design the child protection framework and it is envisaged that in 2020 the bill will be passed. This bill is an essential step in contributing to implementation of social protection in

⁶⁵ The process of the Constitutional Review is not owned by GAD and therefore GAD recommendations may not be fully considered by the review.

Tuvalu as it will help in identifying necessary interventions and programs required for families and children.

The challenges of implementing a rights-based approach to social protection is not unique to Tuvalu. However, it is important to note the systemic changes that have occurred to ensure that an integrated approach to social protection is developed and implemented. The first round of consultations has been completed with Government and other stakeholders in relation to the proposed Social Protection Bill. It is anticipated that the Social Protection Bill will be drafted and approved by mid- 2020. The social protection bill is expected to legislate social welfare programs in Tuvalu.

g. Multiple crises and other emerging challenges

Climate change and environmental sustainability

The biggest impact of climate change on Tuvalu includes rising air temperature, more intense and frequent storm surges and decreasing rainfall, as well as total inundation of low lying coastal parts of Funafuti, including the international airport runway. Therefore, climate change and disaster risk management sit at the core of Government's development effort because of its potential to reverse/undo gains made from investment. Recognizing this, Tuvalu's national climate change policy – Kaniva⁶⁶ - emphasizes the strengthening adaptation actions to address current and future vulnerabilities; the application of climate change data; climate proofing infrastructure and ensuring energy security. To achieve its goals, Tuvalu's policy reinforces planning for disaster preparedness. To address the resourcing challenges, the Kaniva, highlights the goal of enhancing *Tuvalu's Governance Arrangements and Capacity to Access and Manage Climate Change and Disaster Risk Management Finances*.

To date, there has been accelerated effort by development partners to assist Tuvalu respond and manage climate change impacts. Some of the notable measures and actions have include, but not restricted those listed here in the report.

Through the Least Developed Countries Fund (LDCF), Tuvalu was able to carry out the preparation and implementation of national adaptation programmes of actions (NAPAs) in order to build resilience of island communities to climate change variability and risks. Government rolled out its protection of coastal foreshore in the capital of Funafuti through reclamation of the lagoon side which is now known as Queen Elizabeth Park. Through Tuvalu Coastal Adaptation Project (TCAP), the reclamation of Funafuti lagoon side will be further extended to create more space for the people of Tuvalu.

Other notable measures taken by Tuvalu also includes the draft building code to put in place strict building codes to ensure that civil infrastructure buildings are climate proofed. To improve and build resilience, through the Ridge to Reef project, Tuvalu has implemented activities to enhance and strengthen conservation of islands and marine biodiversity – One of the highlights of this support is the expansion of both terrestrial and marine conservation areas where local marine managed area have been established in all the 9 islands of Tuvalu. These are community-based conservation areas that will be monitored and managed by communities on each island.

In the area of health, building resilience of health systems through improving health professionals' capabilities to incorporate climate risks and resilience into health practices is an ongoing effort by Tuvalu's Ministry of Health. This is coupled with enhancing the operation of information and early warning services to ensure effectiveness of disease control practices. It is expected that this will reduce the occurrence

⁶⁶Revised Climate Change Policy – Te Vaka Fenua 2017-2020 is in draft form yet to be endorsed

and intensity of climate-sensitive disease outbreaks and their associated effects on Tuvalu communities and individuals.

Development partners have invested in improving information on water security and drought resilience/preparedness activities in order for more informed response to withstand drought and its impact on supplies of safe and adequate drinking water.

Since 2013, Tuvalu has been able to accelerate its investment in sustainable energy as demonstrated in the rapid increase in renewable energy in the country expected to reach 21 percent in 2019. Tuvalu is receiving substantial support to accelerate its effort to achieve its renewable energy target and continues to be committed to working toward this target. Some of the key highlights includes the establishment of the Renewable Energy and Energy Efficiency Unit within TEC, to assist with moving towards meeting its energy targets. Similarly, the World Bank provided support through the Energy Sector Development Project (ESDP) support a reduction on imported fuel for electricity generation through investment in renewable energy development and increasing the efficiency of energy supply and use.

In its commitment to address the extreme vulnerability and enhance the resilience of its island nation, Tuvalu enacted the Tuvalu Climate Change and Survival Fund Act 2015. This measure enables the Government to provide vital services to the people, and as a response to future climate change impacts and disasters in Tuvalu. The Fund is specifically targeted at supporting activities of response to the impacts of natural disasters or a state of emergency. The Fund is intended to ensure security of the people of Tuvalu against climate change and natural disasters by providing financial assistance.

The World Bank has estimated that building resilience against climate change will require Tuvalu to invest around 2 percent of its Gross Domestic Product (GDP) annually. In response, Tuvalu, has set up a Climate Change and Disaster Survival Fund to 'provide immediate vital services to the people of Tuvalu in combating the devastating impact of climate change and natural disasters and to allow the government and the people of Tuvalu to respond to future climate change impacts and natural disasters in a coordinated, effective and timely manner. The Fund's current balance as of 2019 is AUD 9 million.

h. Mobilizing financial resources for development and capacity building

Domestic resource mobilization

Government's main source of domestic revenue includes taxation, Government charges, investment returns (Tuvalu trust fund), fishing licenses, income from its Top Level Domain (dot.TV) and income from sales of its sovereign rights such as ship registry and upper airspace. Budgetary support from development partners is also contributed Government's public financial resources and to strengthen economic management and improving basic social services in Tuvalu.

Table 7: Estimated domestic revenue by sources, 2016-2019

Source (millions)	Year			
	2016	2017	2018	2019
TTF distribution	4.7	6.7	8	3.8
Taxation	7.3	7.5	8.8	8.6
Fishing licenses	31.4	25	26	
Top Level Domain	6.3	7.1	7.1	7.1
Investment & other charges			5.6	6
General Budget Support	11.5	17.1	24.4	28.5

Source: Tuvalu National Budget 2016, 2017, 2018, 2019

For the period 2016-2019, Tuvalu domestic revenue to GDP has varied (Table 7 above). The major contributing factor to this variation is the volatility in fisheries revenues and the distribution from the Tuvalu Trust Fund. In 2017, the total domestic revenue was estimated at AUD\$51.5 million. This includes

a \$6.7 million distribution from the TTF, \$7.5 million from taxation, \$25.0 million from fishing licenses and \$7.1 million from dot.TV. In addition, development partner assistance for general budget support is estimated at \$17.1 million in general budget support.

While taxation revenue shows an increase since 2016, this is due to a number of factors, between 2017 and 2019, the increase due to the increased employment opportunities both in Funafuti and the outer islands from large development projects. This is complemented by the introduction of the Consumption Tax which was introduced in 2014. At the same time, company taxes indicated a slight decline. This may have been due to poor performing Fishing Joint Ventures, tax exemptions and weak compliance. There is also evidence to suggest that tax arrears are declining, from 3 percent of GDP in 2016 to 2 percent in 2017 largely explained by government effort to improve tax compliance⁶⁷.

Consolidated Investment Fund (CIF)

Tuvalu created the CIF to provide a mechanism for holding distributions from the Tuvalu Trust Fund (TTF) until such time as the fund is required. This stream of funding allows the government to fund infrastructure developments, scholarships and medical treatment scheme among its other priorities. In addition, Government has continued to deposit portion of excess and windfall revenue into the main investment account, of the Tuvalu Trust Fund.⁶⁸

Looking ahead, the Tuvalu Trust Fund remains an alternate stream of income to implement the delivery of services to the people of Tuvalu should it continue to yield positive returns from its offshore investments. Subjected to favorable market conditions, the Fund will assist in mobilizing financial resources for Tuvalu's long term development aspirations.

Efforts to increase domestic resource mobilization

The increasing revenue from fishing license over the past five years is a result of Government's proactive effort in international fishery management⁶⁹. Favorable exchange rates between the USD and AUD currencies also improve revenues from this source. Fishing revenue, however, remains a volatile income source.

Other measures include Government's effort to increase tax to 20 percent of GDP in its endeavor to expand domestic resource mobilization. In 2018, to increase its domestic revenue, the Government proposed new taxes on 'sin' goods which was implemented in 2019. The new duty and excise rates imposed on sin goods is expected to inversely reduce, in the long run, reduce the Tuvalu Medical Treatment Scheme (TMTS) expenditure by way of decreasing referral cases associated with Non-Communicable Diseases (NCDs), and allow space for the Ministry of Health to focus on primary and preventative healthcare.

⁶⁷ Tuvalu National Budget papers, 2016, 2017, 2018

⁶⁸ The TTF was setup in 1987 to enable Government to invest in international financial markets, which provide financial returns to assist financing of the national budget, facilitating a path for greater financial autonomy. The TTF was capitalized by donors (Australia, New Zealand, the United Kingdom) and Government of Tuvalu in 1988. The TTF is a capital preserving fund distributing only real returns. This, together with contributions by Government during surplus periods, has resulted in capital growth over the years. Its not a fully sovereign with development partners represented on its Board. In years when the market value of the TTF exceeds its real maintained value (indexed to the Australian CPI), the surplus is transferred to the CIF for use in the subsequent years. Since the capital of the TTF is invested in international financial markets, annual investment returns have typically shown high levels of volatility. Negative shocks usually mean that no new distributions will be made to the CIF. In 10 out of the 25 years, the TTF did not make distributions to the CIF.

⁶⁹ Fishing days sold at the minimum benchmark rate of USD8,000 a day

Official development assistance

Development assistance play a pivotal role in helping Tuvalu achieve its national development goals and priorities. Tuvalu receives bilateral development assistance primarily from Australia, New Zealand, Japan and the Republic of China (Taiwan), well as the United Arab Emirates (UAE). It also receives assistance form the European Union (EU), the World Bank, Asian Development Bank (ADB), United Nations Development Programme (UNDP), and the Green Climate Fund (GCF) and Global Environment Facility (GEF). More recently Tuvalu has been accredited the national implementing entity by the Climate Adaptation Fund (CAF).

Table 8 shows the development assistance received by Tuvalu 2016. The considerable increase in development assistance is attributed to the accelerated effort to invest in transport infrastructure and more recently government's preparation to host the Pacific Island Forum Leaders' meeting.

Table 8: Development Assistance by year

Year	2016	2017	2018	2019
Amount in AUD	21.5	24.2	33.9m ⁷⁰	34m + 5 ⁷¹

Source: Government national budget 2016, 2017, 2018, 2019

Both the Australia⁷² and New Zealand's aid programme to Tuvalu, comprise a blend of projects, grand funding, budget support, technical assistance and scholarships. Since 2012, the World Bank has committed USD74 million in grants to Tuvalu in the area of maritime and air transport, energy and improving the ICT sector. It's expected that in 2020, this commitment will increase as the Bank will provide up to USD9 million for early learning.

Tuvalu also receives general budget support from its development partners. Table 9 below, shows the partners and their support. This underscores the importance of development partners role in supporting Tuvalu delivery on its national development strategies. Tuvalu's engagement in the budget support negotiation is a demonstrable commitment to it ongoing effort to strengthen development cooperation and its public financial management systems.

Table 9: General Budget Support, 2017-2019

Partners	2017 ⁷³	2018	2019
Republic of China (Taiwan)	8.3	8.3	9.2
Australia	1.5		1.5
New Zealand	0.5	1m	.92
Asian Development Bank	2.6	2.6	5.2
World Bank	4.2	9.6	9.7
EU		2.9	
Total	17.1	24.4⁷⁴	28.5⁷⁵

Source: Tuvalu National Budget 2017, 2018, 2019

⁷⁰ Government of national budget 2018, estimates revised to reflect the development agreement, many of which are managed outside the Ministry of Finance. The total grant for the duration of the support was divided equally over the period to get an estimated annual amount for comparative purposes. It should be noted that in some years, there will be delay or accelerated effort implementation effort.

⁷¹ As above and 5m managed through ACCPAC, funds channeled through government's financial system

⁷² Annual bilateral aid allocation is 6.6 million since 2016, excluding budget support.

⁷³ Budgeted amount

⁷⁴ Actual

⁷⁵ Budgeted amount

Through the policy reform matrix, the budget support provides targets for delivery. Over the past years, the budget support been accompanied by a focus on the importance of strengthening public financial management systems and the achievement of key social inclusive targets to create capacities for sustainable development.

The contribution to the Government via general budget support has progressively increased from 11.5 million 2016 to 28.5 in 2019. Table 10, below, shows the major development projects by Development partners. It is clear from this table the crucial role development partners play in enabling Tuvalu achieve its connectivity targets and sustainable and resilient infrastructure.

Table 10: Major Development Projects by Development Partners⁷⁶

Development partner	Project Name	Duration	Amount USD (millions)
Transport – Air and Maritime			
ADB	Outer island maritime infrastructure project	2018-2022	15.4
ADB	Outer Island Maritime Infrastructure Project	2016	11.3
World Bank	Tuvalu Aviation Investment Project	2015-2020	18.0
World Bank	Maritime Investment in Climate Resilient Operations	2018-2024	20.0
Japan	Construction of a Cargo/Passenger Vessel	2013-2015	14.7
New Zealand	Ship to Shore Transport Project	2008-2014	3.5
Japan	Construction of a Cargo/Passenger Vessel to replace Nivaga II	2013-2016	15.6
Information and Communication Technology			
World Bank	Tuvalu Telecommunication and ICT Development Project	2019-2023	29
Energy			
Japan	Introduction of Hybrid Power Generation System in Pacific island countries	2017-2022	Not available
European Union	Renewable Energy	2013-	8.0
World Bank	Energy Sector Development Project	2016-2018-	7.0
United Arab Emirates	Pacific Partnership Fund - Solar	2014-2015-	50.0 ⁷⁷
Environmental Sustainability			
GCF/UNDP	Tuvalu Coastal Adaptation Protection Project	2018-2023	36.0
UNDP	Ridge to Reef Project	2015-	8.4
Japan	Beach Nourishment Project	2015-2017	2.0
World Bank	Pacific Islands Regional Ocean scape Program	2017	6.9
Education			
Australia	Tertiary Awards	2013-	1.0
New Zealand	Tertiary Awards	2013-	1.0

Source: Government of Tuvalu. National budget documents 2013–2015, financing agreements

In the past six years or so, donor coordination and strategic dialogue with Tuvalu has improved as a result of engagement in the Policy Reform Matrix (PRM) and TTF governance and management processes. Many

⁷⁶ The table is not an exhaustive list of development assistance to Tuvalu, but provides an indication during the IPOA period of significant investment in major areas relevant for reporting on progress.

⁷⁷ The UAE-Pacific Partnership Fund disburses USD 50 million in grants for renewable energy generation projects in Pacific island countries. The Fund was launched at the Pacific Energy Summit in Auckland in March 2013. Project agreements between the UAE and ten Pacific countries including Tuvalu. The Fund responds to identification of renewable energy as a key growth enabler at the 2012 Pacific Leaders’ Meeting of the International Renewable Energy Agency (IRENA)

of the partners such as Australia and New Zealand effectively coordinate its investments in areas such as water, renewable energy and ICT with partners such as Asian Development Bank and the World Bank. Tuvalu recognizes that this coordination at operational level could be more regular and structured and led by Tuvalu. With the strengthening of the Aid Coordination Unit and Monitoring and Evaluation under the Ministry of Finance, it is expected that Tuvalu will enhance its engagement and coordination of its development partners on a number of levels.

External Debt

The Government of Tuvalu borrows from bilateral and multilateral agency. The majority of this borrowing are invested in infrastructure projects and equity injection to government's development bank. At the end of December 2018, the outstanding government debt fell marginally to AUD5.39 million compared with AUD5.74m registered a year ago. Government borrows from on concessional terms from the Asian Development Bank and on commercial terms from the European investment Bank.

Table 11: Tuvalu- creditors by year

Creditors	2017	2018
ADB	\$5.28m	\$4.91m
EIB	\$0.46m	\$0.48m
Total	\$5.74	\$5.39m

Source: Treasury, Ministry of Finance

Public Debt

To consolidate debt of public entities, overall debt exposure of the Tuvalu government grew to AUD7.43 million at end of 2018 from AUD7.2 million recorded for end of 2017 (Table 12). The public debt as a percentage of GDP is around 14 percent, a sustainable level considering the small size of Tuvalu. With the ongoing commitment to public financial reform effort and improvement to the financial systems, it is expected that this will result in efficiency in budget management and government spending.

Table 12: Public Debt -2017-2018

Type	2017	2018
Tuvalu Government	5.74m	5.39m
DBT ^{1/}	0.11m	-
TEC ^{2/}	0.45m	0.60m
TTC ^{2/}	0.82m	1.36m
Tuvalu Broadcasting ^{1/}	0.00m	0.03m
Tuvalu Philatelic ^{2/}	0.07m	0.07m
Total Public Debt	\$7.19m	\$7.43m

1 – Explicit guarantee

2 – Implicit guarantee

Source: Treasury, Ministry of Finance, 2018

Foreign direct investment

The Foreign Direct Investment Act of 1996 (revised in 2008) legislates all foreign investments in Tuvalu. The Foreign Investment Facilitation Board (FIFB) oversees investment activities under the auspices of the Department of Business and Industries. The FIFB receives investment proposals and assess these on a

case by case basis⁷⁸. There are no fixed incentives and no strategies in place to encourage foreign investment.

The government of Tuvalu welcomes foreign investment as evident through the Joint Ventures with foreign fishing companies, due to its small size and limited natural resources, investment opportunities are limited.

Remittances

Remittances have long been an important component of household incomes for many families in Tuvalu for many years. The Island country has a long history of engagement with overseas labour migration in niche markets, including in the sectors of seafaring and phosphate mining in Nauru. More recently it has been seasonal fruit picking and semi-skilled programs in Australia.

While remittances are another substantial source of income, the value of remittances has declined since the 2008-2009 global financial crisis, but has stabilized at nearly \$4 million per year⁷⁹.

Since the Global Financial Crises (GFC), the overseas demand for Tuvaluan seafarers began to decline, and the share of households receiving remittances also fell, which placed enormous pressure on Tuvalu's economy. Prior to the GFC, up to 700 seafarers were contracted to work on ships at any one time during the year, and wages and savings were remitted by seafarers provided crucial source of income for many Tuvalu families.

In 2014, Tuvalu had approximately 1,000 trained seafarers who were looking for employment offshore, however, have found it difficult to secure work due to changing demands in the global shipping industry. As a result, the number of Tuvaluan seafarers employed offshore has steadily fallen. In conjunction with this decline, remittances from overseas workers – mostly from Tuvaluan seafarers. At present there is only one manning agency in operation in Tuvalu, providing fewer than

Tuvalu census in 1979, records that more than half (around 54 percent) of Tuvalu's 1,076 households were receiving remittances. In 2009 census report it dropped to 47 percent and by 2012, it further dropped to 40 percent of Tuvalu's households reported receiving remittances from either within or outside Tuvalu (Tuvalu National Labor Migration Policy, 2016). The Tuvalu Household Income and Expenditure Survey 2015/2016, revealed that only 1.7 percent of total household income is received from remittances.

Table 13: - Amount of Remittances Received by Money Gram and Western Union Money Transfer

Years	Amount Receive	Number of Activities
2016	\$1,299,148.73	3492
2017	\$1,248,231.86	3932
2018	\$1,613,101.28	4623

Source: National Bank of Tuvalu and Sulani Western Union Money Transfer.

Data collected from money transfer agencies, table 13 above⁸⁰ indicate an increase in remittances in 2018 from 2016. In 2017, while remittances received slightly decreased from 2016, the frequency of activity rose. This suggest that while more people are sending funds, the amount per transactions may have

⁷⁸ Foreign investors cannot own real estate, and must lease land from the traditional owners

⁷⁹ Tuvalu Household Income and Expenditure Survey Report, 2015/2016, only refers to cash remittances

⁸⁰ Remittance data shown in the table above does not capture inward international transfers into the National Bank.

fallen. The general overview of this money transfer data, reveals that despite the drop in the amount of money received, the number of people involved continuously grew at an average rate of increase approximately around 500 activities per annum, indicating the number of people benefitting from remittances hence sparks a positive contribution to the economy at large.

The Government recognizes that sustaining remittance flows requires continuous renewal of employment opportunities, while increasing these flows can only be achieved by expanding the number of work and/or residence opportunities offshore. As such, Tuvalu is participating in a number of labour schemes⁸¹ and vocational training programme to provide an alternative pathways for young people to hold foundational skills to participate more effectively in labour markets outside Tuvalu.

i. Good governance at all levels

Some progress with respect to governance has continued in LDCs. For example, thirteen of the LDCs have disclosed descriptions.

Laws of Tuvalu

Since 2016 to date, the Government has completed the review of up to 58 Acts⁸² relating to political, financial, economic and social development. Similarly, the Government also commenced the review of the Constitution in 2016 and completed its first draft Bill in 2019. The Bill, however is subject to further review work.

Law Enforcement

The Combined Law Agency Group (CLAG) is a joint law enforcement agency group which comprise of eleven Government agencies or departments specified in the Term of Reference. The CLAG was initiated some years ago under the chairmanship of the Commissioner of Police. It has recently been revived for the purpose of addressing growing concerns surrounding border control security issues, transnational organized crimes and counter terrorism in the region as well as security matters relating to visiting dignitaries and diplomats in National and Regional Events hosted by Tuvalu.

The CLAG has been meeting without any financial support since early 2018 with efforts to formalize its TOR, MOU and budgetary proposal for its joint operation. The purpose of the TOR and MOU is to strengthen collaborative efforts and coordination between relevant member agencies when implementing their respective legislative enforcement functions, powers, duties and responsibilities. The MOU is still being validated by the respective agencies.

The CLAG essentially serves as a central body and information hub for member agencies to meet, share relevant information and resources, and work collaboratively to efficiently and effectively strengthen border security, counter terrorism and transnational organized crimes affecting Tuvalu and to oversee security related matters during dignitary and diplomatic visits to Tuvalu.

There have been various border control issues pertaining to yachts and aircrafts entering Tuvalu's borders without proper marine and immigration clearance. There have been incidents of persons travelling to Tuvalu on travel alert but lack of electronic border control Management system in place to receive alerts. There have been suspected events of transnational human trafficking, by the Fisheries vessels, within Tuvalu's exclusive economic zone that are beyond the enforcement powers of Fisheries authorizing

⁸¹ Currently, Tuvalu accesses three bilateral programs which employ Tuvalu nationals abroad - New Zealand's system of Recognized Seasonal Employment (RSE), the Pacific Access Category (PAC) system, and Australia's Pacific Labour Scheme (previously known as Seasonal Workers Program - SWP).

⁸² List of Acts in Annex 1

officer. There have been incidents of criminal deportees being sent to Tuvalu without any prior notification to the Immigration office and without any integration system in place to monitor their risks to society. These and other transnational organized crimes and counter terrorism issues in the region are a growing concern for Tuvalu, which demands the need for an increase in joint operational collaboration and cooperation between relevant Government agencies.

In enabling an effective joint operation between the member departments, the CLAG seeks financial assistance through budgetary proposal under the Police department for the initial set up cost, in-country trainings for relevant departments, in-country meeting and other unforeseen joint operational works.

Specific reference - Rule of Law; Human Rights; Gender equality and Democratic participation)

Tuvalu's human rights achievements have been significant since 2016. Its Universal Periodic Review 3rd cycle report was submitted and has completed its dialogue at the Human Rights Council in 2018. Tuvalu has submitted its Treaty Reports under the UNCRC and UNCRPD and is awaiting its review with the expert committee. Tuvalu has established a National Action Plan on Human Rights 2016-2020 and is in the progress of implementing its commitments.

Tuvalu has established an Independent National Human Rights Institution housed with the Office of the Chief Ombudsman. In accordance with its UPR recommendations and treaty body recommendations, Tuvalu has made various amendments to laws to better reflect its human rights obligations and ensure its citizen are equally treated and protected under its laws. Further, the Constitutional review through extensive public participation during the three phases of the review was successfully carried out, following a scoping exercise at initial stage and later during the formulation of recommendations.

Other measures taken to improve good governance has included ongoing performance management training (Public Service); Awareness workshop on Leadership Code; Good governance workshop (ongoing) organized by HRM; the creation of an independent Public Service Commission. Planned actions include the review of State-Owned-Enterprises (SOE) Corporate and operational plans.

In terms of advancing gender equality, Tuvalu has implemented the Family Protection and Domestic Violence Act and effort is in place to end violence against women training for communities and awareness programme on social and community issues.

Measures against Corruption aimed at increased transparency

The Office of the Attorney-General is currently the focal point office for anti-corruption. Since Tuvalu became a State Party to the United Nations Convention Against Corruption (UNCAC) on 4 September 2015, there has been ongoing efforts to implement the UNCAC at the national level. Tuvalu has completed its first review cycle on chapters I and V of the UNCAC and is now in the process of completing the second review cycles on chapters II and V of the UNCAC. The Government of Tuvalu, through the leadership of the Attorney-General's Office, has initiated the process of developing a National Anti-Corruption Strategy that will serve as a comprehensive, coordinated anti-corruption framework for the Public and Private sectors and Non-Government Organizations. The target year for the completion of the National Strategy is 2020.

The government is a member of a number of regional and international forums including, but not limited to PILON, SPLA, Melbourne Forum (Constitution Building), APG, RRRT (Gender and Law), IPU, IRG-UNCAC.

j. Progress towards graduation

Tuvalu joined the category of least development countries (LDCs) in 1986, and was found eligible for graduation for the first time in 2009 for meeting two of the criteria of Gross National Income (GNI) per capita and on the Human Assets Index (HAI). In 2012, for the second time, Tuvalu was recommended for graduation by the Committee for Development Policy (CDP) again meeting the GNI threshold and the HAI

criteria. In 2018, the Economic and Social Council took note of the recommendations of the Committee for Development Policy and decided to defer consideration of the graduation of Tuvalu to no later than 2021.

While Tuvalu may have satisfied the graduation criteria, it cannot overstress the severe vulnerability and significant barriers to international trade, by virtue of its geographical characteristics. Its predominantly an import dependent nation, exports earnings are insignificant with the exception of fishing licenses which is highly volatile.

Like other LDCs in the Pacific, Tuvalu does not meet Economic Vulnerability Index indicator (VDI). The supremacy of the vulnerability criterion for determining LDC deserves exceptional attention. Tuvalu is recognized by the United Nations as one of the economically most vulnerable countries in the world, yet, the CDP recommended Tuvalu for graduation based on meeting two of the graduation criteria. Tuvalu continues to advocate for a review of the graduation criteria, and reiterates that the EVI should be one of the qualifying criteria of the two criteria required to pass in any particular review period. This will ensure that there will be no fallback to the LDC category in the event of a disaster and major climatic events, which is now a common occurrence in the Pacific region.

A key concern for Tuvalu is that graduation will mean the withdrawal of LDC specific international support measures (ISMs) which includes modalities and access to certain concessional finance instruments and preferential market access for exports and the allocation of aid and climate finance. To ensure that this does not disrupt graduates' development progress, smooth transition measures remain critical. Graduation must be anchored in a long term of structural transformation and aligned to national development goals and plans. A more detailed analysis of the consequences of graduation is needed in order to prepare a smooth transition strategy.

Tuvalu requests the Committee for Development Policy to conduct an assessment of Tuvalu's level of preparedness and identify transitional measures to graduate. This would assist Tuvalu in putting in place a transitional plan and associated resources to address the challenges the country is likely to face during the transition period.

V. Coherence and linkages with the 2030 Agenda and other global processes

The Government of Tuvalu has adopted the 2030 Agenda in its national strategic sustainable development plan 2016-2020 as a framework to guide the SDGs implementation⁸³. Equally important, much of the IPOA targets are in many ways reflected in the sector strategies and work programmes, but government departments may not be cognizant that its aligned. Similarly, the Government has made significant progress in conducting extensive consultation with the communities on the SDGs targets to raise awareness and its integration into the Island Strategic Plan (ISP) process for each of the Island communities.

To ensure resources are available, the Ministry of Finance coordinates and prepares the national budget and attempts to integrate the 2030 Agenda. However, what is evident is that there is poor coordination and planning at the departmental level to align their resource needs and key development outcomes. Further, Tuvalu's TK III, under strategic area 13 establishes a mechanism to monitor, follow up, review and report on progress towards TK III and SDGs implementation, however there is limited monitoring, follow up, review and reporting at the ministry level⁸⁴. As a result of this, will delay the implementation of SDG⁸⁵s. Tuvalu has articulated its commitment to mainstream climate change, gender equality and good governance into the development framework and sectoral policies, but the confronting challenge it

⁸³ Auditor General Report on Tuvalu's Preparedness for the Implementation of the SDG, 2018

⁸⁴ ditto

⁸⁵ ditto

faces is limited resources especially staff to work on these cross-cutting issues, coordination arrangements, legislation and awareness of climate change and its impacts

Tuvalu's development partners have contributed actively to the implementation of action areas under the Istanbul Program of Action, individually or through a range of joint programme and activities. For example, New Zealand provides support to Tuvalu on water security and works closely with the Pacific Community (SPC) on the delivery of the program. In the same way, development partners providing budget support enables Tuvalu to deliver its national development strategies but also strengthen its financial management systems, with key results outlined in the PRM. The partners meet biannually at dedicated meetings held to discuss progress on agreed areas under the PRM to enhance the coordination and coherence of the budget support towards targeted areas. The Government acknowledges that this process needs to be strengthened to ensure that key deliverables reflect Tuvalu's priorities and are resulted focused. Equally, the design of Tuvalu next national strategic development plan (TK4) will espouse the vision of ***“Improved quality of life and strengthened family unit, and community order that ensures that Tuvalu people remain healthy, happy, secured, prosperous and live a peaceful life”***. Its anticipated that the approach will focus on increased information exchange, improved coordination of activities and coherence across Government on development priorities.

VI. Towards the next LDC agenda

Tuvalu is hampered to meet its ongoing development needs such as suitable social protection coverage for all, providing opportunities for young people, further training for economic development and the need to access decent and productive work; resilient infrastructure and other resilience building activities of the country. This is compounded by limited capacity to mobilize sufficient resources domestically and the heavy reliance on primary commodity (fish) given its volatility.

National level intervention:

- Strengthen policy coherence, mainstreaming of cross cutting areas such as climate change, gender, food security, youth, women and children through national policy development processes;
- Ensure that national development priorities are effectively translated into sector plans and adequate resources are allocated to these areas;
- Enhance domestic awareness of climate change impacts and adaptation at all levels of society through an effective communication strategy - the importance of the institutional arrangements, stakeholder involvement, coordination, awareness, monitoring and evaluation;
- Ensure the mainstreaming climate change into education and school curricula;
- In partnership with development partners, address the serious literacy weaknesses faced by the children of Tuvalu.
- Strengthen financial stability through improved public financial management and economic scrutiny through reforms
- Strengthen the capacity of the Ministry of Finance's to forecast revenue for fishery given the complexities around the vessel day scheme under the regional arrangement. Further, continuing regional cooperation and collaboration to enhance the region's negotiating power to sustain fishing revenue in the medium term;
- Foster a strong relationship with government sectors, public and development partners on the delivery of services to the people of Tuvalu

- Ensure that through the design of the forthcoming national development strategy will adopt a participatory and inclusive process and include an integrated monitoring and evaluation framework.

Regional and International level intervention:

- Increased international assistance both technical and financial to continue building the resilience of Tuvalu, social protection activities for all and expand investment in resilient infrastructure.
- Accelerate support to implement successful PFM reforms and to develop a resilience fiscal framework based on robust cost benefit analysis tracking allocation and expenditure towards reducing risks and achieving resilience;
- Increased support to enhance capacity-building for domestic resource mobilization.
- Continued assistance to deliver on development goals.
- Increase support to climate finance and technical support to assist Tuvalu improve vulnerability of its people.
- Regional & International partners should work towards greater coherence at the national and regional levels to support Tuvalu in its graduation effort.

VII. Statistical Annex

None provided by the Departments

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⁸⁶ Reorganization of Government ministries following the appointment of new Government in September 2019, the Ministry is now Ministry of Public Works, Infrastructure and Environment