



MALDIVES

[Check Against Delivery]

Delivering the 2030 Agenda: The Role of the UN Development System in Middle Income Countries in the context of the ECOSOC Dialogue on Long Term Positioning of the UNDS

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Session 1: “Moving towards a tailored approach for increasingly diverse capacities and ever-changing needs: Member States’ priorities and challenges in different country contexts - Interventions by high-level representatives from governments”

Excellencies, Distinguished Delegates, Ladies and Gentlemen,

At the outset, allow me to congratulate the panellists and discussants for this very rich and engaging dialogue. This is an interesting discussion, and a timely one indeed as we discuss the future of the United Nations Development System and its role in the implementation of the new sustainable development framework, which promises to “leave no one behind”.

I would like to use the example of my country, the Maldives to illustrate a few points that are important to our delegation.

As you know, the Maldives was until 2011, identified as a Least Developed Country by the UN. The decision to graduate was a hard but conscious one: no country wants to be identified as “Least” anything, yet we also knew a lot of the safety nets that are provided for LDCs would no longer be available.

We also knew, as a Small Island Developing State, structural challenges associated with our unique geography, especially in making growth more resilient to internal and external shocks, as well as more inclusive and balanced, will remain - a point only too well proven by the 2004 Indian Ocean Tsunami, that actually forced us to ask for extension to our graduation.

It is a reality: “we can never graduate from being a SIDS”: the Maldives continues to face many structural difficulties. Limited access to markets, geographical isolation, environmental stresses, narrow economic base, scattered populations and inability to achieve economies of scale pose threats to sustainable development.

When we graduated, we were now labeled as a Middle Income Country. The kind of support provided by the UN System changed, although many of the challenges pre 2011, still remained post 2011. We were expected to continue on the development path, expected to be more able to sustain that pace. Yet the irony was, that because of the loss of the cover of being an LDC, we were no longer eligible to the concessionary financing and preferential access, which is required to sustain the development gains we achieved to be able to graduate in the first instance.

Countries like the Maldives, are expected to borrow for large infrastructure and other development projects, at commercial rates, or enter into lengthy bilateral negotiations, which are sometimes beyond our capacity. Government borrowing has gone up. For an already indebted country like ours, this debt burden poses a serious threat. These are challenges that are not just peculiar to the Maldives, but find resonance in the experience of many SIDS who are also classified as MICs.

This leads me to our first observation – that support to countries must be determined on their abilities and challenges rather than income categories. Determining development status based on income criteria not only gives a distorted picture of the various nuanced challenges a country faces, but glosses over the range of diverse challenges that exist within this so-called category of countries.

We believe it is very important for the UN development system to take note of how big a role geography plays in growth possibilities for countries like ours.

- We are dependent on one industry for our economic activity, the country is almost entirely dependent on imports and therefore highly vulnerable to shocks. Moreover, tourism and fisheries which are the mainstay of the economy, are industries that are very vulnerable to the environmental shocks.
- The population's dispersal (350,000 people over nearly 200 islands, with populations ranging from less than 500 to more than 10,000) likewise results in a number of socioeconomic and governance issues.
- Limited human capacity, transport and ICT infrastructure, dependency on oil and petroleum imports, and impossibility of developing any significant agriculture, combine to make it difficult to diversify the economy.
- Further, the need for significant expenditure to protect against climate vulnerability and to improve water transport links places a huge burden on the government's limited capital budget.

This is our second and final point – that any criteria used to mark graduation from least developed status, must be holistic and must take into account – and not as an option – the economic vulnerability of a country. It should measure how resilient the country is, in confronting the challenges that it encounters. Without which, development will not be sustainable.

With this I end my remarks and wish you all the best for a very productive session. I thank you.