MALDIVES

Statement by:
His Excellency Mr Ahmed Sareer, Permanent Representative to the United Nations
Agenda Item 22a – Follow-up to the Fourth United Nations Conference on Least Developed Countries
New York, 21 October 2013

Thank you Mr Chairman,

At the outset, I wish to thank the Secretary-General for his comprehensive reports submitted for consideration under this agenda item. My delegation also appreciates the presentation made today by Mr Gyan Chandra Acharya, Under-Secretary General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. We highly value the diligent work of the High Representative and his staff in guiding us in the follow-up to the Fourth UN conference on Least Developed Countries. Let me also extend our sincere thanks to the Committee for Development Policy for their support and engagement with my delegation as the Maldives faces these challenging years since its graduation from the LDC status in 2011.

Mr Chairman,

The Maldives happens to be the most recently graduated country from the UN’s list of LDCs. However, our graduation from LDC status does not change the socio-economic ground realities overnight. The Maldives continues to suffer from disadvantages that are associated with small island economies. A narrow economic base, geographical remoteness, a lack of scale economy, vulnerability to exogenous shocks and environmental fragility are still relevant features of the Maldivian economy. This year, the country is in its final year of the three-year smooth transition process articulated under the UN resolution 59/209.

Due to the infancy of the graduation program, the daunting challenges arising from the inherent vulnerabilities of the country, and the lack of a coordinated commitment from bilateral partners, this process has been far from smooth for the Maldives. Therefore, the Maldives is pleased to note that the UN Resolution 67/22 has introduced greater oversight ability for the UN and articulate the need for a strengthened consultative mechanism for the coordination of bilateral aid. Nonetheless, it is still a shame that the Maldives continues to suffer the negative consequences of graduation due to the insufficiency of its smooth transition strategy. It is our hope that development will not be reversed in the absence of stronger bilateral and multilateral commitments to the country.

Mr Chairman,

Ultimately, the LDC graduation process is still based on a flawed set of criterion. While the term Least Developed is not a particularly proud category for a country to be in, the inherent vulnerabilities and volatility of countries to externalities beyond its control, makes it necessary for such countries to have access to concessional development financing and technical assistance in order to continue progressing to more resilient levels of development. The Small and Vulnerable Economies (SVE) category of the World Trade Organisation (WTO) provides special benefits on the trade front to countries such as the Maldives. The Maldives is exploring the viability of a similar category here at the UN, which may or may not overlap the list of LDC’s, in order to better acknowledge countries needing specific attention due to the inherent vulnerability arising from the smallness of their economies.

Mr Chairman,
With the primary focus of the smooth transition strategy developed for the Maldives being on trade development, the Maldives has extensively engaged with the WTO in its implementation. The efforts of the Maldives has resulted in the extension of the application of the TRIPS or the Agreement on Trade Related Aspects of Intellectual Property Rights, for all LDCs.

The Maldives has been an advocate of Small and Vulnerable Economies, gaining access to the Enhanced Integrated Framework, and utilizing our Trade Policy Review to draw the attention of World Trade Organization’s Member States to the consequences of graduation and negotiate an “Everything but Arms” trade agreement with the European Union. We also have a similar zero tariff agreement with China for 60% of Maldives’ exports.

Mr Chairman,

With the EU’s EBA agreement coming to an end, the Maldives has applied to join the EU’s Generalised System of Preferences (GSP+). However, the new regulation adopted by the EU on the 31st of October 2012, has conditioned that in addition to meeting a low income bracket, a country would have to ratify 27 core conventions. These requirements will be applied beginning on the 1st of January 2014.

In this context, the Maldives has submitted to the EU, comprehensive information on implementation of the 27 Conventions included in Annex VII of the EU Regulation 978/2012, including reservations on the International Covenant on Civil and Political Rights (ICCPR) and Convention on Elimination of all Forms of Discrimination against Women (CEDAW). Maldives has also submitted a reformulation approved by our Cabinet to ease our reservations to these conventions. These modifications have now been submitted to Parliament for approval as well.

However, last week the European Commission informed the Maldives of their intention to reject the Maldives’ application unless all reservations to CEDAW are completely removed. Unfortunately, as the EU is our single largest export market, this rejection will be an unprecedented loss to our second largest economic sector – fisheries.

Mr Chairman,

In the end, these issues are those that have resulted from our graduation. The Maldives has been graduated from the category of LDC’s largely based on its per-capita Gross National Income and the performance of its social indicators. For a small and highly dispersed country like the Maldives, little if any consideration has been given to the high per-capita cost of providing the basic services to its people that has resulted in these favourable social indicators in the first place. No analysis has been done to understand how the country has managed to uplift the social indicators prior to graduation. If analysed at a micro-level, it would not be difficult to see that donor intervention has played a significant role in providing affordable social services to the people living on distant islands.

Mr Chairman,

Except for the UN, there is little permanent donor presence in the country since the smallness of the Maldives does not justify the cost of maintaining such a presence for most donors. Infrequent visits leave schedules so packed that little time is left to travel to the inhabited islands of the Maldives, to witness the real development challenges facing the country.

In short, the conventional measures of national development as applied to assess whether a country qualifies for assistance by a donor does not apply to the situation Maldives and many other Small Island Developing States. An innovative measure to truly capture the development dynamics of small, highly dispersed island countries like the Maldives need to be developed and a system be in place to conduct regular studies for the consideration of the international donor community in deciding on providing assistance to such countries. It is our hope that the upcoming UN conference on SIDS in Samoa will take significant steps towards acknowledging these vulnerabilities. It is our hope that Small and Vulnerable Economies are given the acknowledgement and support they need to endure.

In essence, it must be an obligation of the international community, in particular the United Nations, to ensure that the progress made by graduating countries is not reversed during the transition process, and that inherent vulnerabilities are not disregarded.

Thank you!