



**MALDIVES**

**71<sup>st</sup> Session of Economic and Social Commission for the Asia and Pacific**

*“Balancing the Three Dimensions of Sustainable Development: From Integration to Implementation”*

**Statement by H.E Mr. Ahmed Munawar, State Minister, Ministry of Finance and  
Treasury, 29 May 2015, Bangkok**

Bismillah-Ah-Rahman-Ah-Raheem

Your excellencies, Presidents, Prime Ministers, Head of states, Mr. Chairman, Executive Secretary and distinguished guests,

A very good morning to you all,

Mr Chairman,

As this is the first time my delegation is taking the floor, let me begin by congratulating you and the vice chairs on your election. Our heartfelt thanks also goes to UN ESCAP for convening this important session in such an opportune moment. Let me also congratulate UN ESCAP and the stewardship of Executive Secretary on the success of the Asia-Pacific Forum on Sustainable Development that concluded last week.

Mr Chairman,

This year, my country celebrates the 50 years of independence, and we as Maldivians are proud to mark key economic, social and environmental developments we have achieved over the period. This era of sustainable developments had transformed this tiny small island economy into one of the world's famous tourist destination, seen as a Paradise in the world - which everyone is eager to visit at least once in their lifetime. This tourism led-growth has enabled the country to be among the only 4 Least Developed Countries (LDCs) to be graduated to the middle-income country since 1991 with GDP per capita of over \$7000. Concurrently, Maldives has also achieved remarkable progress in the attainment of Millennium Development Goals (MDGs) with 5 out of 8 MDGs already achieved and on track in achieving the rest. As such, Maldives has made marked improvements in the human development indicators such as infant mortality, maternal mortality, and educational attainment and also have the achieved the lowest poverty rates in the South Asia. Likewise, as per Human Development Index (HDI) in 2012, Maldives had a score of 0.688 which is above the average for countries in the medium human development group.

Ladies and Gentlemen and Mr. Chairman,

Nevertheless, like many of the Countries with special needs (CSN), Maldives is facing numerous challenges for the future sustainable development. One of the key challenges to the inclusive growth relates directly to the dispersal of 340,000 populations across 198 islands. Of this, over 60% of the islands have less than 1000 population while over one-third of the total population lives in the capital city, Malé and placing Male' as one of the most densely populated island in the world with 53,700 people per square kilometer. This has resulted, in relatively high income inequality by regional standards and huge income and poverty disparities among different atolls of Maldives. Similarly, as a small island developing state (SIDS), Maldives is exposed to vulnerabilities at the macroeconomic and social level. These include economic vulnerability from external shocks, effects of climate change, natural disasters such as Tsunami and emerging social challenges such as high level of youth unemployment and gender issues. And since 2004, fiscal sustainability has been a key challenge for the macroeconomic stability with ballooning debt levels largely due to rapid increase in recurrent expenditure related to expansion of public sector with the adaptation of the new constitution and political cycle. In addition, since the graduation in 2011, Maldives had also faced key challenges with removal of trade and development preferences and has resulted in loss of key markets for fisheries exports and in reduction of concessional development financing which are crucial for future infrastructure developments.

Mr. Chairman, Ladies and Gentlemen

The newly elected government of President Abdullah Yameen in 2013 has embarked on an ambitious economic agenda to transform the economy on a platform of 'people empowerment' through economic growth and employment creation. And in doing so, the integrations of the three pillars of sustainable development of economic, social and environmental development is given special importance. During this short period, GDP has grown vibrantly and tourism sector has shown its resilience once again with arrivals surpassing the 1 million mark. At the sometime, domestic and external stability has being restored with lower inflation, gradual reduction in both the current account deficit and fiscal deficit.

Mr. Chairman,

The Government's vision is to make Maldives a resilient, diversified, high-income economy in the next decade by economic transformation through promotion of foreign investment, private sector led-growth, and population consolidation. As such, government has intensified its efforts to develop an investor-friendly environment with the enactment of key legislations such as Special Economic Zone (SEZ) and improving the macroeconomic stability. For the economic transformation to take off, the government has embarked upon the development of key mega-infrastructure projects including Hulhumale' Youth City, Hulhumale' and Male' Bridge, the development of a maritime seaport and the international airport which are all concentrated in the Male' city area. The Youth City, with a target population of over

150,000 and the development of connecting bridge, firstly ever to be built in Maldives, would attract a large population for the newly reclaimed island. As such, government intends for a planned urbanization to take place, with pull factors for migration such as employment availability and affordable housing. On the north, a similar integrated development project, known as the iHavan project; would provide immense potential for creation of the international trade and capture the trade flows crossing the 7 degree channel. These are bold and ambitious key pieces of infrastructure critical for the economic transformation and in realizing Maldives vision of a diversified economy in the South Asia by next decade. The financing for these projects would be a key challenge, but we are confident that bilateral and multilateral financing and private sector FDIs would help to bridge the gaps. In addition, domestic financing would also be crucial and already Maldives has achieved one of the highest domestic revenue as a percentage of GDP of over 40%.

Mr. Chairman,

Maldives being relatively a young population, the 'people-empowerment' policy is centered in investing and empowering the youth population. The Government has prioritized skills development and job creation for the youth, so as to reduce the huge youth unemployment level which is close to 40%. Thereby, government is confident that other social issues related youth unemployment such as high rates of crime and drug abuse would also be greatly reduced. Government believes that 'where there is life there is hope' and 'where there is hope there is life' and that each and every youth can contribute positively to the growth of our country given the right opportunities and empowerment. On the social front, promoting and protecting the rights of vulnerable groups such as children, women and elderly populations have been among the most important objectives of the Government's human rights policy and had taken many positive strides including enactments of important legislation and implementation of programs targeted to these groups. Government gives special emphasis to make women economically empowered through introduction of targeted micro-loans, single mother benefits, home-based employment opportunities, and day-care facilities.

Mr. Chairman,

With Maldives known for its 'sun, sea, sand', environment issues such as and climate change is taken very seriously. In this regard, Maldives, through national, regional and international efforts, has undertaken several initiatives and been an agent of change on a wide variety of issues related to climate change and environmental degradation. Maldives is the current chair of Alliance of Small Island Developing States (AOSIS). During its tenure as the Chair, Maldives will lead the voices of Small Island developing states through a year of milestones; the new development framework to follow from the Millennium Development Goals to be adopted by United Nations General Assembly in September and the Conference of Parties to the United Nations Framework Convention on Climate Change is set to adopt a follow up treaty to the Kyoto Protocol in December in Paris this year.

Furthermore, Maldives has itself initiated an ambitious project of over \$150 million for reducing the carbon emissions with the implementation of Scaling-Up Renewable Energy Program in Low Income Countries (SREP). Under this programme, government has initiated two programs - Accelerating Sustainable Private Investments in Renewable Energy (ASPIRE) Project, is led by the World Bank while Asian Development Bank together with co-financiers would undertake Preparing Outer Islands for Sustainable Energy Development (POISED). Both of these projects are aimed to support energy efficiency and renewable energy investments and the government targets to increase the use of renewable energy in the mix supply from 1% to 25% by 2020.

Ladies and Gentlemen and Mr. Chairman,

We believe, sustainable development is the pathway to the future we want for our people. And as we move towards transiting from MDG to SDG's, we believe that a people-centered and human rights based approach is the key to delivering on an ambitious and transformative post 2015 development agenda. Maldives believe that resilience building should underpin the post-2015 development agenda within the three dimensions of sustainable development; social, economic and environmental. It is also important that disaster risk reduction is adequately integrated in the Post 2015 development Agenda.

Mr Chairman,

No doubt, our regional perspective on the key aspects for delivering an ambitious and transformative post 2015 development agenda, and the sustainable development goals (SDGs) would be expedient for the discussions in the High Level Political Forum on Sustainable Development and the UN Summit to adopt the Post 2015 Development Agenda in September. As echoed by various member states, Maldives believe that streamlined and nationally appropriate follow up and review mechanism, are crucial elements for delivering on the ambitious goals and targets.

In addition, during the discussions on the implementation of the post-2015 development agenda, many countries have emphasized the importance of availability and access to quality statistics. We believe that relevant, reliable and timely data are crucial for assessing the progress towards the achievement of development outcomes and for evidence based decision making.

However, delivering quality economic, social and environmental statistics for the ambitious sustainable development agenda will be a huge challenge for the national statistical system of Small Island Developing States (SIDS) such as the Maldives. Given geography Maldives country, with 198 inhabited islands and 105 islands tourist resorts, data collection is very

costly. We also have very limited Statistical capacity in terms of staffing, technical know-how on use of modern methods for data collection and management.

I believe that regional collaboration and funding mechanisms will be instrumental to enhance capacity building support to developing countries, including LDCs and SIDS, to produce the data for effective monitoring on SDGs. In this regard we support the proposed Regional Trust Fund for Data and Statistics.

Mr Chairman,

We cannot reiterate enough the important role of means of implementation plays in order to realize our very ambitious agenda. Without adequate, sufficient, timely and predictable means of implementation, our Agenda will just remain a wish list. In our view, the Post-2015 development process, the Third International Conference on Financing for Development (FfD), and the 2015 agreement we are negotiating under the UNFCCC, should complement each other, while respecting their separate and specific mandates. Maldives, as always would join hand in hand and would work together in realizing these goals and writing our own story of building resilience through challenges and sustainable development, a story that will make Maldivians proud in the next decades to come.

Thank you