

## **MID-TERM REVIEW OF THE BRUSSELS PROGRAMME OF ACTION (BPOA)**

### **1.0 INTRODUCTION**

Tuvalu's economy is small, fragmented and highly vulnerable to external economic influences. This has led to a heavy reliance on outside development assistance and has led to a degree of complacency in fiscal and financial management. The economy is unusual in that a substantial amount of both government revenues and private incomes are generated from overseas. For government, revenues come primarily from the income of the Tuvalu Trust Fund (TTF) (capital), the 'dotTV' internet domain (asset) and from fishing license fees paid by foreign fishing vessels (natural resources). For families the income derives from remittances from overseas seamen (labour).

Between 1996 and 2002 annual real growth in Gross Domestic Product (GDP) averaged 6% per annum, with high variability from year to year. For the latest two years, 2001 and 2002, growth rates were 5.9% and 1.2% respectively.

Underpinning recent economic performance has been the 11% average annual increase in government's contribution to GDP, with government being the largest sector in the economy and the largest employer. This has increased government's share of GDP from 24% in 1996 to 30% in 2002. The private sector domestic economy is small, accounting for only an estimated 31% of GDP in 2002, down from around 44% in 1996.

The household non-market component in the economy (the subsistence sector) has been declining steadily, by an estimated 0.8% per annum between 1996 and 2002. The declining level of subsistence production is indicative of broader trends including increasing monetization, that is the growing importance of cash in meeting daily needs; and steadily declining outer island populations (excluding Funafuti and Vaitupu) with an associated shift in population structure of the outer islands where the 'economically active population' (aged 15-54) is supporting an increasing 'dependent' population of young and old.

Remittances from seamen (and other less formal remittances from other Tuvaluan resident overseas) make a very significant contribution to the economy in general and to individual families in particular, with just over one third of households receiving income from remittances in 2002.

The long-overdue National Strategy for Sustainable Development (NSSD) *Te Kakeega II* has now been finalized and published. The strategy identifies the eight strategic areas the nation should focus on in the next ten years: governance; the economy; private sector and job creation; social services; outer islands and Falekaupules; education and training; infrastructure; and natural resources.

### **2.0 ANALYSIS OF THE BPOA**

#### **2.1 COMMITMENT 1: Fostering a people-centred policy framework**

##### **2.1.1 Goal 1: Attain a GDP growth rate of at least 7 per cent per annum**

#### **Progress and Constraints**

Annual real growth in GDP between 1996 and 2002 averaged about 5 percent per annum. From 2003 to 2005, Tuvalu's economy has grown round 4 percent annually. In 2004, economic activity subsided following the completion of two major construction projects – Princess Margaret Hospital (PMH) and government building – whose total value almost equaled the value of GDP in 2002. Outputs for 2004 and 2005 were poised to fall back by 12 percent to 2002 level as activity slowed. Also underpinning the growth has been the average annual increase in government's contribution to GDP of 11 percent per annum and remittances from seafarers amounting to some 20 percent of GDP.

#### **Priorities**

The strategies for increasing economic stability, adhering to greater fiscal discipline, and expanding economic growth are detailed in the NSSD and include: structural reforms in the public sector, including efficiency improvements, further cost cutting and focusing on core functions that have high rates of returns.

#### **Challenges**

In its effort to increase economic growth, government needs to implement the strategies stated above.

## **2.1.2 Goal 2: Increase the ratio of investment to GDP to 25 per cent per annum**

### **Progress and Constraints**

38% of grants in the 2005 National Budget are from ROC, EU and other donors. The grant is invested in Tuvalu for development purposes. 25% of grants received in 2004 hence a 13% increase of grants received between these years.

The private sector domestic economy is small accounting for only an estimated 30% of GDP in 1998. Although the decline in the private sector's contribution to GDP is primarily the result of the rapid increase in the contribution of the public sector, there has nevertheless been little underlying growth in private sector activity. Some 85% of this private sector contribution to GDP was accounted for by non-market production, and only 15% (equivalent to about A\$1 million) was private sector monetary output. FDI<sup>1</sup> are very slow given the size of the market and the remoteness of the country to encourage any sizeable FDI.

### **Priorities**

With the small private sector domestic economy with little employment-generating activity, significant structural and public enterprise management reforms need to be undertaken and market competitiveness introduced; increase private sector share of GDP; and subsidies to public enterprises not to exceed 5% of GDP.

### **Challenges**

Identify potential government departments for corporatisation/privatization as to increase the private sector economy and to increase its contribution to GDP.

## **2.1.3 Goal 3: Make substantial progress toward halving the proportion of people living in extreme poverty by 2015**

### **Progress and Constraints**

In 1994 almost 20% of households live on less than US\$1 per day, with expenditure levels significantly lower in the outer islands compared with the capital whilst 17% for 1995. However there are concerns about the accuracy of this estimate because of the sampling and non-sampling errors from the 1994 HIES<sup>2</sup>. In 1994 29% of the households have monthly expenditures below the national poverty line (\$A 84.21). Households below the poverty line imply that these households regularly struggle to find cash or produce subsistence goods to satisfy basic needs (such as food, electricity, clothing).

The major causes of hardship and poverty (in the local context) identified during Participative Poverty Assessment (PPA) consultations with six communities in 2003 can be summarized as: limited access to quality basic services and infrastructure; limited income generation opportunities particularly for women and youth and those with low levels of education; overcrowding and overpopulation of households and communities, particularly on Funafuti; weakening social support system; too many family, church, community, and island contributions; and idleness and “dependency attitude” among families and relatives.

### **Priorities**

In response to calls for economic growth to benefit all of Tuvalu the government has implemented a number of policies and strategies aimed to provide a stable macroeconomic environment, including sound budget management, political stability and appropriate policy environment. These strategies are detailed in the NSSD. Since the ADB assistance in poverty analysis and PPA in 2003, the government would form a committee to investigate HIES data for these social implications in relation to causes and characteristics of poor households

### **Challenges**

The major challenge for the government is to adhere to the direction established in the NSSD and develop appropriate policies and implement necessary reforms. Integrating pro-poor policies and strategies is also a major challenge, given the recent acknowledgement of the emerging concerns of hardship.

## **2.1.4 Goal 4: Make substantial progress towards halving the proportion of people from hunger by 2015**

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<sup>1</sup> Foreign Direct Investment (FDI)

<sup>2</sup> Household Income and Expenditure Survey (HIES) 1994

### **Progress and Constraints**

No information is available for this target; however the 1983 National Nutrition Survey found that obesity and children being over weight was of more concern than malnutrition, with only 3% of children having low body weight, compared with 30% being over weight. Ministry of Health patient records (growth charts) indicate that the incidence of underweight children is not a significant concern but there are a few cases of children visiting the hospital and clinics with problems associated with poor nutrition. A nutrition survey that will provide information for monitoring this target is planned to be conducted in 2006. Discussions with UNICEF are ongoing about potential funding for a national nutrition survey.

### **Priorities**

A Nutrition Plan of Action will be developed to facilitate the implementation of the National Food and Nutrition Policy (2004, draft); the priorities of which include to: ensure continued availability and access by all Tuvaluan to sufficient supplies of safe food; achieve and maintain health and nutritional well-being of all Tuvaluan; promote environmentally sound and socially sustainable development to contribute to improved nutritional health; and to promote multi-and inter-sectoral cooperation in food and nutrition-related activities to ensure sustainability.

### **Challenges**

Challenges include increasing the accessibility to nutritious food, its production and supply in local markets at an affordable price. People then have to show their preference for purchasing (or producing) this food over less nutritious alternatives; this desire comes about by educating the public about the need for nutritious foods and which foods are nutritious.

## **2.2 Commitment 2: Good Governance at national and internal levels**

### **Progress and Constraints**

Continuing efforts to establish an effective, fair and stable institutional, legal and regulatory framework in order to strengthen the rule of law and foster effective participation of and close cooperation among all relevant stakeholders at national and local levels in the development process. Fostering just, transparent and well functioning government accountable to the people as well as promoting an accessible and independent judicial system

### **Priorities**

The priorities and strategies include: the establishment of the leadership code and ombudsman; formalize a process for public and other stakeholder participation in the formulation of policy, planning and performance monitoring; implement the FEMM 8 principles of Accountability; etc. Refer Attachment for further strategies.

### **Challenges**

The challenge is funding assistance for implementation the strategies mentioned above.

## **2.3 Commitment 3: Building human and institutional capacities**

### **2.3.1 Goal 5: Making accessible, through the primary health system, reproductive health to all individuals of appropriate ages as soon as possible and no later than the year 2015**

#### **Progress and Constraints**

Health workers are able to provide most of the key services for health care, with the system relying on early detection of 'serious' cases which can then be sent of overseas referral schemes, challenging given communication and infrastructure problems between the capital and the outer islands. However the other problem is the scarce of financial and human resources for the health sector.

The National Health Plan (1999-2003) is currently being reviewed but still forms the basis for operations because of delays in the implementation of some of its components. The Plan contains a number of programmes for women's reproductive health including prenatal and postnatal clinics, family planning, tests on sexual transmitted diseases, cervical screening and healthy nutrition. According to data provided by the Health Department, contraceptive prevalence rate amongst married women aged 15-49 is 31.6 for 2003.

The TuFHA<sup>3</sup> is mandated to advocate family planning as a means of planning birth timing and spacing and ensuring the good health of mothers. TuFHA is also active in reproductive health education in their programmes.

#### **Priorities**

Achieving sound health standards is one of the key pre-conditions for improved quality of life as emphasized in the NSSD. Government's focus is geared towards the overall improvement in curative and primary preventative services on the outer islands and the capital.

The national health policy priorities for Tuvalu are: to provide high quality primary, secondary and tertiary health services; to continually improve the effectiveness and efficiency of its health care delivery system; to develop all health services to be customer-focused; and to produce and retain high quality personnel for its health services.

#### **Challenges**

Adequate funding and sustainability to meet improvement in facilities and services on the capital and outer islands.

### **2.3.2 Goal 6: Making available the widest achievable range of safe, effective, affordable and acceptable family planning and contraceptive methods**

#### **Progress and Constraints**

TuFHA and PMH<sup>4</sup> provide free condoms for users. Various types of contraceptive are used and latest information is shown in the table on the attachment. TuFHA have also conducted workshops on family planning and safety use of contraceptive methods.

#### **Priorities**

Priorities are for TuFHA and PMH to continue providing free contraceptive methods to the public and workshops on family planning and contraceptive methods. Latest information about contraception use (and perceptions about contraception) is to be collected through family planning surveys which are planned to be conducted in 2006 (depending on confirmation of funding).

#### **Challenges**

Funding sustainability for purchase of contraceptive items and conduction of the family planning survey.

### **2.3.3 Goal 7: Ensuring that by 2015 all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, have access to and complete, free and compulsory primary education of good quality**

#### **Progress and Constraints**

Tuvalu has achieved the target in net enrolment in primary education. However, there is a need to be cautious with the results where there is a trend for respondents to answer about what they should be doing instead of what they are currently doing. Analysis of the enrolment information from the Ministry of Education is needed to verify this rate. There is also a need to examine the 'true' attendance levels of primary students where students might enroll but might not regularly attend. In 1993 96 % of pupils who started grade 1 reached grade 5. This estimate could be more accurate if data on drop outs is used, and extended to the full course of primary schooling.

#### **Priorities**

Tuvalu government put together the Tuvalu Education Implementation Plan (TEIP) for the Education and Training Sector Master Plan (ETSMP) which focuses on quality, relevance and access as its three themes. The plan provides for a comprehensive programme of improvements in all aspects of education service management and delivery. The core components of the strategies in the policy are: raise standards of teaching and learning; improve the environment for teaching and learning; improve the relevance of the curriculum; ensure adequate availability of education services for special needs and situations; and strengthen management of education system

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<sup>3</sup> Tuvalu Family Health Association (TuFHA)

<sup>4</sup> Princess Margaret Hospital (PMH)

### **Challenges**

Despite the achievement of ensuring universal access to primary education, government is committed to improving the quality and relevancy of education which the Tuvalu Education Implementation Plan (TEIP) hopes to address. In addition, ongoing government support through its recurrent budget is very much needed by the education sector.

### **2.3.4 Goal 8: Achieving a 50 per cent improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults**

#### **Progress and Constraints**

The literacy rate of 15-24 year olds has increased from 95% in 1994 to 99% in 2002. However this information came from the Census which is not an accurate measure of literacy and a special purpose survey is required to measure the true levels of literacy and numeracy. Total adult literacy rate is 95% according to the 1994 HIES. Latest figures for the total literacy rate may be obtained from the 2004 HIES<sup>5</sup> which has not been finalized.

#### **Priorities**

Commitment to education as a priority sector is reflected in increased government expenditure in education. Key priority programs such as support to Primary schools and Secondary, continuing education, classroom project, and scholarships again in 2006 accounted for major shares of the total allocation for education.

The NSSD addresses the issue of women participation, aiming to create an enabling environment that would provide opportunities for all Tuvalu citizens including women and youth. The National Education Master Plan is still underway and is yet to be finalized.

#### **Challenges**

Finalization of the plan and ongoing financial support for implementation of the plan.

### **2.3.5 Goal 9: Eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality in education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality**

#### **Progress and Constraints**

The ratio of girls to boys in primary, secondary and tertiary education is reasonably gender balanced (refer Attachment). Education opportunities in Tuvalu at the secondary and tertiary level are very much based on merit. Likewise tertiary scholarships are awarded on merit. At the primary school level, given that it is compulsory and free, sex ratios are also affected by the number of females and males born in a particular year. Under the existing education system all children have access to primary education, some two-thirds also have the opportunity to attend secondary school and education is available to boys and girls equally.

#### **Priorities**

The NSSD addresses the issue of women participation, aiming to create an enabling environment that would provide opportunities for all Tuvalu citizens including women and youth. It also calls for the promotion of gender equity and the role of women in development. To do this, government will continue to promote income generation projects for women both in Funafuti and the outer islands. Training of business practices such as book keeping, management and marketing are priorities to be encouraged.

#### **Challenges**

From the many women forums and gatherings held, the issue about the lack of women contesting seats in the national election has been raised many times. Views expressed at such meetings identified culture as a barrier towards women contesting for parliament. At the *Kaupule* (local council) level, culture was again given as the main factor preventing women from contesting elections.

### **2.3.6 Goal 10: Reducing the infant mortality rate below 35 per 1,000 live births by 2015**

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<sup>5</sup> Household Income and Expenditure Survey (2004)

### **Progress and Constraints**

The infant mortality rate (IMR) has decreased from 41 in 1991 to 19 in 2003. This can be attributed training courses and programmes provided for nurses, more and improved health facilities and the ongoing programmes for regular pre- and post-natal check ups and immunization of children. The immunization programme in Tuvalu has had a significant impact in the reduction of child mortality. However there is a need to continue and further improve these efforts to achieve further reductions in mortality.

NGO<sup>6</sup> activities to reduce child mortality mostly involves TuHFA nursing officer assists nurses at PMH with pre and post-natal clinics, counseling and educating pregnant mothers, living a healthy lifestyle.

### **Priorities**

Ongoing improvement and delivery of effective health services, especially primary health care, on the capital and the outer islands has been identified as a key strategy. The Ministry of Health is reviewing the National Health Plan, which contains strategies to help further reduce child mortality in Tuvalu.

### **Challenges**

Increase planned parenting including birth timing, birth spacing and completion of child bearing through effective public health and to maintain or improve the quality of health care in the outer islands

## **2.3.7 Goal 11: Reducing the under 5 mortality rate below 45 per 1,000 live births by 2015**

### **Progress and Constraints**

The under five mortality rate had decreased from 59 in 1991 to 32 in 2003. With better facilities, trained staff, and specialized programmes, child mortality rates have declined significantly. It is important to note the issue of sustainability given that most of activities in this area are currently funded by donors, such as the Expanded Program on Immunization (EPI).

### **Priorities**

Same as 2.3.6 above.

### **Challenges**

The issue of sustainability is important to maintaining achievement for this goal.

## **2.3.8 Goal 12: Reducing the maternal mortality rate by three-quarters of the current rate by 2015**

### **Progress and Constraints**

On every island nurses have undergone mid-wife training courses. The checks and procedures for maternal health care ensure that mothers giving birth for the first time, and mothers with histories of pregnancy problems, are sent to the capital (if they do not live there) where better equipment and expertise are available than in the outer islands. If the case cannot be properly cared for in the capital, the mother is sent to Fiji under the Tuvalu referral scheme. According to data from the Health Department, the maternal mortality rate (per 100,000 live births) is 6.4 for 2002 and 100% of births are attended by skilled health personnel for 2002 – 2004.

### **Priorities**

Maternal health is an ongoing priority for the government and health programmes for related areas affecting women's health are part of this effort (for example tetanus immunisation for mothers, anaemia screening, sexual transmitted disease screening, Hepatitis B screening, HIV/AIDS screening and antenatal clinics).

The TuFHA is mandated to advocate family planning as a means of planning birth timing and spacing and ensuring the good health of mothers and provide youth with information on family planning methods, counseling services and promote awareness about responsible parenting.

### **Challenges**

The major challenge for maternal – and baby – health is providing emergency obstetric care when birth complications and problems arise. The fastest that the remotest island in the group can be reached (only by boat) is approximately six hours. The challenge in the outer islands is to identify potential problems early during pregnancy

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<sup>6</sup> Non Government Organisation

and ensure that the mother is able to get to the Princess Margaret Hospital in the capital for treatment or referral overseas.

### **2.3.9 Goal 13: Reducing the number of undernourished people by half, by the year 2015**

No latest information from the Health Department however the 1983 National Nutrition Survey found that obesity and children being over weight was of more concern than malnutrition, with only 3% of children having low body weight, compared with 30% being over weight. Ministry of Health patient records (growth charts) indicate that the incidence of underweight children is not a significant concern but there are a few cases of children visiting the hospital and clinics with problems associated with poor nutrition.

### **2.3.10 Goal 14: Reducing by half, by 2015, the proportion of people who are unable to reach or afford safe drinking water**

#### **Progress and Constraints**

Ongoing problems related to water quality and resource availability highlight the need for accurate information regarding access to safe water resources. Although data (collected through the Census) is available, the nature of the definitions used hampers accurate analysis of what is 'safe' for water. The 2002 Census indicates that proportion of population with sustainable access to an improved water source is 94% for the capital Funafuti and 98% for Outer Islands. While most houses in the capital have rain water tanks, the capacity of these tanks is often insufficient for the size of the household; with the general level of maintenance and the quality of the household tank water not known.

#### **Priorities**

The strategy for water and sanitation aims to "maximize collection and storage of water, and promote conservation measures, through education and awareness programmes, improving guttering and availability of water tanks to households, businesses and other buildings especially on the capital.

#### **Challenges**

The main challenge for achieving this target is to finance the improvements required in infrastructure to upgrade the overall level of access to improved water and sanitation. There is an ongoing need for community education and awareness programmes on the importance of safe water and sanitation (including environmental health concerns, communicable diseases), community management of water resources as well as suitable methods for the treatment and disposal of sewerage.

### **2.3.11 Goal 15: Reducing HIV infection rates in persons 15-24 years of age by 2005 in all countries, and by 25 per cent in the most affected countries**

#### **Progress and Constraints**

No latest information for this target. However, the process of introducing HIV surveillance and screening has begun in Tuvalu, with the statistical information needed for monitoring this target expected to be available in late 2005. A Strategic Plan for Responding to HIV/AIDS and STIs in Tuvalu was prepared in 2000 and needs to be monitored and evaluated

Tuvalu is part of the regional HIV/AIDS component of the Global Fund to Fight HIV/AIDS, Tb, and Malaria; participation in the Franco-Australian Pacific Regional HIV/AIDS and STI Initiative; and Under the joint United Nations Program on HIV/AIDS (UNAIDS), which Tuvalu has benefited from its activities. Various local organizations are involved in the response to HIV/AIDS and STIs in Tuvalu. Technical assistance and funding for this program are currently provided by donors<sup>7</sup>.

#### **Priorities**

The Ministry of Health has identified the following priorities for HIV/AIDS and STIs: undertake Second Generation Surveillance (SGS) activities to be able to calculate relevant indicators; expand HIV testing to frequent overseas travellers and high-at-risk groups and their partners (sea men, students, youth, and frequent overseas travellers); and

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<sup>7</sup> Donors include AusAID, SPC, the Macfarlane Burnet Centre (MBC), International Planned Parenthood Federation (IPPF) and the AIDS Task Force Fiji (ATFF), as well as a range of NGO partners and other donors

undertake a survey to establish 'true' level of contraceptive prevalence (through for example a Knowledge, Attitude and Practices (KAP) type survey). High emphasis on educational awareness programmes on HIV/AIDS

#### **Challenges**

Sustainability of funding is important to monitor this target as almost all of the current major initiatives are donor funded.

#### **2.3.12 Goal 16: Increasing the percentage of women receiving maternal and prenatal care by 60 per cent**

Refer Goal 5 as it is much related to this target.

#### **2.3.13 Goal 17: Halving malnutrition among pregnant women and among pre-school children in LDCs by 2015**

Refer Goal 13

#### **2.3.14 Goal 18: Substantially reducing infection rates from malaria, tuberculosis and other killer diseases in LDCs by the end of the decade; reducing tuberculosis (TB) deaths and prevalence of the disease by 50 per cent by 2010; and reducing the burden of disease associated with malaria by 50 per cent by 2010**

#### **Progress and Constraints**

Malaria is not endemic to Tuvalu so this target covers Tb, a priority area in Tuvalu. Refer attachment for data on TB cases. Because Tb is an airborne contagious disease, primary control involves finding and then treating infectious cases, thereby limiting the risk of additional infections. DOTS<sup>8</sup> has been officially operational since June 2004 when it was agreed to perform sputum smear microscopy and has been effective in the control of TB with 92% of new cases successfully cured under the DOTS strategy.

#### **Priorities**

The Ministry of Health plans to carry on and strengthen existing Tb activities, notably through the DOTS strategy which has shown very good results since its introduction in the late 1980's and its reinforcement in 1999 based on a WHO resolution.

#### **Challenges**

The issue of sustainability of funding is important to monitor this target as almost all of the current major initiatives are donor funded.

#### **2.3.15 Goal 19: Promoting child health and survival and reducing disparities between and within developed and developing countries as quickly as possible, with particular attention to eliminating the pattern of excess and preventable mortality among girl infants and children**

This goal is not applicable as all children despite their sex are treated equally

#### **2.3.16 Goal 20: Improving the health and nutritional status of infants and children**

#### **Progress and Constraints**

Information gathered for the year 2004, percentage of children from 0 – 1 year in average weight for 2004 is 87%. Clinics for children run every Tuesday and Wednesday. A nutrition survey is planned to be conducted in 2006 which will provide information for monitoring this target. Discussions with UNICEF are ongoing about potential funding for a national nutrition survey.

#### **Priorities**

The National Food and Nutrition Policy (2004, draft) embodies the commitment of the government to improve the nutritional well-being and health of its entire people and eradicate the problem of malnutrition, specifying policies adopted by government. A Nutrition Plan of Action will be developed to facilitate the implementation of this policy.

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<sup>8</sup> Directly observed treatment short course (DOTS)



### **Challenges**

Challenges include increasing the accessibility to nutritious food, its production and supply in local markets at an affordable price. People then have to show their preference for purchasing (or producing) this food over less nutritious alternatives; this desire comes about by educating the public about the need for nutritious foods and which foods are nutritious.

### **2.3.17 Goal 21: Promoting breast feeding as a child survival strategy**

#### **Progress and Constraints**

A National Policy on Breast-feeding and Infant Feeding has been in place since 1996 and the Baby-Friendly Hospital Initiative (BFHI) was launched in the same year, with progress being made towards the Princess Margaret Hospital in the capital achieving its 'baby friendly' certification. Percentage of breastfed children from birth to their first year of life is 79% for 2004.

#### **Priorities**

The Health Department to continue its BFHI on the capital and to extend to the outer islands. Mothers' awareness programmes on the importance of breast feeding through radio programmes and other means of communications.

#### **Challenges**

Funding is important in order to implement the priorities stated above.

### **2.4 Commitment 4: Building productive capacities to make globalization work for LDCs**

#### **2.4.1 Goal 22: Increasing road networks or connections in LDCs to the current level of other developing countries and urban road capacities, including sewerage and other related facilities, by 2010**

#### **Progress and Constraints**

18.6 kilometres had been tar sealed roadway on the capital only but nothing on the outer islands. This has enhanced the services on the capital. The proportion of people access to improve sanitation is 80 whilst proportion of urban households with access to improved sanitation is 91.9 (2002). Issues relating to poor transport and communications, high costs, inefficient delivery of utilities and economic services and poor maintenance of infrastructure assets were amongst the priority concerns of the people during the national summit.

#### **Priorities**

To provide a good standard of competitively priced, cost-effective and efficient infrastructure, utilities and services, some of the strategies for the sector is to improve management, operation and maintenance of infrastructure and utilities throughout the country, and to provide additional infrastructure where economically viable; and eliminate subsidies to public utilities and seek alternative providers of infrastructure and utilities in the private sector to provide a competitive environment;

#### **Challenges**

The main challenge for achieving this target is to finance the improvements required in infrastructure to upgrade the overall level of services and access to improved water and sanitation.

#### **2.4.2 Goal 23: Modernizing and expanding ports and airports and their ancillary facilities to enhance their capacities by 2010**

#### **Progress and Constraints**

16% of funds were allocated for C&T in 2005 while 31% was allocated in 2004. Hence a 11% decrease of funds allocated for C&T between this period. The allocation is for maintenance of ports, airports and their ancillary facilities.

The constraints faced include: the limited cargo space in the aircraft servicing the nation to the development of the country's export of its marine produce; lack of sufficient air services greatly hinders tourists development; lack of inter-island air services also hinders tourism development in the outer islands; and inadequate container and cargo handling facilities at the deep sea port in the capital also handicap Tuvalu

### **Priorities**

To provide a good standard of competitively priced, cost-effective and efficient infrastructure, utilities and services, some of the strategies for the sector will aim to: improve quality, frequency and cost-effectiveness of transport services to the outer islands; and improve international air service links

### **Challenges**

Funding to maintaining and improving the services and infrastructure.

### **2.4.3 Goal 24: Modernizing and expanding railway connections and facilities, increasing their capacities to the level of those in other developing countries by the end of the decade**

This target is not applicable to Tuvalu. No railway has been built since Tuvalu's separation from the Gilbert Islands in 1978.

### **2.4.4 Goal 25: Increasing LDCs communications networks, including telecommunication and postal services, and improving access of the poor to such services in urban and rural areas to reach the current levels in other developing countries**

#### **Progress and Constraints**

An ICT policy has been drafted and a project to improve the internet satellite bandwidth is being negotiated with the aim of routing to a direct internet VSAT through Pacific IP service (PanAm Sat) link that will place Tuvalu in the mainstreams of the US internet network. A high speed Wireless Network has been installed to serve the new government offices and it is planned to broaden its service. Other negotiations<sup>9</sup> with US based company are continuing. 6.3% of funds allocated for the improvement of the ICT in 2004 National Budget while 25% was allocated in 2003, thus a reduction of 18.7.

### **Priorities**

To provide a good standard of competitively priced, cost-effective and efficient infrastructure, utilities and services, the strategy for the sector will aim to improve and extend the provision of ICT services throughout the country, and especially to schools, clinics and island councils.

### **Challenges**

Negotiations on the project to improve the internet satellite bandwidth as to upgrade the services within the country and especially extension of this service. Adequate funding and sustainability is crucial for implementation and maintaining the service.

### **2.4.5 Goal 26: Increasing computer literacy among students in higher institutions and universities by 50 per cent and in junior and high schools by 25 per cent, by 2015**

#### **Progress and Constraints**

The education sector master plan focuses on Quality, Relevance and Access as its three themes. Computer studies is not available at the only 2 high schools in Tuvalu. However, it is only available at the Tuvalu USP centre at an estimated literacy rate of 80% for 2004.

### **Priorities**

Improve the relevance of the curriculum through: review and redevelopment of curriculum to meet needs of the people and the economy; and strengthen maths, computing and science teaching.

### **Challenges**

Review of curriculum especially strengthening teaching of computing and have adequate teachers trained in this field.

### **2.4.6 Goal 27: Increasing average telephone density to 5 main lines per 100 inhabitants and Internet connections to 10 users per 100 inhabitants by the year 2010**

#### **Progress and Constraints**

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<sup>9</sup> Application for assignment of W-band Frequencies and Geosynchronous Orbital slot assignments

Telephone lines per 1000 people is 74 (2002)<sup>10</sup>. Current problems with telecommunications in Tuvalu relate to the maintenance of the network on the outer islands, where telephone lines can be ‘down’ for long periods of time while waiting for equipment and technicians to service faults. A prepaid platform System and a mobile phone service (cellular network) were established on the capital in mid-2004. The cellular network has a potential capacity to service over 2,000 subscribers, of which there were 740 at the end of 2002.

Internet services are provided through an ISP in the Office of Communications and Transport and through two private "internet cafes". There are 170 active users using the dial up connections in 2004.

#### **Priorities**

High priority is being given to assessing the costs and benefits of extending the existing internet service to the outer islands. It is planned to broaden connections from the Tuvalu ISP to Funafuti households and Amatuku<sup>11</sup> in the near future.

#### **Challenges**

Funding assistance to implement the priorities stated above.

### **2.5 Commitment 5: Enhancing the role of trade in development**

#### **Progress and Constraints**

Pursuing balance policies that seek to limit transmission of external shocks into the domestic economy while promoting gradual liberalization. Strengthening domestic financial systems through the implementation of an appropriate framework of rules and regulations, including through adequate prudential and supervisory mechanisms. The Government has adopted a program approach in its budget process as envisioned under the budget reform currently implemented.

#### **Priorities**

Government’s priorities include: implementation of the FEMM 8 principles of Accountability; greater awareness of the new program approach through workshops; and implementation of the Budget reform recommendations.

#### **Challenges**

As the ultimate goal in the new approach is that with greater discretion over the detail of expenditure within budgets, there will be emphasis on “managing for results” – achieving more from the funds made available. Changing the mindset and understanding the new program budgeting is another challenge.

### **2.6 Commitment 6: Reducing vulnerability and protecting the environment**

#### **Progress and Constraints**

Climate change and the effects of global warming are of considerable concern to Tuvalu. Salt-water inundation of *pulaka* pits, coastal erosion and flooding have all been blamed on global warming. However other activities which contribute to coastal erosion and flooding include the removal of aggregate for building materials from coastal areas, and changes in local topography through construction of roads and other infrastructure. Refer Attachment for more details.

Workshops conducted by the environment and Waste Management Unit on different ways of protecting the environment. Waste Management Project funded by AusAid was implemented in 2000.

#### **Priorities**

The core strategies to be addressed are to: develop and implement an urban and waste management plan for Funafuti; establish national adaptation and mitigation policies; encourage international adoption of Multilateral Environmental Agreements, including the Kyoto Protocol; and increase number of conservation areas and ensure compliance with regulations. Refer Attachment for more details.

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<sup>10</sup> 2002 Census Report

<sup>11</sup> Islet where the Maritime Training School is

## **Challenges**

Conserve and manage the marine and land environments of Tuvalu given the fragility of the physical environment to phenomena like sea level rise and contamination of water lenses and provide the policy and legislative framework while implementing the necessary reforms to ensure that the core strategies are implemented and the desired outcomes achieved. Difficulties in accessing funding for adaptation and other projects is another challenge. Refer Attachment for more details.

## **2.7 Commitment 7: Mobilizing financial resources**

### **2.7.1 Goal 28: Donor countries providing more than 0.20 per cent of their GNP as ODA to LDCs: continue to do so and increase their efforts**

#### **Progress and Constraints**

38% of funds were received by Government from donors in 2005. Major investment projects are being financed by external sources which has already totaled over A\$100 million. Although much of this infrastructure provides essential services the future operational sustainability and maintenance costs of these assets will be a major budgetary expense in the coming years.

#### **Priorities**

Ensuring that public sector investments are properly prioritized, costed and accommodated in the budget is a major fiscal and governance issue for the future. The deteriorating fiscal situation is likely to be the critical constraining factor in the implementation of the strategies. Development assistance must be targeted to sectors and specific projects according to the priorities and on the basis of careful analysis of costs and benefits.

#### **Challenges**

Sustainability in donor funding for development projects is a major challenge to ensure Tuvaluan continue to benefit through employment creation and better infrastructure.

### **2.7.2 Goal 29: Other donor countries which have met the 0.15 per cent target: undertake to reach 0.20 per cent expeditiously**

Not applicable

### **2.7.3 Goal 30: All other donor countries which have committed themselves to the 0.15 per cent target: reaffirm their commitment and undertake either to achieve the target within the next five years or to make their best efforts to accelerate their endeavors to reach the target.**

Not applicable

## **3.0 Conclusion and Recommendations**

It appears that most of the commitments of the Brussels Programme of Action are covered in the eight strategic areas of the NSSD. The review identified the main obstacles and constraints of poor infrastructure, services and facilities; activities that affect the environment; scarce financial and human resources; small private sector economy; etc. These factors all contribute to the successful achievement of each goal of the programme and not forgetting the vulnerabilities that Tuvalu face. However, a few of the targets has been progressed while most need a lot of work and commitment in order to be realized by the target date. The other problem highlighted is the outdated and inaccuracy of data collected which hinders the accuracy of the review. Latest information after the 2002 Census were obtained from departments records.

Having identified the progress and considering the life of the programme, each target has identified the priorities that need to be undertaken and the challenges expected. The following recommendations highlighted the actions that need to be considered and carried out in order to achieve the goals of the programme: ensure sustainability in funding (locally and externally) for developments; have adequate and qualified human resources; improve infrastructure and services; continue maintaining successful programs; educating and public awareness through workshops; strengthen policy for reducing environmental damage; and provision of accurate information.

**Summary of the Mid-term Review of the Programme of Action  
of the Least Developed Countries by TUVALU**

No	Goals and Targets	Adopted policies and undertaken measures	Comments
<b>Commitment 1: Fostering a people-centered policy framework</b>			
1	Attain GDP growth rate of at least 7 percent per annum	Percentage of GDP growth rate per annum	GDP growth rate is 3-4 % annually for 2003 and 2004 while growth for 2005 is forecast at about the same level. 1996 and 2002 annual real growth GDP averaged about 5 percent per annum.
2	Increase the ratio of investment to GDP to 25% per annum	Percentage change of funds invested in Tuvalu per annum	<p>38% of grants in the 2005 National Budget from ROC, EU and other donors Invested in Tuvalu for development purposes. While 25% of grants received in 2004. Hence a 13% increase of grants received between these years.</p> <p>The private sector domestic economy is small accounting for only an estimated 30% of GDP in 1998. Some 85% of this private sector contribution to GDP was accounted for by non-market production, and only 15% (equivalent to about A\$1 million) was private sector monetary output.</p> <p style="text-align: center;"><i>Constraint</i></p> <p>FDI are very slow given the size of the market and the remoteness of the country to encourage any sizeable FDI</p>
3	Make substantial progress toward halving the proportion of people living in extreme poverty by 2015	<p>Proportion of population below \$1 per day (1993 PPP-Value)</p> <p>Share of poorest quartile in national consumption</p>	<p>National 17.2 (1995) Funafuti 9.4 (1995) Outer islands 22.9 (1995)</p> <p>National 7.4 (1994 HIES) Major challenges are decreasing production of 'local' food and increasing reliance on imported foods</p>
4	Make substantial progress toward halving the proportion of people from hunger by 2015	<p>Prevalence of under weight children under 5 years of age</p> <p>Proportion of population below minimum level of dietary and energy consumption</p>	<p>Nil (1997) No national nutrition data is available due to out dated data, a national nutrition survey is required</p> <p>Nil (latest from the Health department)</p>
<b>Commitment 2: Good Governance at national and international levels</b>			
		a) Continuing efforts to establish an effective, fair and stable institutional, legal and regulatory framework in order to strengthen the rule of law and foster effective participation of and close cooperation among all relevant stakeholders at national and local levels in the development process	<p style="text-align: center;"><i>Strategies</i></p> <p>Establish Leadership code</p> <p>Establishing the ombudsman</p> <p>Formalize a process for public and other stakeholder participation in the formulation of policy, planning and performance monitoring</p> <p>Implement the FEMM 8 principles of Accountability</p> <p>Tuvalu is also signatory to international conventions/agreements such as Millennium Development Goals (MDGs), Convention of Elimination and Discrimination Against Women (CEDAW), Child's Right Convention (CRC), KYOTO Protocol, etc. This</p>

