



OFFICE OF THE MINISTER FINANCE AND INFRASTRUCTURE

PACIFIC REGIONAL DEBT CONFERENCE AND ADB REGULAR ORDINARY CAPITAL RESOURCES ELIGIBILITY FOR NIUE

Alofi, Niue - 13 April 2022 - It was announced recently that Niue is now an affiliate of the Asian Development Bank Group.

To date, the Government of Niue has never had an external loan for financing its national development capital challenges, although it does have domestic debts for providing public goods and services.

From 5-8 April, a virtual Pacific Regional Debt Conference was organized by the Pacific Islands Forum and ESCAP, the Economic and Social Commission for the Asia Pacific, a United Nations agency.

The Conference theme was 'Addressing Debt Sustainability in the Pacific in the aftermath of COVID-19'.

Pacific Island Forum Secretariat (PIFS), Secretary-General, Mr Henry Puna and ESCAP Executive Secretary Ms Armida Alisjahbana provided the opening remarks.

Hon Seve Paeniu, Tuvalu Minister of Finance and the Forum Economic Minister's Meeting Chair gave the keynote address. He reminded the participants and observers of the importance of prudent fiscal, debt and financing management facing small island countries from the pandemic challenges.

During the Cabinet and Legislature Consultation Conference held at Matavai last week 6 April, the Premier Hon Dalton Tagelagi and Minister Tatui informed the Members of Assembly of the discussions with the Asian Development Bank for an opportunity to explore project loans in the coming years. ADB has approved Niue as a Group B country, effective 1 January 2022, with initial ordinary capital resources (OCR) lending concessions. The Government has received and is analysing the ADB Concessional Assistance Policy (2020) document.

'The key issues are putting in place the right policy measures, educating and consulting the key stakeholders on how to develop and acquire external loans to finance priority national projects and activities to strengthen fiscal governance and effectiveness, the Minister remarked,' Hon Tatui said.

'Some of Niue's financing key risks are the uncertainty of future funding streams, funding unexpected emergency expenditures, high capital asset maintenance costs and reduced revenue base due to COVID-19'.

'These potential benefits can assist Niue's development plans which are hindered by cash flow challenges. As well, we need to strengthen and fulfil our whole of Government and financial management reforms currently under implementation', the Minister concluded.

Niue's Minister of Finance and Infrastructure, Hon Crossley Tatui also attended the sessions on the first day. Acting Financial Secretary Morgan Mougavalu and Finance Advisor Mark Sleight participated

in the debtors and development donors' sessions that covered climate change risks, loss and damage caused by natural disasters.

The Minister expressed appreciation to the PIFS and ESCAP for organizing the meeting that enabled Niue to learn from the PIF member countries experiences and the various United Nations agencies' guidance.

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