



GOVERNMENT OF KIRIBATI

GoK (14) DPF (Presentation 01)

DEVELOPMENT PARTNERS FORUM

Tarawa, Kiribati

13-14 March 2014

AGENDA ITEM 1: Overview of the Kiribati Development Plan (KDP) 2012-2015

Purpose

To provide an overview of the 2012-2015 KDP, highlighting the key policy areas, strategies and key expected outcomes and results.

Background

The 2012-15 KDP was based on a review of the former 2008-2011 KDP undertaken in March and June in 2011. The approach of the review involved extensive consultations, meetings and discussions with all key stakeholders including representatives of the outer islands, representatives of churches, village elders and in identifying national, ministries' and sectoral issues including proposed strategies in addressing the identified issues. The 2012-15 KDP focused on six key priority areas: human resource development, economic growth and poverty reduction, health, environment, governance and infrastructure. The theme of the 2012-15 KDP was "Enhancing Economic Growth for Sustainable Development".

REVIEW OF ACHIEVEMENTS FROM THE 2012-2015 KDP

KPA 1: HUMAN RESOURCE DEVELOPMENT

A new Education Act was passed by Parliament in December 2013 with the major change allowing for teacher registration. No regulations associated with the Act have been promulgated yet. Under the Kiribati Education Improvement Project the focus has been on improving basic literacy and numeracy and ensuring children have the necessary skills to continue to the next stage of education. Improvements have been carried out in curriculum development, language skills, teacher quality, school management and classrooms and physical facilities.

Education Partners in Kiribati (EPiK), a strategy to manage development partners' support for education in Kiribati, has been developed. The aim of EPiK is to provide an operational framework in which all partners are included and their support coordinated for achievement of Kiribati's national goals for education.

A new language policy has been adopted for use in schools in 2014. Early years' schooling in primary schools will be in I-Kiribati and a transition will be gradually made into English.

Three professional development sites on outer islands to improve the quality of teaching have been established.

The access and inclusiveness of education to all children has been improved through a range of programs under KEIP including the national curriculum framework, improved teaching, better language skills, better resourced classrooms and quality of buildings and infrastructure. Access for children with disabilities is being addressed. Community consultation, relating the benefits of education for children, has improved.

A whole of school improvement program for all primary and junior secondary schools has been introduced with improved governance and management, local community involvement, and teacher quality. Programs are beginning to assess the quality of teacher performance which will include a data base on teacher performance in the Education Management Information System.

Child friendly facilities have been prioritised and negotiated through Cabinet. Toilets, playing areas and disabled access are being addressed. It is interesting to note that during the rota virus outbreak in 2013, in the areas where the UNICEF WASH project had been carried out, there was no evidence of affected children.

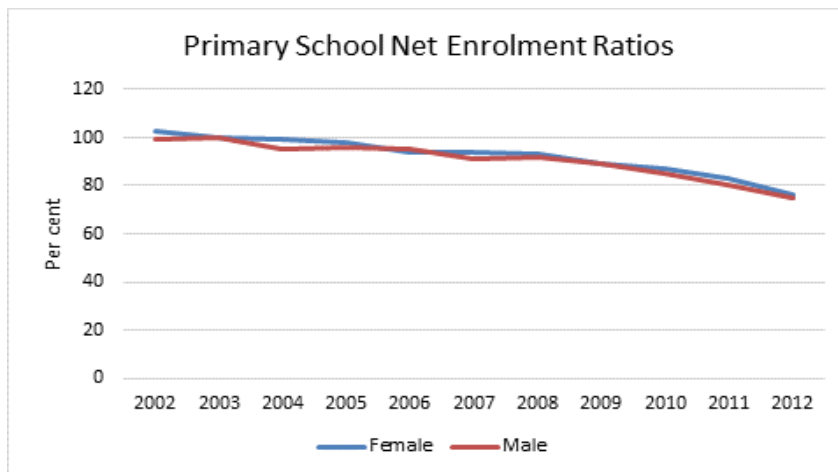
School/community/stakeholder relationships are being developed through broader community consultations. Institutional strengthening continues to be addressed including working towards decentralising school management.

Progress in early childhood education has not occurred due to budgetary constraints and lack of jurisdictional clarity.

More work is required to lift public service performance standards in education. In particular teaching, working and employment conditions need to be addressed.

Some specific indicators such as school enrolments and progress to higher grades suggests that standards in education are declining. However, the interventions that various projects have made in education will take time to impact on the indicators presented and the reforms generally. Nevertheless in the education community there is an expectation that these changes will reap benefits if the reform process is allowed the necessary time to gather momentum. A longitudinal study (LIME) will commence in 2014 testing the learning impact of the KEIP interventions.

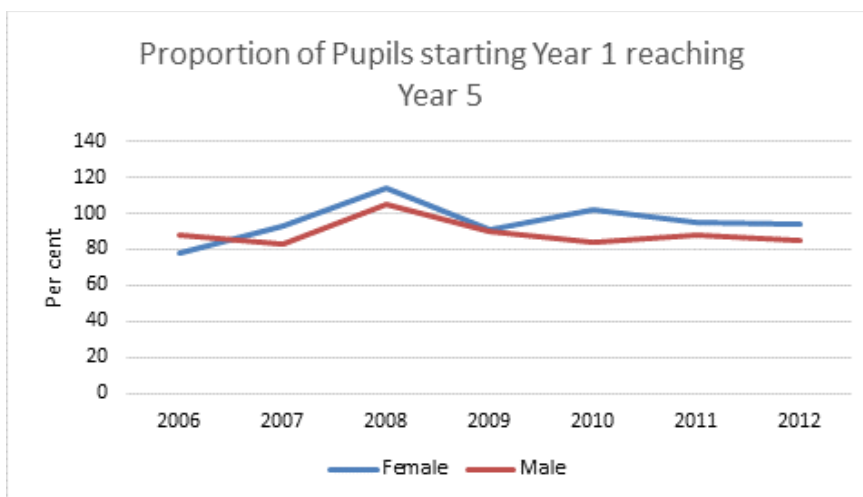
Figure 1: Net Enrolment Ratio (EFA 6)



There is some conjecture about the accuracy of early statistics on education. Work is on-going to try to improve statistical reporting. Nevertheless the current data shows that the net enrolment rate for males and females in primary education has continued to decline in 2012. The KDP Target is 100% net

enrolment rate by 2015. Net enrolment rates for females has fallen from 100% in 2003 to 76% in 2012 and net enrolment rates for males has dropped from 100% in 2003 to 75% in 2012.

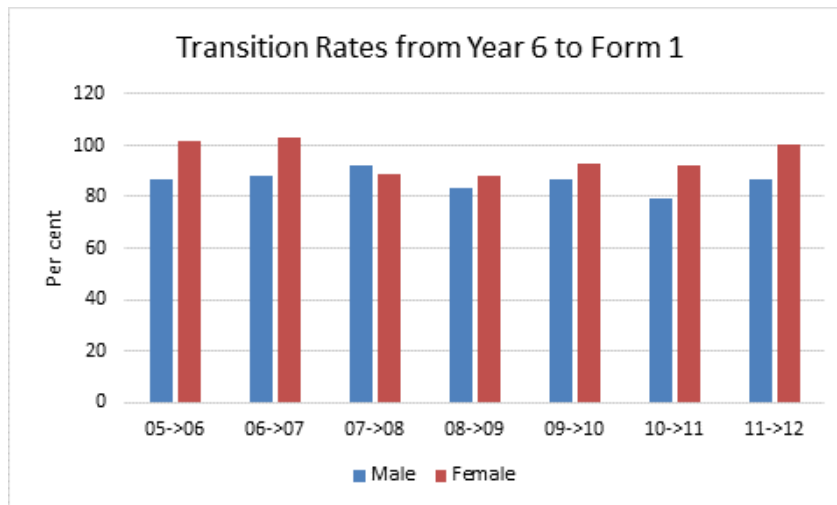
Figure 2: Survival Rate to Year 5 (EFA 13)



The proportion of pupils starting Year 1 and reaching Year 5 has been falling since 2008. The KDP target is 100% by the end of 2015. In 2008 around 100% of females and males had reached Year 5 while in 2012 the rates had

declined significantly to 94.5% and 85% respectively with the proportion of females relatively higher than males since 2007.

Figure 3: Transition Rate from Year 6 (Primary) to Form 1 (Lower Secondary) (EFA 14)



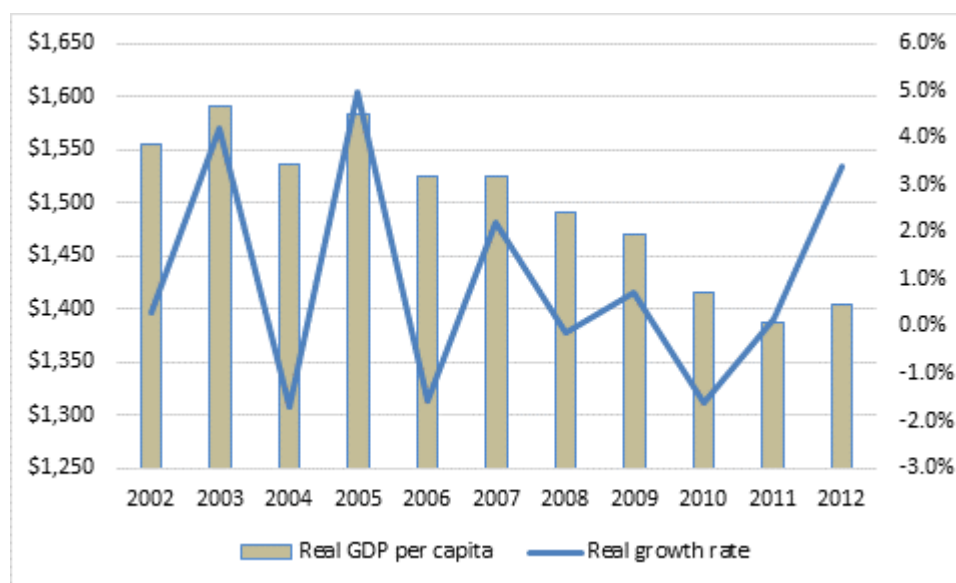
Transition rates from Year 6 (Primary education) to Form 1 (Lower Secondary) have steadily improved since 2008-09. The KDP target is 100% by 2015. In 2008-09 the transition rate for males was 83.2% and in 2011-12 it had improved to 86.7%. For females the rate of

improvement was significantly higher with the rates being 88.2% and 100.1% respectively.

KPA 2: ECONOMIC GROWTH AND POVERTY REDUCTION

The effects of the Global Financial Crisis in 2007-08 had an influence on GDP levels in Kiribati in recent years with a decline in growth in 2010 of 1.3% followed by only modest rises of 0.8% in 2011. However growth in 2012 rose by 3.4%. For 2013 and 2014, the IMF expects growth in Kiribati to remain around 2.9% in real terms mainly reflecting the impact of some major donor projects including the Kiribati Roads Rehabilitation project, the Bonriki airport terminal renovation and the water and sanitation rehabilitation project for South Tawara. Recent increases in population have caused a general reduction in GDP per capita but this has improved in 2012. GDP per capita in 2012 was \$1,623.

Figure 4: Kiribati Real Growth Rate and Real GDP per Capita, 2002-12



Source: KNSO

Key macro strategies of the 2012-15 KDP and their progress.

Expanding and diversifying the government revenue base.

The GoK will introduce a VAT in April 2014, abolish customs duties and introduce a excise tax. This will have the effect of broadening the government revenue base. Although expected taxation revenue in 2014 is \$26.9 million compared with the 2013 budget estimate of \$32.1 million there will be lags in revenue collection due to the introduction of the VAT. The expectation is that in future years, taxation revenue will be increased.

Implementing a new tax regime as well as modernising the tax system

The introduction of the VAT and excise taxes will put Kiribati on a more equal footing with the tax structures of other Pacific nations and ensures that Kiribati complies with the provisions of the trade agreement PACER Plus which promotes free trade in the Pacific region.

Reviewing vocational training and tailoring courses to internal and external labour markets

An Auspice Agreement is operating between the Kiribati Institute of Technology (KIT) and TAFE South Australia resulting in all KIT courses having Australian accreditation, with each course needing to meet the standards within the Australian TVET Quality Framework. This will provide consistent, high-quality training and assessment outcomes for KIT students. KIT has significantly increased its delivery of high quality, full-fee paying short courses to the Government of Kiribati, the private sector and the community. Courses have been tailored to internal and external labour markets by developing the Government's capacity to lead a demand driven TVET system through Industry Training Advisory Committees and industry led Course Advisory Committees at KIT.

Accelerating private sector development (including the creation of a conducive environment for public private partnerships in ecotourism, in country fish processing and sea-bed exploration/research)

A Private Sector Development Strategy is currently being finalised. The Government is also expanding opportunities for the private sector such as the introduction of the first Public-Private Partnership with the operations of the Otintaai hotel. A new Telecommunications Act was passed in April 2013. This Act set the conditions for a competitive market in telecommunications and focused on the regulator's capacity to manage a competitive market.

Kiribati Fish Limited is a joint venture of Kiribati's CCPL, Shanghai Deep Sea and Golden Ocean. The project is worth \$11m and the factory was officially opened in 2012. It was established to increase revenue from the fisheries sector apart from Fishing License Revenue, increase local employment opportunities and promote trade activities in terms of exports to the Japanese, Australian and Korean markets.

Improving public finance management system

A debt policy has also been introduced to strengthen decision-making processes and avoid expensive commercial borrowing. The Strengthening Public Financial Management Project has focused on accounting and the links between budget and planning. In planning and budgeting, the emphasis has been to improve the linkages between planning and budgeting and implement key concepts on a pilot basis at the Ministry of Education. In accounting, issues relating to the Attaché accounting system which have prevented it from being used in line Ministries, are being addressed. By restoring Attaché to line ministries, particularly for commitment management, will mean that budget execution will be primarily managed by Secretaries and their staff at line Ministries rather than centrally.

Improving government fiscal position by improving performance of SOEs

Legislation was approved in May 2013 to improve the governance and management of SOEs. The legislation included the following provisions: (a) the commercialisation of designated SOEs by establishing legal requirements that they operate on commercial terms; (b) the establishment of a formal process for budgeting and gaining approval for Community Service Obligations; (c) the introduction of requirements that SOEs produce a Corporate Plan and Statement of Corporate Objectives agreed with the government; (d) the establishment of an independent committee to advise on the selection of SOE directors and (e) the establishment of rules for director eligibility to prevent conflicts of interest.

Improving livelihoods through effective implementation of subsidies such as copra and sea weed.

In December 2013, a consultant to the World Bank undertook a review of the coconut industry in Kiribati. The final report has not yet been released but a key finding was that considerable cost savings and efficiencies could still be gained through institutional reforms such as the merger of the merger of Kiribati Copra Cooperative Society and the Kiribati Copra Mill Limited. The recommendations will be outlined to Cabinet when the final report is received.

Enhancing food security and sustainable livelihood through adequate support to the small scale artisanal fishermen and processing of value added fish products

Kiribati lagoons and rich oceanic waters are home to numerous artisanal and small-scale commercial fisheries, aquaculture operations, commercial joint ventures, and foreign distant-water fishing fleets, which fish in Kiribati's EEZ and primarily land their catch in foreign ports at markets highly competitive in price.

Production from coastal subsistence fisheries in Kiribati is estimated at 13,700 tons, valued at approximately AU\$34 million. The commercial component has expanded in recent years with the diversification of the fisheries sector to the outer islands and the establishment of fisheries and ice plants on all islands outside South Tarawa. With this new development, there has been an increase in fish production in outer islands resulting in an increase in inter-island trade in frozen fish products especially value added fish products such as tuna turkey, smoked fish, etc. The government has assisted by subsidising freight costs through its freight levy fund but there are still capacity needs to target high production of these products on the islands. High fuel costs to run the generator of the ice plants is one of the reasons to limit the production rate. A more

sustainable and low cost power energy such as solar power systems will be a strategic alternative which MFMRD is looking toward working more closely with donor partners in development and implementing a plan on this issue.

A key challenge to the expansion of small-scale commercial fisheries is the lack of commercially viable and efficient means of transporting fish from outer islands to the strong markets in South Tarawa. Additionally, the significant medium to long-term population concern is the challenge of ensuring food security for the highly concentrated population on South Tarawa while also taking measures that are conducive to the sustainability of lagoon fisheries in Tarawa or elsewhere in Kiribati. About 60 to 70% of coastal fisheries production in Kiribati is for subsistence purposes (livelihood), with the remainder comprising artisanal and small-scale commercial fisheries.

The artisanal tuna catch is high in Kiribati. The artisanal tuna fishery uses small, open, outboard boats under 7 meters in length to target the supply of fresh tuna to town areas, particularly around South Tarawa where the high population density provides a strong market.

The new fresh tuna loin processing plant in Betio “Kiribati Fish Limited (KFL)”, with longline fishing vessels, provides further employment and cash opportunities for the local people and food source by fetching the local markets. The processing plant will also open new opportunities for local businesses on South Tarawa through supporting facilities and services for maintenance, slipping, etc. that may be required in future.

However, bigger boats (11-15 meters) are required by artisanal fishermen to provide adequate space for proper handling of fish products to maintain high quality of fish products and to earn higher return from the market especially from KFL which processes high quality of fresh and frozen tuna loin for Japanese, U.S, Australian, New Zealand and Chinese markets. A loan facility is currently undergoing development by the Government with the local banks and with a hope that it can provide easier access of the fishermen to support their fishing activity. The Government is still raising funds with donor partners to provide a long term and sustainable loan facility for the local fishermen.

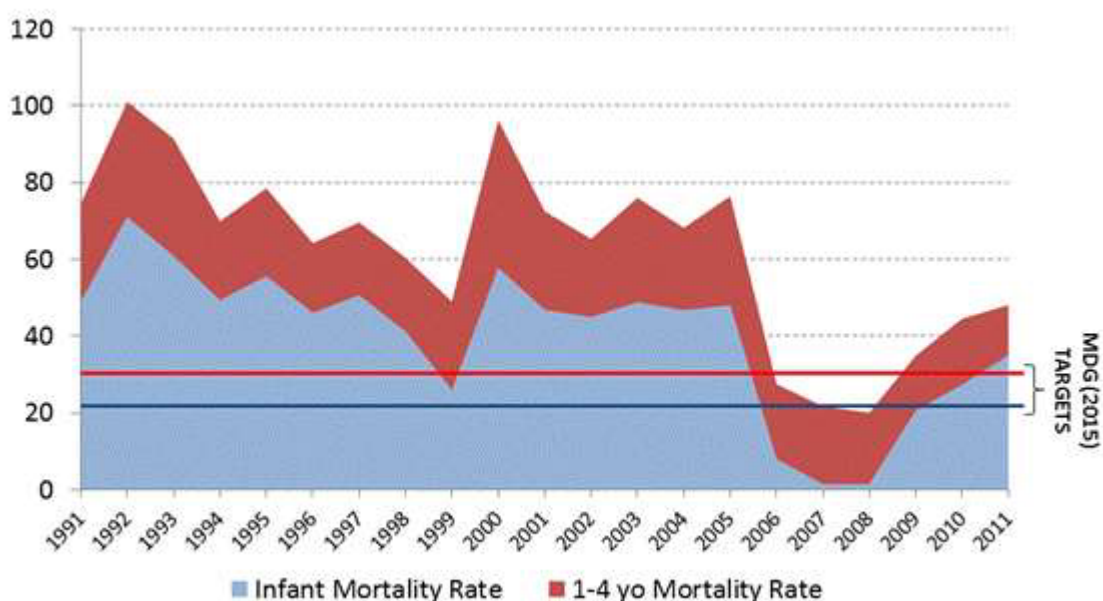
KPA 3: HEALTH

Population growth has been a challenging issue and the alarming growth rate of 2.2% annually has caused overcrowding, particularly in South Tarawa. A Reproductive Health Policy has been completed and an Annual Workplan is ready to be implemented. The Kiribati Family Health Association is taking a leading role in reproductive health. Issues of logistics and supplies of quality services and access to family planning drugs and commodities to all clinics are ongoing. UNDP is the current donor partner with reproductive health but more resources are required to meet demand. Work has commenced with government agencies and other stakeholders on a population strategy. Latest statistics show some progress. The fertility rate rose from 3.5 in the 2005 population census to 3.8 in 2010 and again to 4.1 in 2011 but there was a decline to 2.7 in 2012. The KDP target for 2015 is less than 3.5.

Maternal and child health are still key challenges for Kiribati. The maternal mortality rate rose from 125 in 2010 to 220 in 2012. The KDP target is maternal mortality numbers fewer

than two deaths annually by 2015. The under 5 mortality rate dropped from 59 in 2010 to 46 in 2011 but rose again to 71 in 2012. The KDP target is 22 by 2015. 40% of mothers still have their children delivered outside the public hospital system. Problems include the lack of skills and capacity of maternal care attendants, particularly in the outer islands and the quality of maternal and child health facilities and equipment. Another problem is that quality health information and data requires improvement and the lack of reporting is an issue for the outer islands. The Kiribati Child Survival Strategy has been developed and is in the process of being implemented.

Figure 5: Infant and Under 5 Mortality Rates, Kiribati



Communicable diseases are endemic in Kiribati and most of them are associated with overcrowding and poor hygiene. Outbreaks are very common. Some successes have occurred. The ongoing delivery and sustainability of the TB and Leprosy Control Programs are on track. The ongoing National Plan for Lymphatic Filariasis and manage morbidity has been implemented. The implementation of the National HIV and STI Strategic Plan has been compromised since the Global Fund has come to an end. Access to, and use of, safe water and basic sanitation are the best ways of promoting improved hygiene. However, water and sanitation remain large issues with South Tarawa the biggest challenge.

Table 1: Summary of Selected Health Indicators, Kiribati

	Latest data	KDP target
Neonatal, infant and child health		
Immunization, measles (% of children aged 12-23 months) (2012)	91%	>90%
Infant mortality rate (2013)	41	22
Mortality rate, under-5 (per 1,000 live births) (2012)	70.6	30
Fertility rate (2012)	2.7	<3.5
Antenatal care from a skilled provider (doctor, nurse, and/or midwife) % with at least one visit (2007-12)	88%	100%
Incidence of tuberculosis (per 100,000 people) (2012)	429	Declining

Non Communicable Diseases (NCDs) are lifestyle problems which are associated with unhealthy eating behaviour, lack of exercise and poor habits such as smoking and drinking excessive alcohol. In 2008, NCDs accounted for 69% of all deaths.

Table 2: NCDs Kiribati 2008

NCDs as a proportion of total deaths, all ages	69.0%
Proportion of population who are overweight (BMI \geq 25 kg/m ²)	81.5%
Proportion of population aged 25-64 years with \geq 3 NCD risk factors	72.7%
Proportion of population with elevated fasting blood glucose (\geq 6.1 mmol/L) or currently on diabetes medication	28.1%

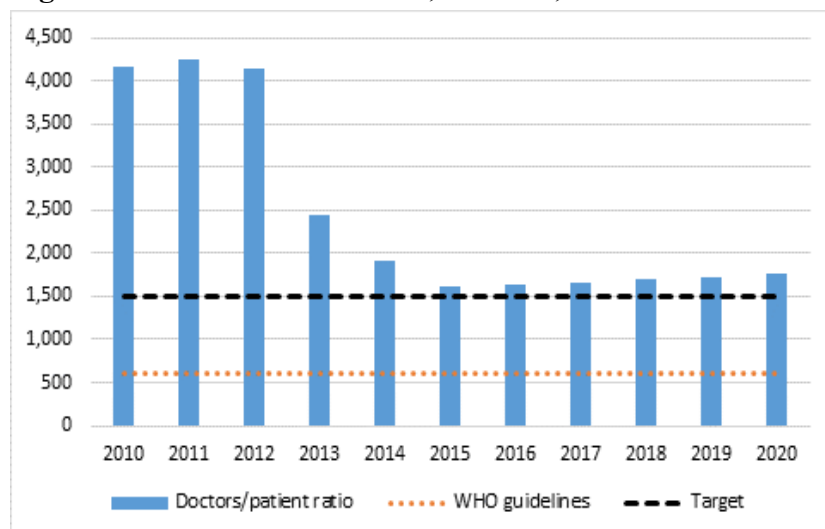
So far, only South Tarawa has been covered in the moves to strengthen the integration of NCD interventions into primary health care. A Bill to strengthen initiatives around tobacco control and alcohol misuse along with the regulations have just been passed. A food regulation to strengthen initiatives around healthy eating has just been approved. A lack of space and lack of ongoing community engagement has inhibited the strengthening of initiatives on physical activity. Only South Tarawa has been covered in strengthening initiatives to prevent and manage diabetes. The recent appointment of two qualified doctors will assist in the improvement of mental health services.

In January 2014, Tabiteuea North was the sixth and largest island in Kiribati to be declared open defecation free. This has occurred under the Kiriwatsan I Project led by the Ministry of Public Works and Utilities with technical support from UNICEF and funded by the EU.

The Kiribati Internship Program was initiated in 2013 but formal training started at the beginning of 2014. The program is intended to provide an internship training program to the new medical graduates from FSM and Cuba instead of going to Fiji as was the normal practice. The program is also targeting neighbouring countries such as Nauru and Tuvalu. It has been sponsored by Australian Aid Program, WHO, and Taiwan.

The increase in population has caused a high demand on health services stretching the gaps needed to improve health equity. The high hospital occupancy rate (above 100%) is an indicator that hospital services are overextended. Specialists are still in short supply which has limited the effectiveness and efficiency of health services delivery. However the number of doctors, nurses and allied health workers are increasing.

Figure 6: Doctor-Patient Ratio, Kiribati, 2010-20



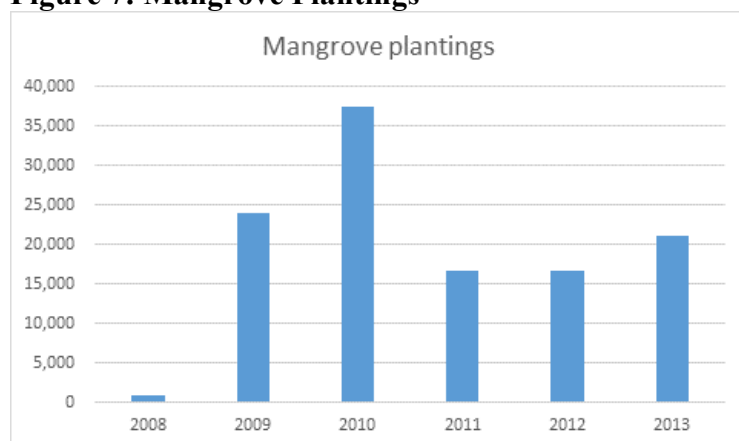
A workforce plan is underway. The proportion of doctors to patients has declined from a high level of 4,242 in 2011 to 2,453 in 2013 and an estimated 1,918 in 2014. Hindrances to quality medical services include a limited budget to meet the demand. A qualified biomedical engineer is required to assist in

implementing a formal asset maintenance and replacement program for infrastructure and equipment. A new database has been added to the three hospitals to improve the system for the collection, analysis, and reporting of information.

KPA 4: ENVIRONMENT

The Kiribati Integrated Environment Policy (KIEP) was adopted by the GoK in May 2013 and launched in August 2013. The Kiribati Joint Implementation Plan on Climate Change and Disaster Risk Management (KJIP) is being developed to reduce the vulnerabilities to the impacts of climate change and disaster risks.

Figure 7: Mangrove Plantings



The GoK has added specialist positions in climate change planning, waste management, and biodiversity conservation. The public and local communities are actively being engaged through informal consultations and awareness programmes to raise public awareness on broader environmental issues and how the public and communities can assist

in protecting their environment. Such initiatives include engaging voluntary Youth Groups in planting mangroves along the Te Ananau causeway and clean up campaigns focusing on South Tarawa. Other initiatives, supported by intergovernmental organizations such as UNEP, have focused on local communities in establishing protected areas for resource conservation and management eg the Nooto Ramsar Site in North Tarawa.

In August 2013 a Key Biodiversity Area Analysis report for Kiribati was launched. The report stocktakes the status of its national biodiversity. It will form the basis of the

Government of Kiribati's direction towards designating areas and species that have significant biodiversity values at national and global levels. Twenty-two Key Biodiversity Areas were identified and suggested for immediate management.

A draft MOU has been developed to ensure cooperation between Government agencies in the analysis of freshwater and marine water quality in Kiribati.

Efforts have been made to maximize and sustain agricultural production (crop and livestock) at household level to provide adequate fresh and healthy food and increase household income. The focus has been on long term food crops and those that are well adapted and grown well on Kiribati including pandanus, coconut, giant swamp taro, pumpkin, banana, and sweet potato. The focus for livestock has been on local and exotic pigs and chickens and exotic ducks. Work is also focusing on screening and breeding varieties and breeds that are well adapted to atoll conditions.

KPA 5: GOVERNANCE

In September 2013, the Government of Kiribati signed the instrument of accession to the UN Convention Against Corruption and the UN Convention on the Rights of Persons with Disabilities.

Te Rau n te Mwenga Bill (the Family Peace Bill) was read for the first time in Parliament in December 2013. Consultations with eight remaining islands are underway before final reading of the Bill in April, 2014. Moral Education which is related to eliminating domestic violence has been included in the school curriculum for Year 3 to 6. A safety network for the safety of domestic violence victims (SafeNets) have been set up in Tarawa and the outer Islands.

A Children, Young People and Family Welfare System Policy was approved in April 2012 and the Children, Young People & Family Welfare (CYPFW) Act was enacted in May 2013. An awareness program on the CYPFW Act in the outer islands is on-going and is aimed to be complete by end of 2014. Training materials for the implementation of the Act and the procedures for a referral system of victims are now being drafted and expected to complete in May, 2014. A Juvenile Justice Bill is being drafted and should be presented in Parliament for the first reading in mid-2014.

Work is being undertaken to improve monitoring and evaluation of projects including reporting to Cabinet and providing financial information to Ministries on a regular basis. Regular (monthly) monitoring of the budget will be conducted with Ministries from the March Quarter 2014.

A Communication Strategy was adopted in November 2012. However capacity development is still lacking within Ministries as few have communications plans developed. The Government is working towards having a draft Freedom of Information policy produced by the end of 2014 with training conducted through donor support. The Government is also working towards producing a central web portal with links to other government departments. Production is being delayed due to capacity issues with the number of qualified and able IT specialists limited in Kiribati. Nevertheless the central web portal will assist with the desire

to have a Whole-of-Government approach to provide consistent and constructive messaging through Government agencies.

The Government has developed a Climate Change and Climate Risk Communications Strategy 2013-16 to increase awareness and understanding of climate change and the risks involved. The Strategy aims to strengthen the resilience of the community to adapt to the adverse impacts of climate change.

The Government is moving to provide enhanced disclosure and publication of government data to ensure the accountability of government to the community. For the dissemination of Cabinet decisions, the onus has been on the individual Ministries involved. A priority of the Government has been to distribute information through radio so that people living in remote islands are aware of and can access government initiatives.

KPA 6: INFRASTRUCTURE

The priority actions for the infrastructure sector have all been addressed.

The upgrade to the Port at Betio at a cost of \$36.6 million, funded by the Government of Japan, is almost completed.

Reconstruction of South Tarawa's main road, funded by the World Bank, Australia and the Asian Development Bank is estimated to cost \$63.3 million. Construction commenced in July 2013 and is expected to be completed in 2016.

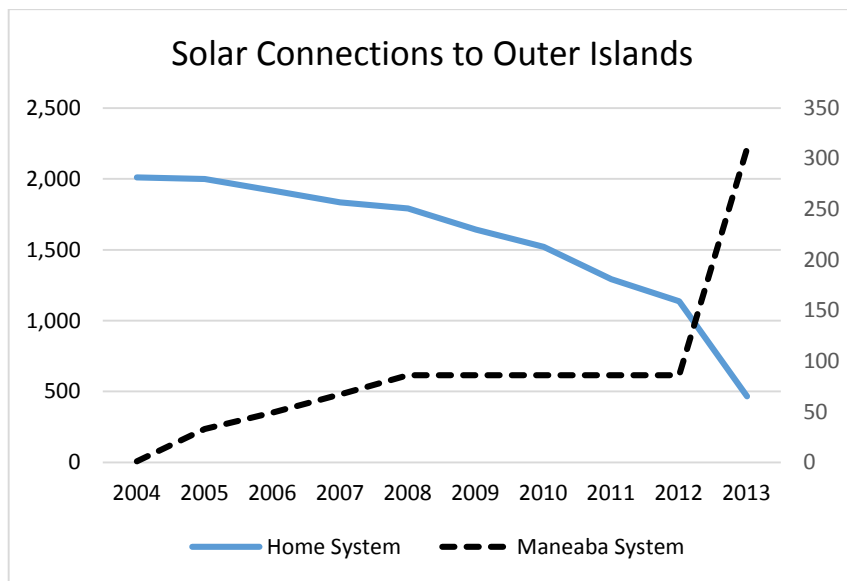
The Kiribati Aviation Investment Program (\$29.6 million) will provide upgrades to the airstrips and airport facilities on Tarawa and Kiritimati islands, funded by the World Bank, Australia, New Zealand and Taiwan. Civil works will commence in the second half of 2014 and take two and a half years to complete.

The ADB/Australia South Tarawa Sanitation Improvement Program (\$23.7 million) will see the replacement of South Tarawa's main water trunk sewer, saltwater intakes and ocean outfalls, and investments in water supply. Civil works are expected to commence in mid-2014 and take two and a half years to complete.

A telecommunications Act was passed in 2013 which encouraged competition in the communications sector.

A final draft of the Building Code which includes compulsory rainwater harvesting for new residences has been produced. Next steps are legislation to amend the Building Act.

Figure 7: Solar Connections to Outer Islands



Installation of solar power points on the outer islands has been hampered by a number of problems including drought conditions on a number of islands which has affected the life of wet batteries. A new battery system is currently being installed on all islands and as a result the number of connections in 2014 is expected to rise significantly. A

large increase in the number of connections to Maneabas occurred in 2013.

Maintenance of assets remains a critical issue in all infrastructure sectors. Lack of capacity and lack of funds appear to be the major obstacles.

NEXT STEPS

The mid-term review of the KDP 2012-15 will be held in May 2014.

The design of the KDP 2016-19 will be undertaken in June 2015.

The evaluation of the KDP 2012-15 will be done in late 2016 as data becomes available.