



# KIRIBATI DEVELOPMENT PLAN 2012-15: MID-TERM REVIEW REPORT

Prepared by the National Economic Planning Office, Government of the Republic of Kiribati, with input from representatives of the Pacific Islands Forum Secretariat, Secretariat of the Pacific Environment Programme, United Nations Development Programme - Pacific Centre, and United Nations Economic and Social Commission for Asia and the Pacific.

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## ACRONYMS

ADB	Asian Development Bank
DCC	Development Coordinating Committee
DFAT	Department of Foreign Affairs and Trade (Australia)
EEZ	Exclusive Economic Zone
EPiK	Education Partners in Kiribati
EU	European Union
FSM	Fiji School of Medicine
GDP	Gross Domestic Product
HH	Household
HIES	Household Income and Expenditure Survey
KDP	Kiribati Development Plan
KEIP	Kiribati Education Improvement Program
KIEP	Kiribati Integrated Environment Policy
KIT	Kiribati Institute of Technology
KJIP	Kiribati Joint Implementation Plan on Climate Change and Disaster Risk Management
KOIL	Kiribati Oil Company
KRA	Key Result Area
M&E	Monitoring and Evaluation
MFMRD	Ministry of Fisheries and Marine Resources Development
MPWU	Ministry of Public Works and Utilities
MWYSA	Ministry for Women, Youth and Social Affairs
NCD	Non-Communicable Diseases
NEPO	National Economic Planning Office
NGO	Non-Government Organisation
PIC	Pacific Island Country
SOE	State-Owned Enterprises
STI	Sexually Transmitted Infections
SWG	Sector Working Group
TAFE	Technical and Further Education
TVET	TAFE-delivered Vocational Education and Training
UNDP	United Nations Development Programme
VAT	Value Added Tax
WASH	Water, Sanitation and Hygiene
WHO	World Health Organisation

## SECTION 1 - INTRODUCTION

### Purpose and Approach

This Mid-Term Review of the Kiribati Development Plan (KDP) 2012-15, in response to a request from the Government of Kiribati to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), was undertaken between August 2014 to December 2015 by a Review Team<sup>1</sup> consisting of representatives from the National Economic Planning Office (NEPO) of the Government of the Republic of Kiribati, UNESCAP, United Nations Development Programme in Asia and the Pacific (UNDP Pacific Centre), Secretariat of the Pacific Regional Environment Programme (SPREP), and the Pacific Islands Forum Secretariat (PIFS). The development partner members of the Review Team was mobilised through the regional National Sustainable Development Strategy (NSDS) Support Partnership.

The purpose of the review was to gauge progress on KDP implementation, consult with stakeholders on implementation and based on findings make recommendations for consideration by relevant national decision makers.

Aside from individual meetings with most Ministries and key stakeholders, the Review process included a workshop with representatives of Ministries. A list of stakeholders met is attached. The issues captured in this report reflect the views expressed by the stakeholders met and also that of the Review Team and NEPO of the Ministry of Finance and Economic Development, Government of the Republic of Kiribati.

### Background

Kiribati is classified as a Least Developed Country and is one of the Micronesian islands. It is located in the Pacific around the equator. It consists of 32 coral atolls and one raised coral island (Banaba) with a geographical land area of 810sq.km. The Exclusive Economic Zone (EEZ) is 3.5 million sq.km. Its population is estimated at 110,000 (2013) covering the Gilbert Islands group and Line and Phoenix Islands. Gross Domestic Product (GDP) per capita amounted to A\$1,623 in 2012, one of the lowest levels in the Pacific. Kiribati has a

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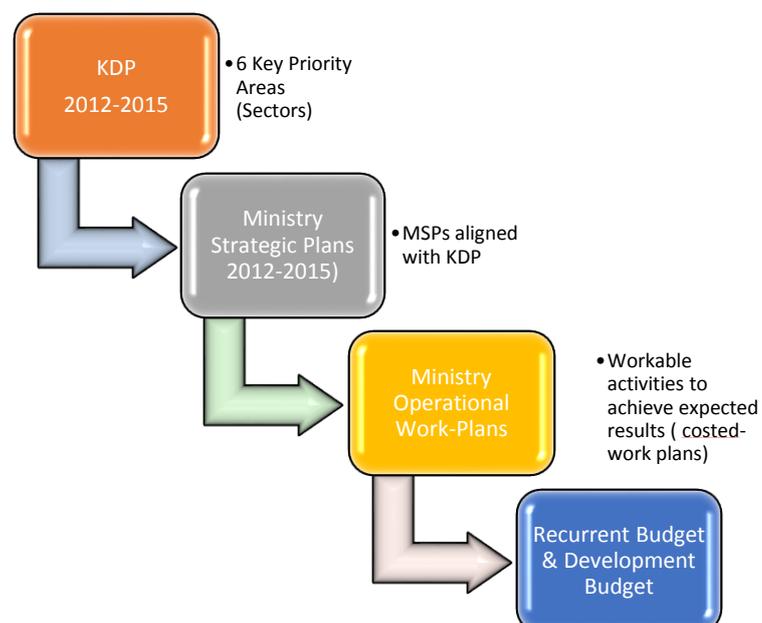
<sup>1</sup>Team comprised of Jason Reynolds (NEPO), Sefanaia Nawadra (SPREP), Scott Hook and Andrew Anton (PIFS), Ahmed Moustafa (UNDP Pacific Centre) and Sanjesh Naidu (UNESCAP).

community based culture, highly influenced by religion and the government plays a considerable role in the economy.

The theme of the KDP 2012-15 was ‘Enhancing economic growth for sustainable development’ which reflected the Government’s policies stressing the importance of sustainability in a nation that is highly dependent on its marine resources. The vision, ‘A vibrant economy for the people of Kiribati’ focused on the goal of pursuing economic growth. The preparation and production of the KDP 2012-2015 was built on lessons learnt from the past KDPs and included wide-ranging consultations with important community groups.

Extensive consultations, meetings and discussions were made with key stakeholders in identifying national, Ministries’ and sectoral issues including proposed strategies to address identified issues. A KDP 2008-2011 Review Workshop was held in March 2011 to compile these lessons learnt. A national summit with all stakeholder groups including those from the outer islands in the Gilbert and Line groups was held in May 2011 where national issues were discussed and strategies formulated. A workshop with line Ministries was undertaken in June 2011 to review issues raised at the summit. As well, working sessions with six Key Priority Areas (KPAs) groups were conducted between October and December 2011 to complete the validation of identified issues. Performance indicators for each goal were determined. The KDP 2012-15 was approved by Cabinet in April 2013.

**Figure 1:**



The KDP is the operative guide for formulating policies and programs to advance economic development in Kiribati. Six KPAs are contained in the KDP, namely: human resource development, economic growth and poverty reduction, health, the environment, governance, and infrastructure. All projects proposed by Ministries, Councils or Non-Government Organisations (NGOs) are required to fit within KDP guidelines. The KDP is particularly aimed at Ministries and the donor community to provide a framework for development so that these agencies have a clear view of the priorities of the Government of Kiribati. Ministry Strategic Plans (MSPs) are aligned with the KDP and provide a guiding framework to focus on technical, administrative and operational strategic issues as well as other factors that have a major impact on the efficiency of the organisation. Ministerial Operational Plans set out costed activities to progress the MSPs and feed into the budget process for the preparation of the recurrent and development budgets. Refer to Figure 1 above.

This Review's overall objective is to undertake a mid-term assessment of the operations of the current KDP 2012- 2015, and also provide an update of progress on the implementation of the KDP. The Mid-Term Review provides an important opportunity to consult with key stakeholders on the achievements and challenges in implementing the KDP.

## SECTION 2 - OVERVIEW OF PROGRESS

This Section attempts to capture developments that have contributed to the implementation of the KDP against the six KPAs highlighted in the KDP. While the list of issues may not be exhaustive, they provide some guidance on policy directions and implementation focus related to each KPA. The basis of information for this Section was a policy paper prepared by NEPO in March 2014, which documented implementation progress, as well as, Ministry stakeholder input during the consultation mission and on a draft circulated by NEPO in preparation for the development partner consultation meeting held in October 2014. Other recent Government publications and partner reports were also consulted.

### KPA 1: Human Resource Development

A new Education Act was passed by Parliament in December 2013 with the major changes focussing on inclusive education (including those with disabilities) and the establishment of teacher registration. The regulations associated with the Act are in development and will be ready for implementation in 2015. Under the Kiribati Education Improvement Project (KEIP) the focus has been on Basic Education, especially in literacy (including I-Kiribati and English) and numeracy. The focus is on quality education through improvements in curriculum development, teacher quality, school management and school infrastructure.

Education Partners in Kiribati (EPiK) is a strategy for the Ministry of Education to manage development partners' support for education in Kiribati. 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 (years 1-4) will be mainly in I-Kiribati with a gradual transition to English in the upper primary years.

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

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 is a continuing process.

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 (EMIS).

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 Water, Sanitation and Hygiene (WASH) project had been carried out, there was no evidence of affected children.

Institutional strengthening continues to be addressed including working towards decentralising school management.

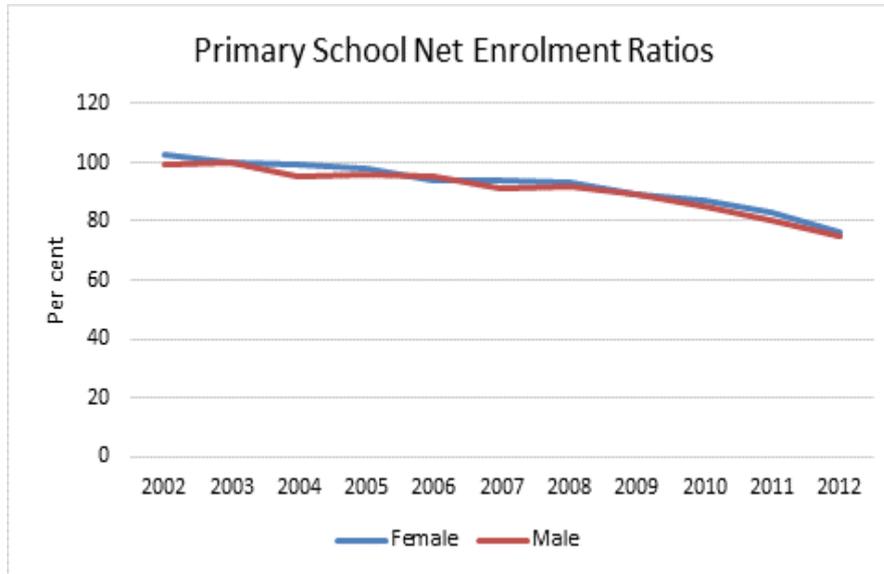
Progress in early childhood education has not occurred due to lack of jurisdictional clarity and budgetary constraints.

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 suggest 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.

## Figure 2: Net Enrolment Ratio

There is some conjecture about the accuracy of early statistics on education. Work is on-

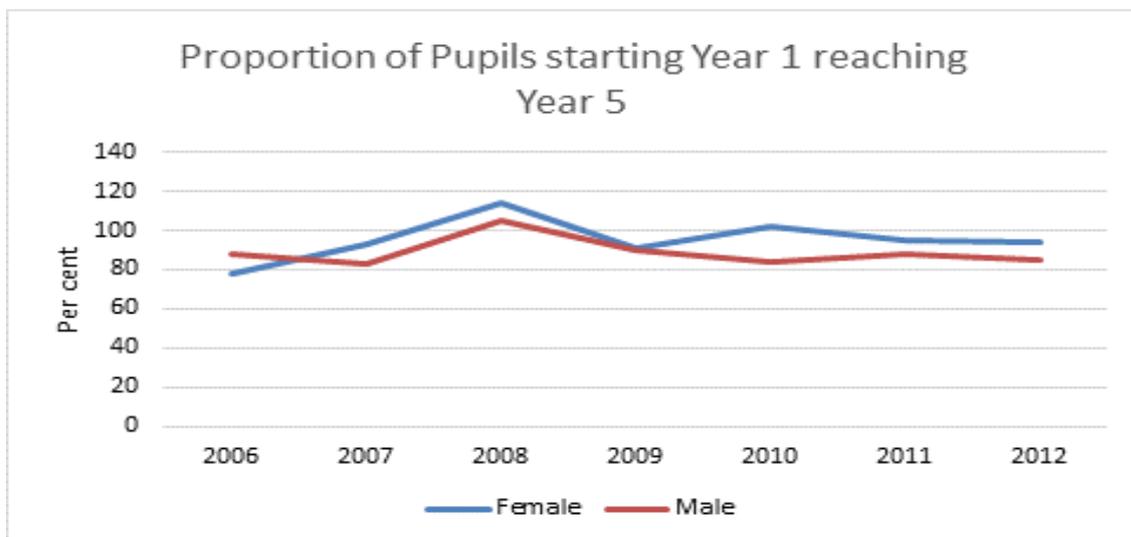


going to try to improve statistical reporting. Nevertheless the current data shows that the net enrolment rate for males and females in primary education has continued to decline in 2012. The KDP

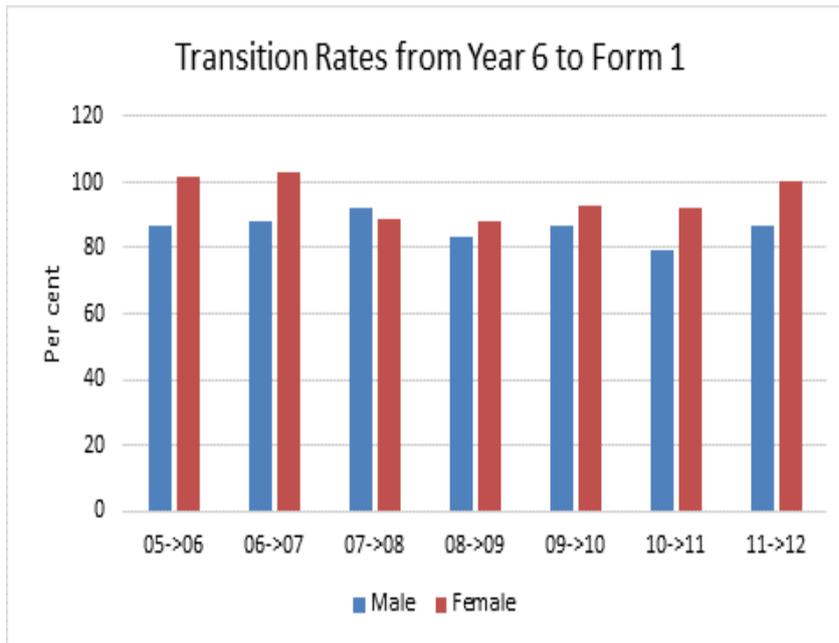
Target is 100% net enrolment rate by 2015. Net enrolment rates for females has fallen from 100% in 2003 to 76% in 2012 and net enrolment rates for males has dropped from 100% in 2003 to 75% in 2012.

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: Survival Rate to Year 5



**Figure 4: Transition Rate from Year 6 (Primary) to Form 1 (Lower Secondary)**



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%.

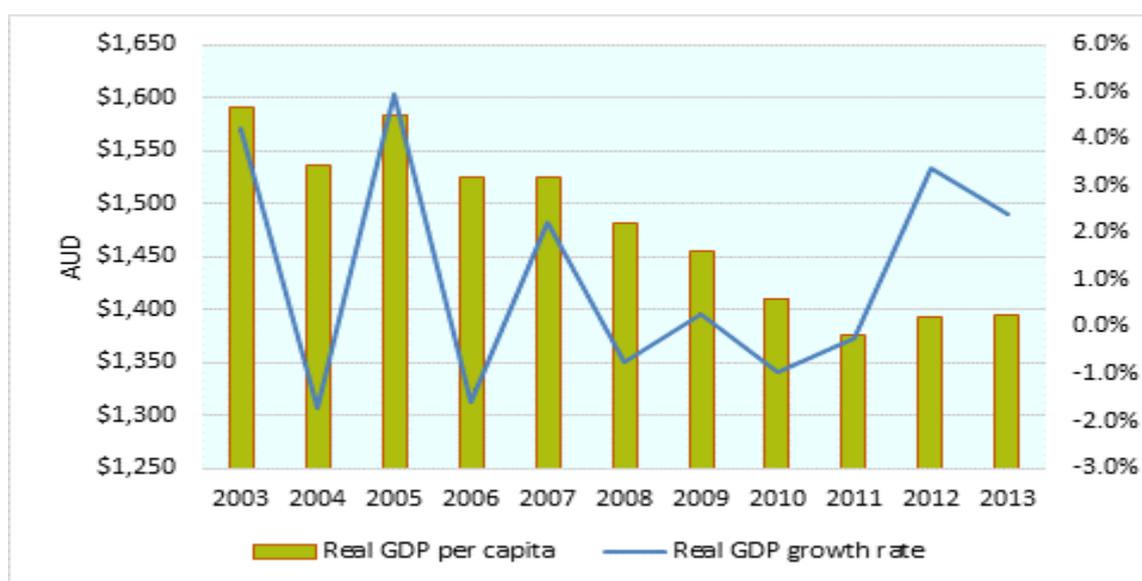
For females the rate of improvement was significantly higher with the rates being 88.2% and 100% respectively.

## 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 a modest rise of 0.8% in 2011. However, growth in 2012 rose by 3.4% but in 2013 the growth rate slightly slipped to a rise of 2.4%. For 2014, the International Monetary Fund (IMF) expects growth in Kiribati to remain around 3.0% 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 since 2012. GDP per capita amounted to A\$1,701 in 2013, one of the lowest levels in the Pacific. Real GDP grew by 3.4% and 2.4% in 2012 and 2013, respectively.

**Figure 5: Kiribati Real Growth Rate and Real GDP per Capita, 2002-12**



Source: Kiribati National Statistics Office (KNSO)

Incidence of Basic need poverty in Kiribati was estimated at around 21.8% of the population in 2006. Food poverty was estimated to be around 5% of the population.

**Table 1: Incidence of Food Poverty, Kiribati, 2006**

Proportion of Household (HH) and Population with weekly adult equivalent per capita expenditure less than the basic needs food poverty line.

	<b>Households</b> %	<b>Population</b> %
National average	4.1	4.9
South Tarawa	2.2	2.6
Rest of Gilberts	6.0	8.2
Line & Phoenix	0.5	0.5

Source: KNSO

**Table 2: Incidence of Basic Needs Poverty, Kiribati, 2006**

Proportion of HH and Population with weekly adult equivalent per capita expenditure less than the Basic Needs Poverty Line.

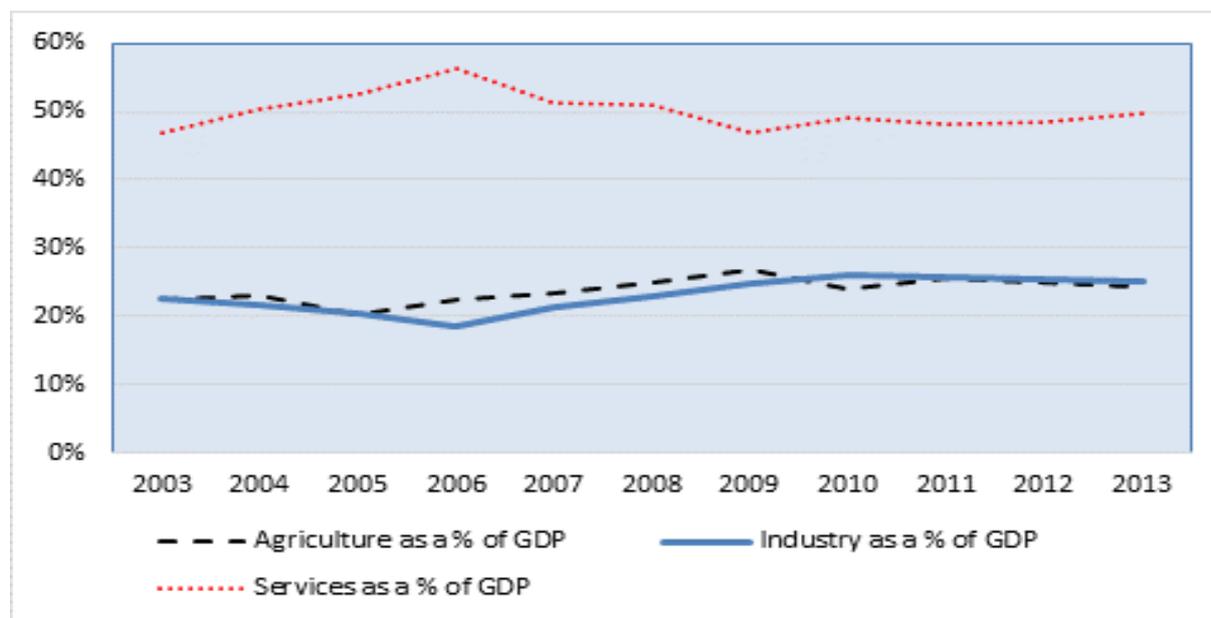
	<b>Households</b>	<b>Population</b>
	<b>%</b>	<b>%</b>
National average	17.0	21.8
South Tarawa	18.3	24.2
Rest of Gilberts	17.9	22.0
Line & Phoenix	6.8	8.9

Source: KNSO

Since there was no HIES undertaken since 2006, it is difficult to assess progress in area of poverty reduction. There is a need to undertake a new HIES and update poverty and inequality figures. This is essential to guide national policies and plans.

The economy is focused on services (mainly government services) that comprise around 50% of GDP, while agriculture and industry comprise 24% and 25%, respectively.

**Figure 6: Sectors as a Proportion of GDP, Kiribati, 2003 -2013**



Source: KNSO

Inflation is low (only 3% in 2014), however it nearly doubled between 2012 and 2014. Trading partner inflation, international commodity prices and the strength of the Australian dollar contribute significantly to wholesale and retail prices in Kiribati.

Economic growth in Kiribati is very narrowly based and has been erratic with very sharp fluctuations over the last decade.

Kiribati maintained a balance of trade deficit of 46% of GDP in 2011, and 54% in 2012, down from 64% of GDP in 2005. This would be expected from an economy that imports nearly all manufactured items, fuel and processed foods.

Given the limited data and adoption of indicators, it may be difficult to conclude if the KDP is on track in terms of achieving its goals in the areas of economic growth and poverty reduction. However, good progress has been made with economic and public financial management reforms to support economic growth and improve service delivery, resulting in significant increase in budget and technical support from development partners.

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

##### *Expanding and diversifying the government revenue base.*

The Government of Kiribati introduced a Value Added Tax (VAT) in April 2014, abolished customs duties and introduced an excise tax. This will have the effect of broadening the government revenue base. Although expected taxation revenue in 2014 is A\$26.9 million compared with the 2013 budget estimate of A\$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 Pacific Agreement on Closer Economic Relations (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 has been 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 (KFL) is a joint venture of Kiribati's CCPL, Shanghai Deep Sea and Golden Ocean. The project is worth A\$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. Use of the Attaché accounting system by line Ministries is being addressed, which will improve commitment

management, and will mean that budget execution will be primarily managed by Secretaries and their staff at line Ministries.

*Improving government fiscal position by improving performance of SOEs*

Legislation was approved in May 2013 to improve the governance and management of State-owned Enterprises (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. A key finding of the final report was that considerable cost savings and efficiencies could still be gained through institutional reforms such as the merger of Kiribati Copra Cooperative Society and the Kiribati Copra Mill Limited. This has subsequently been approved by Cabinet with plans for the merger to be further developed.

*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 A\$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 jerky and smoked fish. 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 that limit the production rate. A more sustainable and low cost power energy such as solar power systems will be a strategic alternative which Ministry of Fisheries and Marine Resources Development (MFMRD) is looking toward working more closely with donor partners in development and implementing a plan on this issue. Currently there are three separate solar renewable energy projects being developed on Tarawa.

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 KFL, with longline fishing vessels, provides further employment and cash opportunities for the local people. 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, United States (US), 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

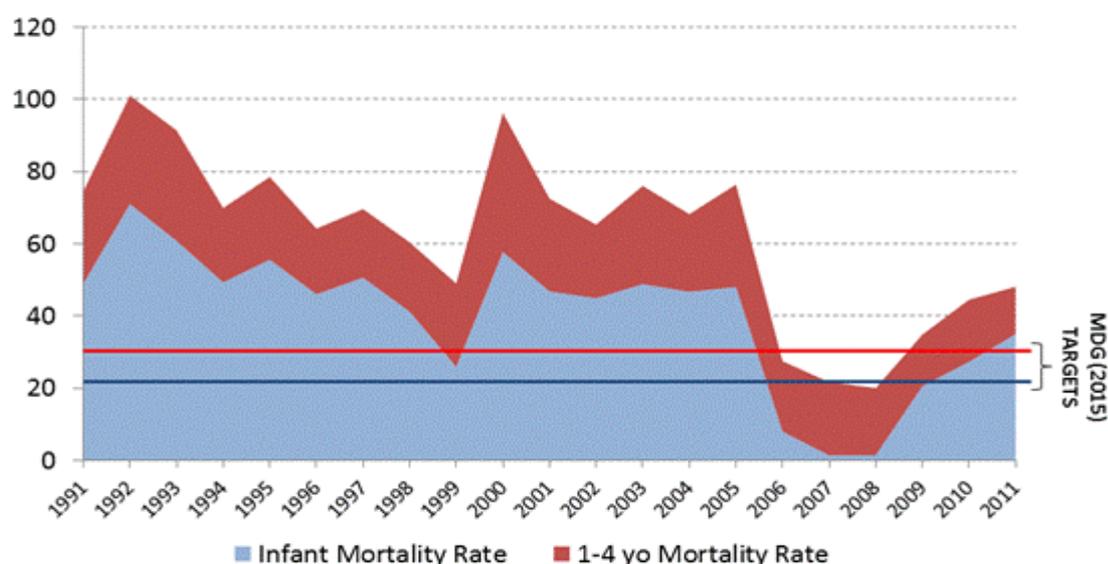
Population growth has been a challenging issue and the significant growth rate of 2.2% annually has caused overcrowding, particularly in South Tarawa. A Reproductive Health Policy has been completed and an Annual Workplan is ready to be implemented. The Kiribati Family Health Association is taking a 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. Additional resources are required to meet demand for improving reproductive health. 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 per 100,000 live births in 2010 to 220 in 2012. The KDP target is maternal mortality numbers fewer than two deaths annually by 2015. The under age 5 mortality rate dropped from 59 per 1000 live births in 2010 to 46 in 2011, but rose again to 71 in 2012. The KDP target is 22 by 2015. Around 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.

Relevant policy initiatives and interventions have been put in place to improve health outcomes of the country whose implementation is underway, including Kiribati National Reproductive Health Policy and Kiribati Child Survival Plan.

Another problem is that quality health information and data requires improvement and the lack of reporting is an issue for the outer islands.

**Figure 7: 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, but there have been some successes. The ongoing delivery and sustainability of the TB and Leprosy Control Programs are on track. The ongoing National Plan for Lymphatic Filariasis and the management of morbidity caused by the disease has been implemented. However, the implementation of the National HIV and Sexual Transmitted Infection (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 3: Summary of Selected Health Indicators, Kiribati**

	<b>Latest data</b>	<b>KDP target</b>
<b>Neonatal, infant and child health</b>		
Immunisation, 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 4: 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 <sup>2</sup> )	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 was passed in April 2013. 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. Kiribati also have endorsed the recently developed Pacific regional strategy on managing NCDs, with further targeted partner and support from countries in the region possible.

Since May 2013, 12 islands have been declared open defecation free. This has occurred under the Kiriwatsan I Project led by the Ministry of Public Works and Utilities (MPWU) with technical support from UNICEF and funded by the European Union (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 Fiji School of Medicine (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, World Health Organisation (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 over-extended. Specialist health workers 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.

Emerging areas of health services include mental health and eye care service which are being introduced. However, sufficient resources, including financial and human resources, are required for these important services to be effectively rolled out and the services to be fully available to the population. Together with the enactment of important pieces of legislation particularly to address NCDs specifically to address alcohol abuse and tobacco control, awareness and education on maintaining healthy lifestyle are critically important to change the lifestyle of people. These activities, including the enactment of the legislation are in progress, although rigorous actions, partnerships among key stakeholders and resource allocation are critical and required to reduce NCDs in the country.

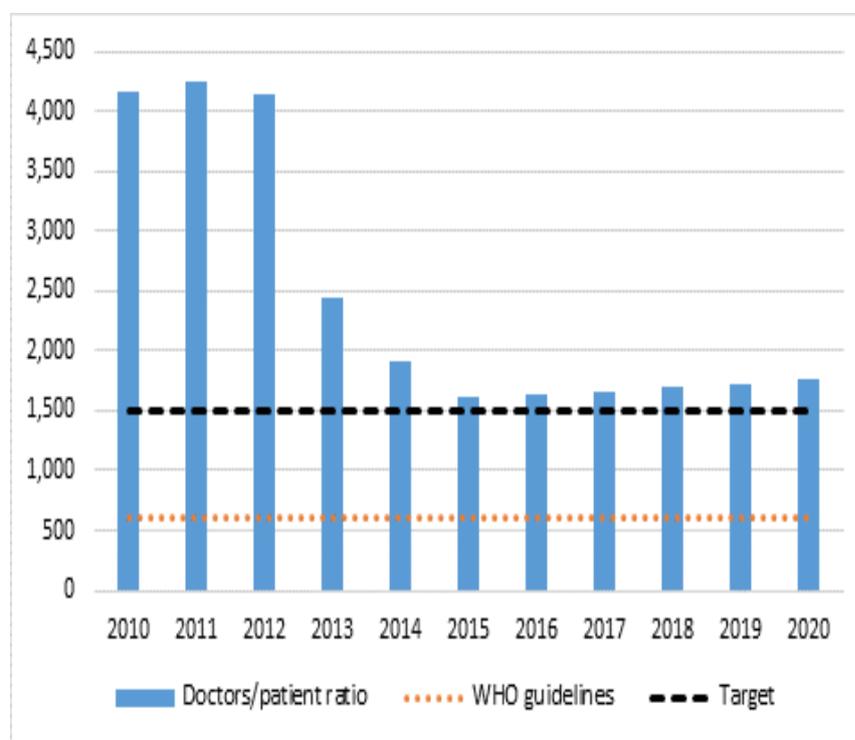
Analytical work to support targeted health sector expenditure and investment earmarked is crucial but is lacking. Such analysis is important, among others, to determine the funding gap for the health sector. This would assist the policy makers, government as well as development partners to allocate sufficient resources to the health sector to match the demand for health services by the population. An important first step taken in this area is the establishment of a data collection information system to help with identifying baseline information and support trend and needs analysis.

The implementation of a workforce plan is underway to improve health worker-patient ratio, including through:

- conduct of internships in the country;
- increase in scholarship for nurses through the TVET programme to support nursing skills upgrade with the support of Australian Aid Program;
- doctors from other PICs are being recruited to work in the hospitals which is strengthening staffing capacity and reducing doctor-patient ratio; and
- return of overseas trained doctors to Kiribati are boosting the doctor numbers, thereby helping to reduce doctor-patient ratio, and is projected to fall further when more

doctors return to Kiribati. However, the key concern is retention of doctors in the country.

**Figure 8: Doctor-Patient Ratio, Kiribati, 2010-20**



A workforce plan is being prepared. 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

Source: Ministry of Health and Medical Services (MHMS)

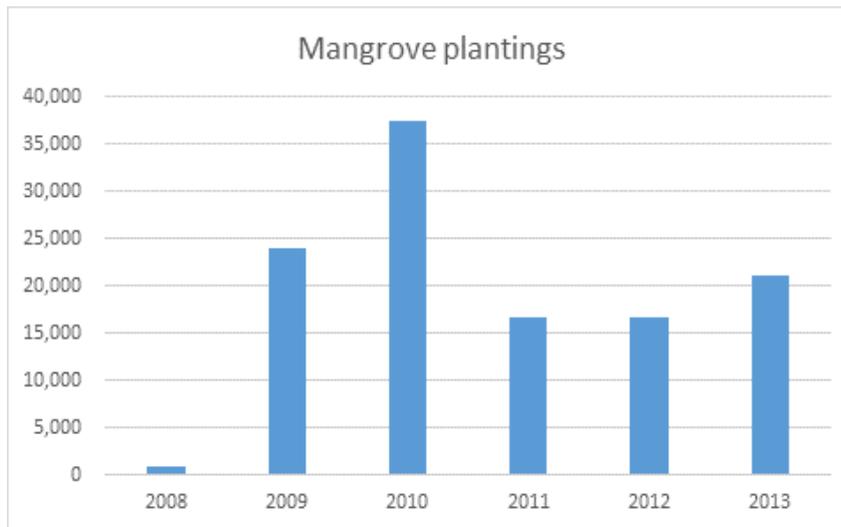
implementing a formal asset maintenance and replacement program for medical infrastructure and equipment. A new database has been added to the three hospitals to improve the system for the collection, analysis, and reporting of information.

#### KPA 4: Environment

The Kiribati Integrated Environment Policy (KIEP) was adopted by the Government of Kiribati in June 2013 and launched in August 2013. A process for periodic monitoring and evaluating the implementation of KIEP is being put in place and associated capacity building is proposed under national and regional Global Environment Facility projects. In the long term this will facilitate regular State of Environment Reports and meet national reporting obligations to Multi-lateral Environment Agreements (MEAs).

The Kiribati Joint Implementation Plan on Climate Change and Disaster Risk Management (KJIP) was released in August 2014. The goal of the KJIP is to reduce the vulnerabilities to the impacts of climate change and disaster risks.

**Figure 9: Mangrove Plantings**



The Government of Kiribati 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 organisations such as United Nations Environment Programme, have focused on local communities in establishing protected areas for resource conservation and management e.g. 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 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 Memorandum of Understanding has been developed to ensure cooperation between Government agencies in the analysis of freshwater and marine water quality in Kiribati.

Significant efforts on solid waste management have been made with partner support, with waste collection and disposal services a lot more functional. Community demand for such services and improved practices is still needed, through broader awareness and education initiatives as well as, in the short term, through direct provision of means for household refuse collection (e.g. garbage bags/ bins).

Government announced the closure of Phoenix Islands Protected Area (PIPA) to all commercial fishing by the end of 2014, with a small exemption for subsistence fishing around Kanton Island. As a major spawning ground for tuna, PIPA closure will have a major contribution to the conservation and rejuvenation of fish stocks and to food security.

Efforts have been made to maximise 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.

The Kiribati Government has taken steps to counter high levels of violence against women including the establishment of a Ministry for Women, Youth and Social Affairs (MWYSA) last year. *Te Rau n te Mwenga* Bill (the Family Peace Bill), which aims to ensure the safety and protection of all people, including children, who experience or witness domestic violence, was read for the first time in Parliament in December 2013. The Act, passed by parliament in April 2014, recognises that domestic violence, in all its forms, is unacceptable behaviour and a crime. Training workshops coordinated by MWYSA in partnership with the Secretariat of the Pacific Community (SPC) Regional Rights Resource Team (RRRT) addressed the importance of human rights and its application to the role of the relevant agents such as the police, school authorities, counsellors, health providers and social service providers in implementing the Act. Moral Education which is related to eliminating domestic violence has been included in the school curriculum for Year 3 to 6. A network for the safety of domestic violence victims (SafeNet) have been set up in Tarawa and the outer islands. With support from the World Bank, a SafeNet Co-ordinator has been appointed to improve services to victim/survivors, assist with enhanced data collection, and run several pilot

projects which will include several outer islands. A comprehensive four year strategy, the Shared Implementation Plan (SHIP) to Eliminate Gender Based Violence in Kiribati and support the National Policy and Action Plan has been finalised with the support of the Australian Aid Program. A validation visit for a four year Government of Kiribati-UN Joint Programme has been undertaken, with finalisation anticipated before the end of November 2014. Both the SHIP and the Government of Kiribati-UN Joint Programme provide partners and stakeholders a coordinated framework.

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 completed by the end of 2015. Training materials for the implementation of the Act and the procedures for a referral system of victims has been drafted and was completed in May, 2014. A Youth Justice Bill is being drafted and is anticipated to be presented to Parliament for the first reading in April 2015.

The Government established the Kiribati National Human Rights Taskforce in July 2014 with a mandate to oversee all ratified Human Rights Conventions. Its primary role is to facilitate implementation, monitor, evaluate and prepare reports, while also providing advice to the Government on Kiribati's human rights commitments.

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.

A Whole-of- Government 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 Information Technology (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**

Infrastructure is a vital aspect of Kiribati development plans. Over the current KDP, many of the priority actions for the infrastructure sector have been addressed. Ongoing reforms in SOEs (outlined in the discussion of KDP 2) are important to the efficient operation of these national assets. However, additional complementary institutional and policy reforms are necessary, for example, development of asset registers and maintenance plans are still required in many sectors.

Some recent infrastructure developments in Kiribati include:

- The upgrade to the Port at Betio at a cost of A\$36.6 million, funded by the Government of Japan, was completed in 2014.  
Reconstruction of South Tarawa's main road, funded by the World Bank, Australia and the Asian Development Bank (ADB) is estimated to cost A\$63.3 million.  
Construction commenced in July 2013 and is expected to be completed in 2016.
- The Kiribati Aviation Investment Project (A\$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 Sector Project (A\$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 late 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.
- The Central Pacific Shipping Commission is operating with international services improving and the cost of container loads falling.

To help progress infrastructure projects, the MPWU intends to set up a Project Oversight Committee (POC) to identify, prioritise, develop, oversee and monitor the implementation of the various projects under its responsibility and those emanating from other departments, SOEs and donor agencies. In addition, the National Infrastructure Development Steering Committee (NIDSC), has been established to deal with urgent project issues, most of which emanate from financial or technical matters. The core members of the NIDSC are the Secretaries to Cabinet, Finance & Economic Development, and Public Works & Utilities. The Committee meets only when the need arises.

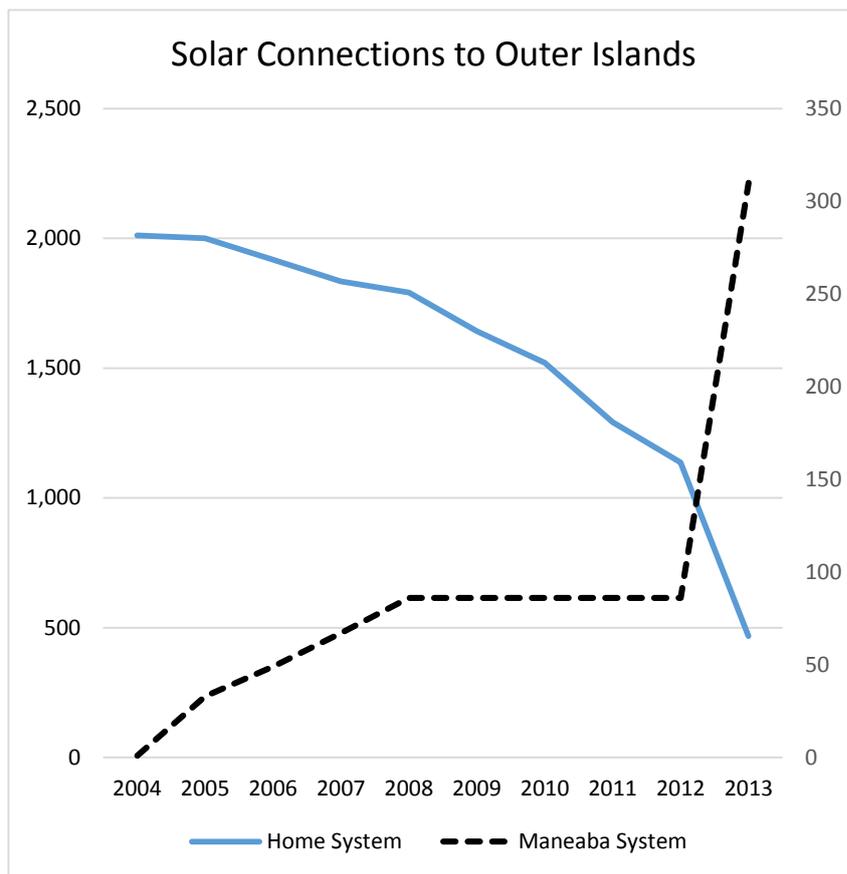
A solar lighting project is being implemented by the Kiribati Solar Energy with Taiwan funding assistance to supply 10,000 sets of 5Watt solar panels with 5Watt and two 3Watt LED light tubes at a cost of \$2.5 million. These sets will be arriving in Tarawa before the end of 2014 for delivery and installation on all outer islands.

Another programme to assist in the production of sustainable energy is the recent introduction of the Japanese funded project through the Pacific Islands Forum Secretariat (PIFS), PV Grid System to PUB power generation which has commenced to be installed from the second half of 2014. Other projects of similar nature are being initiated by the World Bank and the United Arab Emirates for commissioning next year. Each of these systems plans to produce 400Kw of power into the PUB grid.

A Republic of Taiwan funded project is on-going to build two steel fuel storage tanks which will give Kiribati Oil Company (KOIL) a 2,000mt additional fuel capacity. This expects to greatly alleviate the shortage of fuel supply which has been a major problem for the company and the nation.

Efforts are in place to improve and upgrade domestic roads and airfields including the outer islands. The road and airfield for the first outer island will be to be completed before the end of this year and the project will continue to three other islands at the beginning of 2015. The aim is to upgrade 460km of roads and 20km of airfields by the end of the project.

**Figure 10: 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.

## SECTION 3 - KEY FINDINGS

The KDP is used within the Kiribati government for planning and budgeting purposes. Development partners also use the KDP for development assistance planning and programming.

While the KDP and its associated implementation and monitoring processes are in place, this Review provided the opportunity to consider some possible areas of ongoing strengthening to facilitate improved and more efficient implementation, as well as, raise the KDP's utility. Key findings, opportunities and challenges with the implementation of the KDP are discussed below, and are based on NEPO and the Review Team's observations, in consultation with national stakeholders.

### (i) Planning and Budgeting

Ministry Strategic/ Sector Plans will help strengthen the KDP by detailing how each sector will meet its KDP goals, targets and responsibilities. Ministry Strategic/ Sector plans on education and environment provide examples of sector plan linkages to the KDP, and allows for forward planning, budgeting, and monitoring. MSPs linked to the KDP in key selected areas could also assist with planning development partner interventions, particularly where major financial inputs such as infrastructure investments are necessary. The MSPs need to be prepared prior to formulation of the KDP to ensure accurate capture of sectoral priorities.

Budgets allocated to line ministries are mostly limited to operational purposes, creating misalignment between budgets and development aspects of the KDP. Currently, not many Ministries develop forward/multi-year budgets, meaning budget/ funding mobilisation and its allocation are normally limited to annual activities with limited certainty over budgets in the medium term for projects/ programmes.

Capital and non-operational development priorities are mostly donor-funded and therefore remain negotiated agreements, with KDP and donors' agendas both considered. As such, development partner support may not always be fully aligned to the KDP or sectoral plans, although linkages to the KDP are traceable given the broad nature of issues contained within the KDP. The Ministry of Education appears to have early and effective engagement with development partners to allow for closer alignment of external support to development

priorities. Project proposals prepared for external funding need to be aimed at unfunded priorities and initiatives in the KDP.

There needs to be increased attention to medium term planning by all line Ministries through formulation of MSPs. These MSPs should integrate both investment/development activities implemented through external project funding and recurrent activities funded through the national budget sources.

## (ii) Funding

Generally, funding through national budget sources for implementation of KDP priorities remains a challenge. Most of the national budget resources are for recurrent expenditure. Due to domestic funding constraints, important investment/development activities of each department or government agency are not funded by the government. Donors and development partners largely fund investment/development activities through projects.

While there is a medium term economic framework for the budget with fiscal estimates beyond the current year presented in budget documents, the current year estimates are more realistic as the outer year estimates are mainly adjusted for a percentage change and are not necessarily factoring in actual expenditure expected. This is largely due to unpredictability of revenue from government and donor sources.

Budget funding may not fully reflect KDP activities as MSPs where they exist may not be fully aligned to KDP KPAs. Therefore, it is crucial for all government departments and agencies to have MSPs with clear linkages to the KDP, preferably prepared prior to the formulation of the KDP.

## (iii) Capacity

Line ministries and departments, generally, face skill and capacity gaps in key areas such as policy, planning and budgeting. These gaps are associated with high staff turnover, limited pool of skilled and qualified staff, and priority assigned to planning versus day- day tasks. Ongoing capacity building support remains a priority over the medium term. For example, line Ministry and Department representatives highlighted the need for ongoing training by NEPO on strategic planning, project planning and management, monitoring, reporting and

budgeting. Capacity limitations are also apparent in central agencies, including Ministry of Finance and NEPO.

#### (iv) Information, Decision Making and Reporting

Efficiency and effectiveness of decision making within line ministries and central agencies is constrained by staff capacity and institutional arrangements. The problem with ongoing turnover of staff means a loss of knowledge and expertise in related Ministries and implementing agencies. These combine to reduce the ability of Ministries to deliver within the necessary timeframes, and there are delays in decision making as key staff are required to travel overseas. More so, a development partner observed that a siloed approach to decision making is a reality, meaning little integrated/ whole of government consultation on overlapping/ cross-cutting issues.

Planning and reporting are seen as an additional task for Ministries and not part of the normal work of managing their sector/ministerial responsibilities. As a result, little analysis is done to inform necessary policy adjustments, account for emerging issues and document and absorb lessons from implementation experience. To support informed decision making, there is a need for more accurate and timely data, but also the use and analysis of such data, both of these requires capacity building. Some Ministries have collected too much information (such as for KPA 4), with clarity needed on the relevance of the data being collected and used, particularly so with some KPA indicators, which could be interpreted in various ways.

In addition, supporting planning documents, such as the MSPs and Ministerial Operational Plans may be prepared neither in a comprehensive manner, nor in good time, to fully inform the national budget allocations. For example, more comprehensive plans by Ministries could reflect accurate costing of proposed policy measures which will help inform decision making and national budget allocations. The flexibility to develop new planning priorities is vital, and accounting for these in Ministerial Operational Plans and related sector documents will mean better feed into the national budget cycle.

While current reporting on the implementation of the KDP by line Ministries was varied (with NEPO expected to largely follow-up and research implementation progress), feedback obtained from consultations suggests an appetite for proactive engagement within government on reporting needs, with clear guidelines/ templates and staff resources assigned.

For example, consensus needs to be built on the type of reporting undertaken and regularity, cognisant of the limited capacity across Government.

#### (v) Development Partner Engagement

Development assistance coordination with donors happens on several fronts, including through Biannual Strategic Planning with United Nations agencies, Development Partners' Forum every two years and annual dialogue with Australia and New Zealand. These meetings are highly consultative and are linked to the KDP. Reports and presentations at the Forum are on the Ministry of Finance and Economic Development website. Discussions with Australia and New Zealand representatives in Kiribati confirm that the KDP has been a useful document to identify entry points for development cooperation and assistance.

At sector level, the Ministries of Education and Environment appear to have effective development cooperation mechanisms which cover implementation of their MSPs and KDP related goals.

While formal mechanisms are in place, greater degree of informal and regular contact between NEPO and Ministries with significant expenditure projects/ programmes, and with development partners is necessary. This will improve understanding of challenges and constraints, and facilitate collective efforts to find solutions in good time.

#### (vi) Institutional Mechanisms for KDP Implementation

Cabinet is the final authority for overseeing the implementation of the KDP. Ministers raise KDP issues relevant to their portfolio through cabinet papers. This seems to work well when the KDP issue/activity clearly fits within their portfolios. Those that fall across or between portfolio's are more problematic and may not be addressed or take more time to address depending on consultation between the relevant Ministers and their respective staff.

The Development Coordinating Committee (DCC) is the main coordinating body at head of Ministry level for KDP implementation. The leadership and efforts by the current Cabinet Secretary to strengthen this role of DCC was noted. However, the agenda remains crowded, and more time should be set aside for regular and detailed discussion on KDP implementation.

It is unclear whether the KDP Taskforce still meets on a regular basis. A number of the stakeholders consulted noted that it was fully functional during formulation of the KDP but gradually faded out. Secretary of the Ministry of Finance and Economic Development chairs with NEPO as the secretariat (this is not specifically stated but implied in KDP). A strong, functional KDP taskforce is important for the ongoing coordinated implementation, monitoring and reporting of the KDP, particularly where cross-cutting issues are concerned. However, the extent to which the KDP Taskforce overlaps with the work of the DCC needs enquiry. The Terms of Reference (TOR) for the DCC and KDP Taskforce are broadly similar, but value added from the ad hoc KDP Taskforce process is questionable - perhaps a reason for its dysfunction.

The KDP outlined the need for six Sector Working Groups (SWGs) to be established, aimed to focus on implementation of specific KPAs within the KDP, and to develop sector plans which details activities linked to achieving the goals set-out in the KDP. The effectiveness of the SWGs is variable, given regularity of convening and follow-up capacity. This mechanism, in principle, does have merit given also broader representation of civil society, and community representatives which could raise levels of ownership and also strengthen accountability for better delivery. Fully effective SWGs system may negate the need for the KDP Taskforce, with the SWG's instead directly reporting to the DCC.

NEPO has a key role in coordination of KDP implementation. Most stakeholders consulted see NEPO as the “process/document owner” of the KDP. If the supporting mechanisms for KDP implementation (such as the SWGs) were effective, perhaps ownership over the KDP could be shared better with line ministries and departments, and civil society stakeholders.

The lead implementing ministries for six KPAs are clearly identified, which is critical. However, follow through by lead agencies may not be fully operational due to many underlying issues discussed in this Section. The Ministry of Education (lead for KPA 1) and Ministry of Environment, Lands and Agriculture Development (MELAD) lead for KPA 4, have successfully set up working groups within its existing sector coordination structures. For example, the Ministry of Education utilised the EPiK (a donor forum it had established) and the Kiribati Education Facility (a project management mechanism) to assist with coordinated implementation of KDP initiatives within the sector. MELAD has coordinated implementation within the environment KPA through working groups established to manage

projects, coordinate implementation of Multilateral Environment Agreements (MEAs) and its MSP, called the Kiribati Integrated Environment Policy. The Ministry of Education and MELAD have approved MSPs. The MSPs are important supporting planning documents for KDP development, implementation and monitoring. Most Ministries still have draft MSPs that are still in development.

The utility of the KDP Technical Support Team is determined by the quality and regularity of reporting from the SWG, as well as, the KDP Taskforce and DCC. In the absence of a functional KDP Technical Support Team, NEPO could well assume full Secretariat role for tracking progress and providing strategic and technical advice to DCC and cabinet without the need for another formal mechanism. In many ways NEPO is already doing this. This will help streamline the various implementation processes mentioned in the KDP, and perhaps raise profile of NEPO's key role. Further capacity building and supplementation efforts may be needed within NEPO as a precursor to exercising more proactive and effective role on its own (negating the need for the KDP Technical Support Team arrangement).

## SECTION 4 - OBSERVATIONS FOR FUTURE CONSIDERATION

Given the TOR for this Review, it's clear that lessons from past experience, and challenges from current practices need to inform continuous improvement efforts in 2012 - 2015 KDP implementation and also provide guidance in the preparation of the new KDP for 2016 - 2019.

Based on the key findings outlined in Section Three, NEPO and the Review Team's observations for the improved KDP implementation and coordination are discussed below.

### (i) Process of Developing the KDP

The 2012 - 2015 KDP development had a long process of development based on the review of the former KDP and a 'partnership' approach which involves extensive consultations, meetings and discussions with all key stakeholders in identifying national and sectoral issues. These discussions also proposed strategies in addressing the identified issues. Several SWGs type meetings were held to discuss sectoral issues, which lead to findings being presented at a KDP 2008 - 2011 Review Workshop. A national summit was then convened to discuss a draft with all stakeholder groups, including those from the outer islands. Feedback from the national summit was incorporated into a revised draft, following which another workshop was convened with line Ministries to validate the draft. Further meetings with the six KPA groups (SWGs type) were conducted to complete the validation process and finalise the KDP with supporting strategies and performance indicators for all KPAs.

While the process to develop the 2012 - 2015 KDP was comprehensive, it clearly was cumbersome and costly, considering also the limited capacity within NEPO and line Ministries. A similar approach for developing the 2016-2019 KDP is not recommended. Instead a lighter KDP consultation phase could be followed with the inclusive SWGs forming the key process, with DCC then considering a draft which NEPO could develop based on updated MSPs (consulted amongst relevant SWGs stakeholders and for which drafting should be led by implementing Ministries with NEPO's support). This will allow SWG's (and NEPO) to account for lessons and implementation successes whilst prioritising remaining targets, as well as, accounting for emerging priorities. The MSPs need to inform the new KDP, and considering the associated consultations undertaken with relevant government, civil society and community representatives should allow for capturing major priorities and strategies. In addition, if

priorities and related sectoral emphasis remain relevant/ or ongoing in nature, then little changes would be expected in the new KDP as several priorities would naturally carry forward.

Within the KDP implementation cycle, a mechanism should be considered for annual updates due to shifting political and emerging priorities. These could be captured as part of NEPO's six-monthly reports to DCC on the progress with implementation of the KDP.

#### (ii) Structure/ Form of KDP

While the format of the KDP was found useful, some revisions could be considered. A fundamental question would be the value of the KDP as a strategic policy plan, which captures high level issues while leaving strategies/ activities to be captured in MSPs. A number of countries in the Pacific have adopted this model considering the need for flexibility with strategies and activities which are best left for implementing Ministries to determine, cognisant of capacity. However, the KDP could capture the broad goals and KPAs as well as some measurable indicators, consistent with MSPs.

Alternatively, the KDP could remain in the current form. However, for effectiveness the MSPs need to inform the KDP. The KDP in this form (with more detail) needs to be consistent with policy intent across the various KPAs.

The KDP may need to strengthen the Vision section to include strategic long-term targets, while short-medium term targets for achievement within the KDP period can be highlighted through KPA's and associated indicators. For instance, the fisheries sector has a longer term strategic document and a medium term sector plan which is currently being developed. These sectoral documents could inform the KDP longer term and medium term goals/ direction.

#### (iii) Institutional Arrangements for Implementation

Implementation arrangements are outlined in Chapter Ten of the KDP. While the implementation structure is spelt out in the KDP, consultations found that some of the issues identified in footnote 26 of the KDP as bottlenecks and failures that contributed to implementation weaknesses of the past KDP, "inadequate capacity coupled with poor definition of roles and responsibilities; resource wastage and duplication of effort; lack of implementation planning or disjointed policy and program implementation; lack of direct linkage between planning, budgeting and prioritisation of programs", still largely remain.

The KDP implementation structure identified in the Plan is not fully operational, suggesting the need for new implementation arrangements when developing the next KDP. New arrangements need to be cognisant of capacity limitations within implementing agencies, and also consistent with resources endowments available to support implementation. Some positives stated in the KDP need consistent application for improved results, as they remain rational. For example, p.73 of the KDP outlines the need for each policy area to have a lead Ministry, which is responsible for coordination and reporting of programs and projects which fall within their KPA. In all cases, the lead Ministry will need to involve other Ministries, donors and community stakeholders. Clarity in lead responsibility, as well as, designating support roles will allow for improved accountability and the demand for it will be strengthened by involvement of other stakeholders.

The DCC needs to assume a lead role in driving the implementation of the KDP, by including a standing agenda item on KDP implementation at each meeting. This will allow Heads of Ministries to raise any implementation issues as they arise, and to provide updates on KDP KPAs. The updates could be provided on a rotational basis (e.g. two KPAs per DCC meeting so each KPA presents twice in a year). In addition, more effective coordination by DCC of KDP implementation between, and across, sectors should be possible.

Given discussion in Section Three above, the role of the KDP Taskforce can be subsumed into a more focussed DCC meeting which could dedicate time (on a regular basis) to guide the implementation of the KDP. Similarly the role and capacity of the SWG needs strengthening, with NEPO providing further secretariat support on substantive/ technical issues as well. Similarly, the role of KDP Technical Support Team needs to be reviewed, particularly if capacity within NEPO can be strengthened to undertake stated role/ functions of the Team.

Within the KDP implementation cycle, there are provisions in the KDP (p.71) for ‘regularly updating’ the implementation strategy to ensure effectiveness and appropriateness. However, it is unclear if any assessment had been undertaken during the course of the 2012 – 2015 KDP cycle, and if Cabinet approved changes for improving effectiveness was put in place. The next KDP needs to account for effectiveness of the current arrangements and re-organise (as alluded earlier) the structures for more efficiency and impact.

On a practical level, for better coordination, focal/ desk officers within NEPO and line Ministry for each KPA needs to be re-established – with regular contact initiated by NEPO.

#### (iv) Costing/ Budgeting of Planned Initiatives

A key element in successfully implementing the KDP remains accurate costing and timely planning of development projects/ programmes that require a budget. The KDP does have clear provisions (p.73) for government of approval for development projects, which require line ministry project proponents to submit a draft to NEPO for appraisal against KDP objectives before DCC consideration. This leaves NEPO with a critical role in not only ensuring alignment but vetting the quality of the proposal for potential impact and results. There appears a need for capacity building in proposal drafting and costing at line Ministry level – training could also benefit NEPO and DCC members in the vetting/ appraisal required to strengthen impact of proposed projects.

The MSPs remain the key link between the KDP and individual Ministry and Sector budgets. The KDP lends (p.74) significance to the need for accurate and well targeted sector budgets which need to be developed in consultation with SWG's and relevant ministries (on cross-cutting issues). However, proper proposals/ plans need to be developed well ahead of the budgeting cycle. Early engagement of development partners in this process could help signal the potential for external funding which could be formalised through the budget process.

Streamlining the templates for proposal submission, accounting for major development partners needs as well, needs to be explored for efficiency gains and better managing capacity limitations.

More fundamentally, medium term planning by line Ministries needs to be encouraged through timely formulation and review of MSPs. This will facilitate integration of development project (external funded) to be reflected into MSPs rather than the split between operations funded from the recurrent budget and development project budgets. In turn, this should strengthen public financial management, with accountability mechanisms internalised (rather than being solely accountable to development partners for externally funded projects and programmes), and reporting requirements for recurrent and development budgets consolidated. More so, this will lead to improved linkage between recurrent and development

budgets e.g. through better accounting for scale of operations by Ministry, and reflecting maintenance costs arising from capital projects.

#### (v) Monitoring - Data / Relevance of Indicators

Information flows and reporting mechanisms, as discussed earlier, need strengthening to allow for more effective Monitoring and Evaluation (M&E). The type of information needed for monitoring the KDP needs to be clearly spelt out, to ensure that means are available for each indicator to measure intended policies. This needs to be developed together with the next KDP to allow for validation of applicability and appropriateness. At present a number of indicators may not relate strongly with policy intent and/ or data may not be available.

As highlighted in an earlier report (Forum Compact supported Peer Review of the Republic of Kiribati in October 2010), further progress needs to be made on lower set of indicators for KDP strategies which would allow Ministries to report progress with more accuracy than at present. Ensuring Ministry involvement (and lead) in developing realistic indicators will cultivate necessary ownership (currently mixed) to sustain M&E efforts and raise the levels of accountability. As highlighted earlier, a focussed DCC could play a proactive role in monitoring progress which lead implementing agencies could report to, and account for progress. To allow for applying tests of reasonableness and practicality to targets and goals of the KDP, some degree of costing is necessary which could emanate from strengthened MSPs.

For understanding relevance and appropriateness of indicators to measure progress, proper baselines need to be developed for goals/ targets within the M&E framework.

There is a need to strengthen accountability mechanisms to improve implementation by lead Ministries and Agencies, including through monitoring and reporting. Chapter Eleven of the KDP outlines some reporting measures which need a review for appropriateness. In particular, the multiple reporting requirements (e.g. bi-annual/annual MSP reports, bi-annual/annual sector performance reports, national performance reports and reporting on the budget) could be streamlined, to limit duplication and reduce time taken to complete reports. It will also allow for better consolidation of results which will help with analysis of performance results.

The underpinning principles (i.e. simplicity, flexibility, progressiveness, harmonisation/alignment and enhanced ownership) of the M&E strategy of the 2012 - 2015 KDP remain

valid and need to be applied in the 2016 - 2019 KDP. However, more streamlined and workable arrangements cognisant of capacity should be the primary driver for any new arrangements. For example, M&E could be based on simple and single key report with clear roles and responsibilities for its preparation assigned at both line Ministry and NEPO, and dedicated staff assigned for follow-up. Ongoing capacity building on quality and accuracy of reporting needs should continue.

The requirement in the 2012 - 2015 KDP for sector reviews every six months is well intended but difficult to implement, largely due to capacity limitations. However, the intention of including civil society representatives and general public to participate in such reviews is positive and should be encouraged, as this will promote broader demand for accountability, which in turn should contribute to improved implementation.

(vi) **Consideration of Relevant Issues Related to Post-2015 Development Agenda and Regional Policy Frameworks**

The KDP provides (in Appendix 2) a schematic illustration of linkages to international and regional plans and goals. The 2016 – 2019 KDP could broadly make reference to the post-2015 development goals and relevant regional plans/ policies (e.g. the new Framework for Pacific Regionalism), where they are relevant to national priorities.

The regional architecture acknowledges the importance of national sovereignty. Accordingly, within the context of the Pacific Plan and Framework for Pacific Regionalism, regionalism does not constrain national sovereignty, nor is it intended to replace any national programmes or initiatives, rather is intended to support and complement existing efforts that would benefit the country. A regional approach is encouraged only if it adds value to national efforts.

While various targets and goals are set for progressing international and regional agreements, the KDP needs to reflect only those which are applicable and can be measured.

## SECTION 5 - NEXT STEPS

The findings and recommendations from this Review should not only assist in improving implementation of the current KDP but will feed into the production of the 2016 - 2019 KDP which will be prepared between June to December 2015. An evaluation of the 2012 - 2015 KDP is intended to be carried out in 2016.

## ANNEX – LIST OF STAKEHOLDERS MET

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