



2020-21 KIRIBATI DEVELOPMENT PROGRAM PROGRESS REPORT

The *2020-21 Kiribati Development Program Progress Report* summarises progress for the reporting period 1 July 2020 to 30 June 2021 of implementation of the Australia – Kiribati COVID-19 Response Plan and program highlights.

Our development program to Kiribati contributes towards achieving the following Sustainable Development Goals.

Program Budget	2020-21 Budget Estimate \$m*
Bilateral	24.2
Regional	5.6
Global	0.4
Other Government Departments	0.2
Total	30.5
Temporary, Targeted and Supplementary Measures (TTS)	4.0
Total ODA	34.5

*Actual expenditure is expected to be available in December 2021/ January 2022.



CONTEXT

Australia and Kiribati are neighbours and long-term development and security partners. Australia has an enduring interest in Kiribati’s stability and prosperity.

Kiribati remains one of the poorest countries in the region, with about 30 per cent of the population in poverty (living on less than \$3.20 per day, World Bank). Development challenges include its small and dispersed population, limited private sector, and impacts of climate change. These contribute to Kiribati’s vulnerability to the impacts of COVID-19.

Over 2020-21, the Government of Kiribati (GoK) maintained strong measures to limit the risk of an outbreak of COVID-19 in Kiribati. **Kiribati has had no confirmed transmission of COVID-19.** Its borders have been closed since March 2020, with only occasional repatriation flights permitted.

The economic impact of COVID-19 was less severe in Kiribati than in some other Pacific countries which had been more reliant on tourism. GoK retained cash reserves sufficient to cover nine months of government expenditure, and \$1.31 billion in the Revenue Equalisation Reserve Fund as of July 2021, an increase of \$117 million since March 2021. These have provided a buffer that Kiribati has drawn on to respond to COVID-19. However, the pandemic and containment measures put pressure on the economy and Kiribati’s fiscal outlook is tenuous. **The Asian Development Bank forecasts (September 2021) that Kiribati’s Gross Domestic Product (GDP) growth for 2021 will be 0.3 per cent, after 0.6 per cent growth in 2020.** At the 2021 International Monetary Fund (IMF) Article IV consultations, the IMF assessed that Kiribati was at high risk of debt distress. The IMF forecast that Kiribati’s fiscal deficit will be 11.6 per cent of GDP in 2021.

Kiribati has a narrow economic base with a high dependence on access to markets and foreign exchange inflows, particularly from fishing license fees and remittances. Fishing revenue constituted about 75 per cent of GDP in the years before the pandemic (2015-19). In the COVID-19 context, remittances have reduced as the number of seafarers and seasonal workers abroad declined, exacerbated by border closures. The border closures also contributed to high unemployment and social dislocation, as many I-Kiribati have been unable to return from overseas. The lack of regular flights, as well as intermittent ship arrivals, affected supply chains to Kiribati. As a result, the price of goods increased.

AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Australia's development partnership with Kiribati continues to align with government priorities and deliver across the pillars of the *Partnerships for Recovery* framework. Australia remained an effective and valued partner in helping Kiribati address impacts of COVID-19 and other ongoing development challenges. In a difficult operating environment, our investments have made satisfactory progress with only one investment showing a decline in effectiveness.

Health Security

During the reporting period, Australia partnered with Kiribati in responding to COVID-19, including to assist Kiribati to fully meet its COVID-19 vaccine needs. Australia has committed \$3.3 million over three years (2020-23) for COVID-19 vaccine access in Kiribati, including delivery support and vaccine procurement, drawing on Australia's **Regional COVID-19 Vaccine Access and Health Security Initiative (VAHSI)**. **Through VAHSI, Australia has committed to supporting Kiribati achieve comprehensive vaccine coverage.** This is in addition to Australia's support for the COVID-19 Vaccines Global Access (COVAX) Advance Market Commitment totalling \$130 million. As at 30 June 2021, this global mechanism had delivered 24,000 COVID-19 vaccine doses to Kiribati. To help ensure the success of the COVID-19 vaccine rollout in Kiribati, Australia also supported **maintenance of the cold chain fridges required** to store vaccines in the outer islands.

Despite the challenges caused by COVID-19, **the Kiribati-Australia Health Sector Program** continued to achieve health system strengthening and service delivery outcomes. The program supported development of strategic plans for key health agencies, such as the Health Information Unit. Annual Health Bulletins, which share key health indicators, and the Health Workforce Plan were published. **Our health partnership provided COVID-19 testing kits and supported the construction of the first Molecular Laboratory (Polymerase chain reaction lab) to improve laboratory diagnostic capacity within the main hospital.** Case detection and treatment rates for high burden communicable diseases, such as tuberculosis, leprosy and hepatitis B, were also improved. Tuberculosis case detection increased from 75 per cent in 2019 to around 95 per cent in 2020 of World Health Organisation-modelled prevalence, and the treatment success rate increased from 91.6 per cent in 2019 to 92.4 per cent in 2020. Overall cure rates for cases of multi-bacillary leprosy increased from 80 per cent for the cohort diagnosed in 2017 to 90 per cent for the 2018 cohort. The number of hepatitis B patients commencing lifelong treatment with tenofovir increased from 142 in 2019 to 175 in 2020.


In response to COVID-19 risks, **remote infection prevention and control (IPC) technical support** was provided through Australia's Centre for Health Security to enable completion of an IPC policy, development of a training manual and training of staff, as well as development of protocols for incoming passengers on repatriation flights.

Following disruptions to global supply chains caused by COVID-19, in the reporting period Australia supported the **urgent procurement and delivery of essential pharmaceutical supplies to prevent stock gaps and service disruption.** This included the provision of intravenous fluids to enable surgery in Kiribati to continue, and lifesaving diabetic and paediatric medications.

Australian **non-government organisations helped reduce the risks of COVID-19** in Kiribati through the Australian Humanitarian Partnership (AHP). This included provision of handwashing stations in community spaces, and public health messaging materials and community engagement. These activities benefitted over 14,000 people.

Stability

An educated population is critical to Kiribati's stability, prosperity and security. Supporting Kiribati to provide access to a quality education for all children remained a focus of Australia's response to mitigate impacts of COVID-19. Australia continued to improve education outcomes through partnering with Kiribati's Ministry of Education (MoE) under the **Kiribati Education Improvement Program (KEIP, \$6.8 million, 2020-21)** to implement its Education Sector Strategic Plan 2020-2023 priorities. KEIP worked with the MoE to improve student learning outcomes. Standardised testing showed that despite COVID-19, student learning outcomes for Year 4 and 6 continued their upward trajectory. For example, in 2020, 82.5 per cent of Year 4 students and 79.8 per cent Year 6 students performed at or above expected numeracy levels, up from 38 per cent and 18 per cent in 2011 respectively (Standardised Test of Achievement in Kiribati).



Australia's education sector support included improving resources, teaching quality and sector management. We reached agreement with the Government of Kiribati on **three schools to be rehabilitated on the outer islands**, with designs meeting the National Infrastructure Standards for schools and the MoE's COVID-19 response plans (construction commenced in September 2021). Support for information and communication technologies at schools included provision of national curriculum and other teaching resources. The Kiribati Teachers College was supported to progress towards **regional accreditation and to deliver pre-service teachers training**, including Continuous Professional Development modules for in-service primary and junior secondary school teachers across Kiribati, subject to challenges with air transport because of COVID-19 restrictions. Sector management was improved through enhancing the budgeting and monitoring and evaluation capacity of the MoE. Going forward, Australia will adjust its support for basic education to further take account of the impact of COVID-19 on the delivery of education services.

Our development programs in Kiribati focus on benefitting women, girls and other vulnerable groups. In the reporting period we **provided \$4 million in budget support, including \$3 million through the COVID-19 Response Package for the Pacific and Timor-Leste**. Our support benefitted Kiribati's **Unemployment Social Benefit Scheme**, which helps protect women, girls and vulnerable groups from the economic effects of COVID-19. It has an estimated 50,000 beneficiaries.

Australia worked with Kiribati and other partners to reduce the incidence of gender-based violence (GBV) and improve access to services for survivors. The **Pacific Partnership to end Violence Against Women and Girls** program strengthened governance of multisectoral service delivery. Achievements included endorsement of the National Domestic Violence (DV) Counselling Framework, delivery of national DV counselling competency training, and establishment of a centralised government GBV database, which will assist government decision-making.

Australia's development cooperation also improved food security. Live and Learn and the Pacific Community (SPC), in partnership with the Australian Centre for International Agricultural Research (ACIAR), implemented the **Kiribati Food Futures Initiative to address the food security challenges** brought about by climate change, poor soil quality and lack of arable land available for cultivation. The program is delivering 90 Foodcube planter beds to boost plant growth at 11 community garden sites in South and North Tarawa, and Kiritimati and Abaiang islands. The Foodcubes were launched in May 2021 in South Tarawa. Australia also responded to an urgent request from the Government of Kiribati to supply water and assist with repairs to the desalination plant on Banaba island in March 2021.

Economic recovery

Australia continued to support policymaking in Kiribati to promote economic recovery, deliver inclusive growth and improve livelihoods. As priorities changed over the ten years of the Growth and Economic Management investment, not all intended outcomes were realised as originally described. However, important results were achieved in areas including strengthening expenditure control and expanding the revenue base. Cooperation on economic reforms was largely through the Kiribati Development Partner Economic Reform Taskforce (\$1.3 million, 2020-21), a multi-donor mechanism for supporting economic reform priorities. The Taskforce links donor budget support to implementation of priority reforms. **The GoK achieved the six agreed priority reform measures**, which relate to areas of macroeconomic stability, public sector reform, asset management, social protection and climate-resilient growth. Australia's provision of technical assistance embedded in the Ministry of Finance and Economic Development (MFED) assisted the implementation of these reforms.

Australia supported I-Kiribati to access labour opportunities in 2020-21, despite border restrictions. This helped limit the impact of lower remittances due to a decline in the number of seafarers abroad. A total of **213 workers took up seasonal worker positions in Australia as part of the labour mobility restart program**. This was the first recruitment since March 2020, when the impact of the COVID-19 pandemic began to be felt. To ensure the workers were labour ready, the Kiribati Institute of Technology (KIT), in partnership with the Australia Pacific Training Coalition, provided training in areas of English language, meat works and processing, fitness, financial literacy, and reproductive health to over 200 trainees. Over half of all participants in KIT certificate courses were women. Going forward, Australia will explore opportunities to further support Kiribati's economic recovery, including through investing in quality infrastructure projects that provide local employment opportunities.

ANNEX 1: PROGRESS AGAINST COVID-19 RESPONSE PLAN RESULTS INDICATORS

Health Security

Key Results Indicators	Progress/Result
Evidence that Australia has contributed to a stronger health system in Kiribati, including in relation to workforce development planning and health information improvement	Supported Kiribati to complete long-term strategic plans and work plans for Health Information (2020-23), National Strategic Plan (NHSP, 2020-23) and Health Workforce Strategic Plan. This will contribute to the NHSP and the Role Delineation Policy.
Evidence that Kiribati has improved responses to health security threats, including robust systems to detect and effectively manage tuberculosis (TB) cases and mitigate the risk of multi-drug resistant TB	Supported improvements in the health sector including: a further increase in TB case detection to around 95 per cent (up from 75 per cent in 2019), improving TB treatment success rate to 92.4 per cent (up from 91.6 per cent in 2019); and maintaining the prevalence of drug-resistant TB (steady at three cases). Supported the purchase of an ultra-portable x-ray unit and computer-assisted diagnostic software.

Stability

Key Results Indicators	Progress/Result
Improved per centage of Year 6 girls and boys meeting or exceeding the expected level of proficiency in literacy (Target: 45 per cent) and numeracy (Target: 75 per cent)	Supported educational improvement, including: 48 per cent of Year 6 students met or exceeded the expected level of proficiency in literacy (up from 42 per cent in 2019); and 80 per cent of Year 6 students met or exceeded the expected level of proficiency in numeracy (up from 72 per cent in 2019).
Year 1-9 teachers complete professional development modules each year (Target: 80 per cent)	Supported 18 per cent of junior secondary and primary school teachers (182 out of 1,015) to complete professional development training. Professional development delivery was adversely affected by pandemic flight restrictions.
Increased number of girls and boys (including people with disabilities) who have access to improved learning spaces and water sanitation and hygiene (WASH) facilities each year (Target: 10 per cent)	Supported the building of six additional classrooms, with extra furniture and water tanks, to cater for increasing enrolments and to maintain access to improved learning spaces and facilities (in line with National Infrastructure Standards). This is benefiting 2,424 (or about 10 per cent) of all primary and junior secondary students, of which 1,131 are boys and 1,293 are girls. Construction of three primary school facilities is underway.
Evidence of improved services for women and girl survivors of violence	Supported improved services for women and girl survivors of violence. This included: counselling, legal advice and support, case management, telephone helpline, survivors' support fund, crisis shelter and protection orders. A total of 248 women and children benefitted from the helpline, crisis shelter and protection orders.

Evidence that Australia has contributed to building Kiribati's capacity for food security	Supported the supply of water, plus repairs to the desalination plant, during a water shortage crisis on Banaba. Supported the launch of 'food cube' planter boxes to increase growth in South Tarawa under the ACIAR Kiribati Food Futures Initiative.
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Economic Recovery

Key Results Indicators	Progress/Result
Evidence of Australia's policy and technical support on stimulus measures and longer-term economic recovery	Supported technical advice to MFED and Ministry of Infrastructure and Sustainable Energy to develop and implement the Asset Maintenance Strategy. This encouraged the government to approve a 69 per cent increase in the asset maintenance budget allocation (from \$4.5 million in 2020 to \$7.6 million (2021).
Australian budget support as a per centage of total domestic revenue in response to COVID-19 ¹	Australia budget support represented 3 per cent of total domestic revenue.
Infrastructure investments are completed on time and on budget and provide local employment opportunities	Supported the completion of the Te Toa Matoa Resource Centre for people with disabilities. The Centre also provided local employment opportunities, including for two workers with hearing impairments, who recently graduated from the Kiribati Institute of Technology (KIT).
At least 80 per cent of trainers at the Kiribati Institute of Training (KIT) hold relevant qualifications or have commenced training to obtain relevant qualifications	Supported teacher professional development, resulting in 89 per cent of teaching staff at KIT holding or having commenced a formal training qualification (up from 73 per cent in 2019); and 100 per cent of KIT trainers having participated in the Teacher Return to Industry Program.
Aggregate participation by women in all KIT courses to be 50 per cent or higher, and 20 per cent in non-traditional courses	Supported TVET activities so women's participation in certificate and short courses was 55 per cent (down from 57 per cent in 2019), while participation in non-traditional courses was 21 per cent (up from 19 per cent in 2019).
Aggregate participation by people with disabilities in all KIT courses is three per cent or higher	Supported disability inclusion activities so 2.8 per cent of KIT students in 2020 were classified as living with disabilities. This was down from 4.6 per cent in 2019 due to postponing of activities due to the pandemic. It included six students (two women and four men) living with disabilities who began studying mainstream certificate courses at KIT.

¹ The wording of this indicator has changed since drafting of the CRP from per centage of supplementary budget expenditure to per centage of total domestic revenue.

ANNEX 2: INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender
Kiribati facility: Skills for Employment Program Investment duration: 2016-23; Budget: \$36.7m	2021	5	5	5
	2020	5	6	5
Kiribati Health Sector Support Investment duration: 2018-22; Budget: \$7.9m	2021	5	5	4
	2020	5	5	4
Kiribati Gender Investment duration: 2011-2023; Budget: \$5.1m	2021	5	5	5
	2020	n/a	n/a	n/a

FINAL INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender
Improved basic education – Phase 3 Investment duration: 2009-21; Budget: \$96m	2021 FIMR	4	4	5
	2020 IMR	4	4	4
Growth and economic management Investment duration: 2010-21; Budget: \$7.6m	2021 FIMR	3	4	2
	2020 IMR	4	4	3
Kiribati disability inclusive development Investment duration: 2012-21; Budget: \$4.5m	2021 FIMR	4	4	3
	2020 IMR	n/a	n/a	n/a

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas.

1 = Very poor; does not satisfy criteria in many major area.