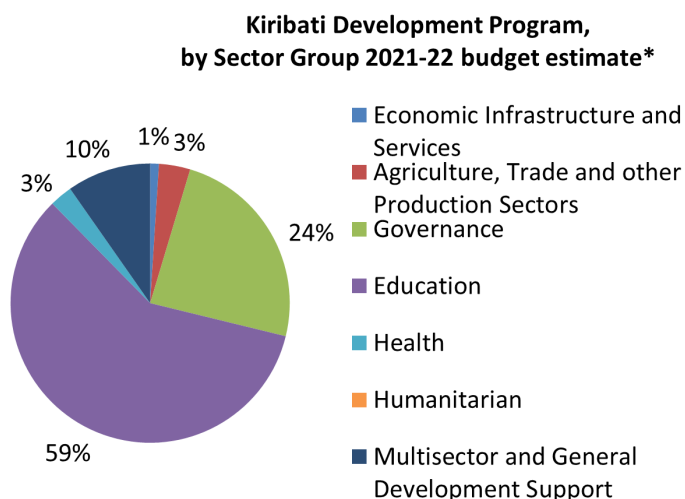


# 2021-22 KIRIBATI DEVELOPMENT PROGRAM PROGRESS REPORT

The COVID-19 Development Response Plan for Kiribati has been extended through 2022-23. In 2022-23, the Kiribati program will have a stronger focus on inclusive economic growth and climate change resilience in support of the Government of Kiribati's prioritisation of mitigating the economic impacts of the COVID-19 pandemic and the ongoing threat to the country posed by climate change.

Program Budget	2021-22 Budget Estimate \$m*
Bilateral	24.2
Regional	6.4
Global	1.0
Other Govt. Departments	0.4
<b>Total ODA</b>	<b>32.0</b>



\*Actual expenditure is expected to be available in early 2023. Due to rounding, totals may not match the sum of components.

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




The 2021-22 Kiribati Development Program Progress Report summarises progress with implementation of the Australia – Kiribati COVID-19 Development Response Plan and highlights program results.

## CONTEXT

Australia and Kiribati are neighbours and long-term development, economic and security partners. Australia is invested in Kiribati's stability and prosperity.

World Bank estimates about 22 per cent of the population of Kiribati is living in poverty (living on less than \$3.20 per day), making it one of the poorest countries in the region. **Development challenges include its small and dispersed population, limited private sector, and vulnerability to climate change.** These conditions contribute to Kiribati's vulnerability to the impacts of COVID-19. Kiribati experienced its first outbreak of COVID-19 in January 2022, with 3,236 cases recorded up to June 2022, and 13 deaths. Its borders remained closed until the end of June 2022, with fortnightly repatriation flights permitted.

**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 Gross Domestic Product (GDP) in the years before the pandemic (2015-19), which cushioned Kiribati from the impact of COVID-19 (compared to other more trade and tourism dependent Pacific Island Countries). The volume of exports increased to 24.6 per cent year on year. However, border closures and disruption to global supply chains and sea faring resulted in a contraction of 0.5 per cent of GDP in both 2020 and 2021. Kiribati has commenced drawing down its Revenue Equalisation Reserve Fund (a sovereign wealth fund), which is valued at around \$1.3 billion (over four times Kiribati's annual GDP), including to **fund the introduction of a new social protection program.** The International Monetary Fund estimates real GDP growth was 1.5 per cent in 2021, with the social protection scheme and copra subsidy collectively



reaching around one-third of GDP. Gross government debt was 17.6 per cent of GDP, and Kiribati is assessed to be at **high risk of debt distress**.

In June 2022 the Government of Kiribati declared a state of disaster in response to the severe drought, caused by La Niña-induced below normal rainfall. Prolonged drought conditions are resulting in greater salinity in the fragile water lenses underneath the atolls of Kiribati. The continued drought is significantly impacting access to freshwater, increasing exposure to contaminated water wells and water-borne diseases.

## **AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS**

Australia's development partnership with Kiribati aligns with Government of Kiribati priorities, and 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.


### **Health Security**

In 2021-22, Australia supported Kiribati to manage the first outbreak of COVID-19. Australia provided **more than \$2.4 million to Kiribati's COVID-19 preparedness and response**, delivered through direct financial support, procurement of priority medical supplies and equipment, the deployment of an Australian Medical Assistance Team, 16 medical and laboratory specialists and logisticians, and ongoing vaccine procurement and delivery support. As of 30 June 2022, **50,000 doses of Australian-manufactured AstraZeneca vaccines** were delivered through domestic dose sharing with Kiribati. The vaccine stock management and distribution system were also strengthened through the introduction of the *mSupply* system. The Australian Centre for Health Security provided support to Kiribati to **strengthen laboratory diagnosis for COVID-19**. Through the Doherty Institute and the Pacific Community (SPC), a new container laboratory for COVID-19 molecular testing was designed and installed, which allowed trained staff to conduct testing.

Despite the challenges caused by COVID-19, **the Kiribati-Australia Health Sector Program** continued to support the health system and service delivery. The program delivered a **multi-year Training Plan** to support the implementation of key health services under the Ministry of Health and Medical Services' *Role Delineation Policy*. Targeted health worker training was completed. This included the 2021 **OPHELIA training program for Child and Adolescent Mental Health Services**, which was attended by the *Te Meeria* medical and nursing staff. The ongoing operation of *Kainikatikun te Marurung* (ambulatory mental health wellness centre) continued, with **upgraded facilities for teaching, training and tele-psychiatry**. Australia also supported strong performance of the Diabetic Foot Clinic and Prosthetics and Orthotics services at Tungaru Central Hospital, with the program achieving a **significant reduction in diabetes-related amputations** from 8.89 per 1,000 population (2018 data) down to 7.74 per 1,000 population in 2020 (latest available data). All outstanding **emergency procurement of pharmaceuticals** to address pandemic-induced shortages were completed during this reporting period.

### **Stability**

Australia continued to support improved education outcomes. Our partnership with Kiribati's Ministry of Education (MoE) through the Kiribati Education Improvement Program (KEIP, \$8.9 million, 2021-22) focussed on **implementation of the national Educational Sector Strategic Plan 2020-2023**. COVID-19 travel restrictions and lockdowns causing school closures posed a significant challenge, including delays to in-country adviser support. Despite these challenges, COVID-19 presented opportunities to improve processes and refocus on finding new ways to work collaboratively and effectively with KEIP and other partners. A key milestone for Kiribati during this reporting period was the **launch of the Teacher English Language Proficiency Assessment**, which is now managed by the MoE, including the first ever appointment of local assessors to support teachers' English language proficiency skills. During COVID-19 lockdown, KEIP provided support for **continuity of teaching and learning** by supporting MoE staff and teachers to use ICT devices with preloaded resources to meet learning and teaching needs across Kiribati. A data portal was also developed to centralise information from various MoE enrolment and results databases.



Australia's education sector support also focused on improving access to literacy resources, including reading books, in collaboration with the non-profit organisation *Library for All*, and local writers. The **rehabilitation of three schools on outer islands and construction of a new National Examination building progressed, with the climate-smart design meeting the national infrastructure standards for education facilities**, as well as MoE's COVID-19 response plans. After the Government of Kiribati (GoK) declared a state of drought disaster, a drought-ready water, sanitation and hygiene (WASH) upgrade was undertaken at all primary schools on South Tarawa with Australian support.

In 2021-22 Australia also **provided \$2.69 million in budget support for health, gender and disability in addition to \$3 million in budget support through the Pacific COVID-19 Response Package**. Our budget support contributed to **Kiribati's Unemployment Social Benefit Scheme**, which helps protect women, girls and vulnerable groups from the economic effects of COVID-19. The Unemployment Social Benefit Scheme has 52,000 beneficiaries (as of June 2022), close to half of the total population of Kiribati.

Australia is also helping address the high incidence of domestic violence in Kiribati.<sup>1</sup> Core support to the **Kiribati Women and Children Support Centre (KWCS)** enabled them to sign the first Memorandum of Understanding with the Kiribati Police Service to improve service provision for domestic violence survivors and opened a new KWCS branch in Kiritimati Island (Line and Phoenix Group). KWCS has **expanded the number of services offered** to include counselling, legal advice and support, case management, 24/7 telephone helpline, survivors' support funds and shelter.

Australia's development cooperation also improved food security. Local NGO Live and Learn, in partnership with SPC and the Australian Centre for International Agricultural Research, implemented the **Kiribati Food Futures Initiative to address the food security challenges** brought about by climate change, poor soil quality, drought and lack of arable land. In addition to establishing nurseries and compost houses, the program has delivered 90 Australian Foodcube planter beds to boost plant growth at 11 community garden sites in South Tarawa, North Tarawa and on Abaiang island.

Australia has committed \$2.65 million to support Kiribati to respond to the impacts of severe and prolonged drought. Our drought response package will be implemented through 2022-23 and includes the **installation of a new desalination plant in South Tarawa and low-tech solar distillation units on outer islands**. We will also provide technical assistance in water and engineering and assist the Government of Kiribati to strengthen its disaster management systems.

### **Economic recovery**

Through direct financial support and the provision of technical assistance, Australia continues to support Kiribati to **promote economic recovery, deliver inclusive growth and improve livelihoods**. COVID-19 pandemic response was a key focus for the Government of Kiribati over this reporting period, which resulted in some activities under the economic reform agenda being delayed. Despite these challenges some strong achievements were realised. The Australian-funded Director for National Economic Planning Office deployed in-country to lead **formulation of the 2022 Recurrent/Development Budget, development of the 2022 Fiscal Strategy Policy and adoption of a Revenue Equalization Reserve Fund withdrawal rule-based policy**.

Despite challenging border settings (in both Australia and Kiribati), a total of 225 I-Kiribati accessed seasonal and long-term labour mobility opportunities in 2021–2022. Australia successfully supported **Kiribati to be the first partner country to place workers into the Queensland aged care industry** (32 in September 2021). Through our programs, 83 I-Kiribati were employed in Australia after completion of a new meat processing course. Employment in the horticulture sector accounted for the remainder of placements

<sup>1</sup> UN Population Fund (UNFPA)'s 2022 kNOWVAW data reports that in Kiribati approximately 61% of ever-partnered women and girls aged 15-49 years have been subjected to physical and/or sexual violence by a current or former intimate partner in their lifetime.

## ANNEX 1: PROGRESS AGAINST COVID-19 DEVELOPMENT 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	The introduction of the mSupply COVID 19 module and the Tamanu COVID-19 testing and reporting software helped improve COVID 19 vaccination administration, testing and results. These systems contribute to better planning and monitoring by targeting health information services that improve surveillance, workforce planning and strategic planning.
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	Support for outreach programs has improved community awareness, increased case detection/treatment and maintained patients' medical compliance for TB. Medications and equipment for the Pathway to the Elimination of Antibiotic-Resistant and Latent Tuberculosis in the Pacific were provided.

### Stability

Key Results Indicators	Progress/Result
Improved percentage 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)	2021 results for Year 6 students in literacy show that 42 per cent are meeting or exceeding the expected level in English, and 77 per cent in Te Kiribati. In numeracy, 77 per cent are meeting or exceeding the expected level. Results are far higher for girls than boys.
Year 1-9 teachers complete professional development modules each year (Target: 80 per cent)	The delivery of professional development modules for Years 1-9 teachers was interrupted by the COVID-19 lockdown and travel restrictions. Work commenced with MoE to transition to online delivery for teacher training, despite the connectivity challenges on most outer islands. The target was partially achieved with 55 per cent.
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)	Eight classroom constructions were completed on 2 outer islands. As part of Australia's drought response, repairs were also completed on six primary school rainwater capture and distribution systems. In total 28 per cent of primary students benefit from these projects.
Evidence of improved services for women and girl survivors of violence	Data not yet available.
Evidence that Australia has contributed to building Kiribati's capacity for food security	In South Tarawa, over 2,000 people have been trained in basic home production techniques, and commercial farmers supported through the Atoll Food Futures project have begun to sell direct to the public and employ their own full-time farm workers.

## Economic Recovery

Key Results Indicators	Progress/Result
Evidence of Australia's policy and technical support on stimulus measures and longer-term economic recovery	The Director for National Economic Planning Office led the formulation of the 2022 Government of Kiribati Recurrent/Development Budget, and the budget was approved in December 2021. The Director also led the development of the 2022 Fiscal Strategy Policy.
Australian budget support as a percentage of total domestic revenue in response to COVID-19 <sup>2</sup>	Australian budget support represented 3 per cent of total domestic revenue.
Infrastructure investments are completed on time and on budget and provide local employment opportunities	Three primary schools and one examination building are in the process of being constructed, with three schools due to be completed by the end of 2022. Despite COVID-related supply chain disruption and inflation, only small increases in budgets and timelines have been experienced, largely due to utilising local workers and supplies.
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	In 2021, KIT Certificate IV Teaching English to Speakers of Other Languages was successfully accredited with the Educational Quality and Assessment Programme. Despite COVID-19 challenges, around 81 per cent of teaching staff have their International Skills Training qualification (or equivalent) or have commenced study.
Aggregate participation by women in all KIT courses to be 50 per cent or higher, and 20 per cent in non-traditional courses	Females represent over 56 per cent of 2021 enrolment figure (latest available), and female participation was 21 per cent in non-traditional courses.
Aggregate participation by people with disabilities in all KIT courses is three per cent or higher	A total of 45 students enrolled in 2021 (latest available) identified as having disability. This represents 2.8 per cent of students with disability enrolled at KIT, slightly below the 3 per cent target.

<sup>2</sup> 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 Equality
<b>Kiribati facility: Skills for Employment Program</b> Investment duration: 2016-23; Budget: \$36.7m	2022	5	5	5
	2021	5	5	5
<b>Kiribati Health Sector Support</b> Investment duration: 2018-23; Budget: \$7.9m	2022	4	5	4
	2021	5	5	4
<b>Improved basic education – Phase 3</b> Investment duration: 2009-23; Budget\$96m	2022	5	4	5
	2021	4	4	5
<b>Kiribati Gender</b> Investment duration: 2011-2023; Budget: \$5.1m	2022	5	5	5
	2021	5	5	5

### 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.