



Australian Government  
AusAID

# Annual program performance report for Kiribati 2007–08

NOVEMBER 2008

[www.ausaid.gov.au](http://www.ausaid.gov.au)

© Commonwealth of Australia 2009

This work is copyright. You may download, display, print and reproduce this material in unaltered form only (retaining this notice) for your personal, non-commercial use or use within your organisation. Apart from any use as permitted under the *Copyright Act 1968*, all other rights are reserved. Requests and inquiries concerning reproduction and rights should be addressed to Commonwealth Copyright Administration, Attorney General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

ISBN 978 1 921285 51 6

Published by the Australian Agency for International Development (AusAID), Canberra, November 2008.

Annual Program Performance Reports are prepared in accordance with AusAID's Performance Assessment and Evaluation Policy. The reports are self-assessments and represent the views of program areas.

This document is online at [www.ausaid.gov.au/publications](http://www.ausaid.gov.au/publications)

For further more information about the Australian Government's international development program, contact:

Communications Section

AusAID

GPO Box 887

Canberra ACT 2601

Phone (02) 6206 4000

Facsimile (02) 6206 4880

Internet [www.ausaid.gov.au](http://www.ausaid.gov.au)

# Contents

<b>ABBREVIATIONS</b>	<b>4</b>
<b>SUMMARY</b>	<b>5</b>
<b>COUNTRY PERFORMANCE</b>	<b>8</b>
Economic performance	8
Millennium Development Goals	10
Social sectors	11
Gender	13
<b>WHAT ARE THE RESULTS OF THE KIRIBATI AID PROGRAM?</b>	<b>14</b>
Objective: Improved quality, relevance and efficiency of basic education for girls and boys in Kiribati	14
Objective: Improved public financial management, national planning and the performance of public enterprises	15
Objective: Efficient and effective provision of academic programs, in-country programs and overseas programs for both new entrants to the labour market and for those already in the labour market; development of an enabling environment for improved human resource development in Kiribati	17
Objective: Improved aid effectiveness through alignment of donor aid resources to the Government of Kiribati's National Development Strategy	20
<b>WHAT IS THE QUALITY OF AUSAID ACTIVITIES?</b>	<b>23</b>
Implementation progress	23
Achieving objectives	23
Monitoring and evaluation	23
Sustainability	24

## Abbreviations

AIDS	Acquired Immune Deficiency Syndrome
AusAID	Australian Agency for International Development
GDP	gross domestic product
HIV	human immunodeficiency virus
MDG	Millennium Development Goal
NZAID	New Zealand's International Aid & Development Agency
RERF	Revenue Equalisation Reserve Fund
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNICEF	United Nations Children's Fund
WHO	World Health Organization

## Summary





Kiribati is categorised by the United Nations as a least developed country. It is a safe, peaceful and politically stable nation, reliant predominantly on fishing licence revenue, remittances and the Revenue Equalisation Reserve Fund for income. Kiribati is a strongly egalitarian society with most economic activity undertaken by the government. Its private sector is very small but growing. Official development assistance to Kiribati from all donors was an estimated \$50 million in 2007 (excluding loans), equivalent to 68 per cent of GDP. Australia's estimated budgeted assistance in 2007–08 was \$15 million, 18 per cent of the Kiribati Government's 2008 budget.

The Australian aid program to Kiribati in 2007–08 was reviewed in terms of its contribution to meeting the objectives in the Kiribati Development Plan 2008-2011. This review has consequently been feed into a new Country Situation Analysis, which is the analytical basis for Australia's proposed new Pacific Partnership for Development with Kiribati.

### Ratings

All of the objectives were atleast partly achieved within 2007-08. Objectives for 2008-09 and future years will be finalised through the Pacific Partnership for Development process.

**TABLE 1 RATINGS OF THE KIRIBATI AID PROGRAM IN ACHIEVING THE OBJECTIVES OF KIRIBATI DEVELOPMENT PLAN 2008-2011 AND THE KIRIBATI STRATEGIC PROGRAM 2007-08**

Objective	Rating
Objective 1: Education	 (amber)
Improved quality, relevance and efficiency of basic education for girls and boys in Kiribati	
Objective 2: Public Sector Performance	 (amber)
Improved public financial management, national planning and the performance of public enterprises	
Objective 3: Human Resource Development	 (green)
Efficient and effective provision of academic programs, in-country programs and overseas programs for both new entrants to the labour market and for those already in the labour market	
Development of an enabling environment for improved human resource development in Kiribati	
Objective 4: Partnerships in the Pacific	 (amber)
Improved aid effectiveness through alignment of donor aid resources to the Government of Kiribati's National Development Strategy	

Note:  denotes the objective is on track to be fully achieved within the timeframe.  denotes the objective will be partly achieved within the timeframe.

## MAJOR RESULTS

### EDUCATION

- > Seven junior secondary schools were constructed, and extensive teacher training and teaching resources were provided under the Kiribati Education Sector Program, which ran from 1998 to 2007.
- > The Ministry of Education successfully held an education summit funded by AusAID, which led to the strategic plan for education being endorsed.
- > Long-term technical assistance for developing curriculums and managing educational assessments contributed to the completion of a timetable for implementing the Curriculum and Assessment Strategy.

### PUBLIC SECTOR PERFORMANCE

- > Australian Aviation Engineers kept Air Kiribati flying, which contributed to the completion of the 2007 presidential election, maintained a communication link to outer islands and was critical to Peace Corps' decision not to cease its program in Kiribati.
- > The Pacific Regional Policing Initiative contributed to significant improvements to the Kiribati Police Service, including improved community policing, a new women's barracks, new police standing orders and improved workforce planning.
- > Technical assistance was mobilised for critical sections of government, including the Tax Office, the Audit Office, Customs and the Tourism Office.

### HUMAN RESOURCE DEVELOPMENT

- > The National Human Resource Development Plan and its processes are in place and operational, leading to improved workforce development planning and allocation of training awards.
- > Ninety-six per cent of the first cohort of students undertaking a nurse preparation program in Australia completed the program successfully. An academic preparation program is under way in Kiribati for the second student cohort.
- > Nineteen i-Kiribati students commenced study at the Australia–Pacific Technical College.
- > Sixty-three students are studying in the region and in Australia on Australian scholarships.
- > Labour market analysis was completed and the 'road map' for technical and vocational education and training was close to completion.

## PARTNERSHIPS IN THE PACIFIC

- > Successful programs in environment, health and justice were delivered in partnership with the World Bank, the United Nations Children's Fund, the United Nations Population Fund and the Secretariat of the Pacific Community, resulting in improved detection and treatment of tuberculosis, better equipment and skills in obstetric care, improved climate change preparedness, and better juvenile justice awareness and service provision.
- > A joint interim country strategy with New Zealand was developed and made operational in 2007–08.
- > Multi-donor public sector missions were undertaken with NZAID, the Asian Development Bank and the Pacific Financial Technical Assistance Centre.
- > A strategic partnership between the Government of Kiribati, AusAID and the United Nations is in the final stages of development.
- > Development assistance is aligned with the development priorities of the Government of Kiribati.

## MAJOR CHALLENGES

### KIRIBATI

- > The country's geographical isolation, small size, dispersed islands, narrow economic base and environmental vulnerability limit development opportunities.
- > The government provides all services. The private sector is very small.
- > Its economic growth is extremely low.
- > The country lacks information and communication technology, infrastructure and technical capacity.
- > The quality of education outcomes, particularly English language training and literacy, is low.
- > The capacity of lower level government staff is low and affects service delivery, financial management and the government's capacity to direct and manage development assistance.
- > Unemployment, particularly among young people, is high.
- > Health and sanitation issues include lifestyle illness, tuberculosis and the quality of water and sanitation.

### AUSAID

- > To deliver scaled-up development assistance the agency's capacity in Kiribati needs to be expanded.

## Country performance

Kiribati is a nation of 33 low-lying islands spread over 4 million square kilometres of ocean. The islands are in three groups—the Gilbert, Line and Phoenix islands. Tarawa in the Gilbert group holds the seat of government and almost 50 per cent of the approximately 93 000 population.<sup>1</sup> The Line Islands are essentially uninhabited and contain the largest marine park in the world. The Phoenix Islands include Kiritimati and Fanning islands where tourism potential is the greatest.

Australia's official development assistance budget for Kiribati in 2007–08 was estimated at \$15 million, which is 18 per cent of the Kiribati Government's 2008 budget of \$83 million. The Kiribati 2008 budget shows Australia as the second largest donor. Taiwan is listed as providing official development assistance of \$24.1 million in 2008, which includes a yet-to-be-approved soft loan of \$14 million, likely to be disbursed over several years. Taiwan grant funding for 2007 was budgeted at \$10 million. Other major donors to Kiribati include Japan, the European Union and New Zealand. Official development assistance from the Asian Development Bank and Cuba is not listed in the 2008 budget.

Nominal gross domestic product (GDP) from 2002 to 2006 averaged \$86 million, equivalent to \$947 per person. Nominal GDP per person declined during that period, from \$1015 to \$870.

### ECONOMIC PERFORMANCE<sup>2</sup>

The Kiribati economy depends on income from abroad, which is predominantly fishing licence fees, remittances, and income from the Revenue Equalisation Reserve Fund (RERF). It also receives modest levels of foreign income from copra exports and a fledgling tourism industry. The economy is highly vulnerable to rising world oil prices, due to its reliance on fossil fuels.

The rapid rise in oil prices is likely to have been the principle cause of the three years of negative growth in GDP recorded between 2003 and 2006. The oil price rises are reflected in the large and increasing losses of the enterprises responsible for electricity and fuel distribution, in reduced consumption, and in higher government subsidies. As a result, the government has come under increasing debt pressures, particularly from the state-owned enterprises. Real GDP in 2006 was 9 per cent below the 2003 level and real GDP per person was down nearly 15 per cent. Other key factors affecting economic growth include rising food prices, the downturn in the global economy and the follow-on effect on the value of both the RERF and the remittances.

<sup>1</sup> Kiribati 2005 Population Census.

<sup>2</sup> All economic data are from Asian Development Bank, *Draft Pacific island economic report 2007*, except where otherwise referenced.

Diesel is the main source of electricity in Kiribati and, with rising oil prices, the cost per kilowatt hour of producing electricity in this way in 2007 was estimated to have been double the cost of grid-connected solar generation, three times the cost of wind generation, and four times the cost of biogas or municipal waste systems of generation (figures include capital set-up costs). It was calculated that, if two-thirds of current electricity production were generated by wind or a combination of alternative technologies, the gain would be about 3 per cent of GDP each year.<sup>3</sup>

Most people living outside Tarawa rely on copra production for their livelihoods. The government has adopted a policy of providing a fixed guaranteed price for copra, resulting in large subsidies for copra producers. However, recent rapid rises in world copra prices relieved the need to subsidise copra production in 2007 and 2008. The copra subsidy totalled \$6.1 million in 2005 and 2006, and while \$4 million was budgeted for 2008, this amount is unlikely to be needed.

The national income of Kiribati in 2006 was \$154 million or \$1620 per person. This was made up of GDP (national production) of \$82 million and national income from abroad of \$72 million, which was made up of fishing licence fees, income from the RERF, aid and remittances. Income from abroad was stable between 2003 and 2006 despite volatility in Revenue Equalisation Reserve Fund (RERF) income. Fishing licence revenue has been around US\$25 million a year since 2006 and is anticipated to remain at that level in 2008, however more effective monitoring, control and surveillance to combat illegal, unreported and unregulated fishing is required. Remittances are estimated at \$12 million a year.

The RERF of the Government of Kiribati had more than quadrupled in value from the early 1980s to a market value of \$660 million<sup>4</sup> by 2006 (Table 2). This represents a modest average growth rate of around 5.5 per cent a year. The RERF serves to meet the gap between government expenditure and revenue and has been generally well managed. In the face of economic decline, the drawdowns in recent years have grown. The government recognises that these are unsustainable and will need to be managed extremely well from this point forward to maintain the real value of the fund.

**TABLE 2 VALUE OF KIRIBATI REVENUE EQUALISATION RESERVE FUND**

	2004	2005	2006	2007	2008 (Feb.)
Total market value	589 074 218	646 816 933	659 584 882	637 335 602	605 233 146
Drawdown	25 650 000	15 000 000	33 500 000	45 000 000	21 000 000 (est.)

**Note:** 2007 and February 2008 market values are in US dollars from 'Rongorongo Man Ami Tautaka, April 25, 2008'. All other figures are from Kiribati Government 2008 Budget. No currency is indicated for figures in the budget statement. They are assumed to be in Australian dollars.

<sup>3</sup> Energy data from AusAID, *The diesel generation burden for Kiribati—a preliminary analysis*, 2008.

<sup>4</sup> Assumed to be Australian dollars.

Inflation in Kiribati is one of the lowest in the Pacific due in no small measure to the government's price control policy and subsidisation of basic food items such as rice, flour and sugar, but mostly as a result of the marked appreciation of the Australian currency, which made imports cheaper.

The government operates more than 30 enterprises, which are in productive areas of the economy, notably wholesale and retail trade, that are usually the domain of the private sector. These state-owned enterprises are mostly poorly performing and require government subsidies and loans to continue operating. There has been considerable underinvestment by the private sector in the productive areas of the economy and therefore there continues to be a limited base for economic growth. The private sector is very small, mainly comprising passenger buses, small retail stores, fish and vegetable marketing and food stalls, second-hand clothing, travel agencies, a hardware store, and exporters of marine products such as pet fish.<sup>5</sup> It is hoped that a privatisation strategy will assist the government to exit from those areas of the economy that are best left to private sector operation.

## MILLENNIUM DEVELOPMENT GOALS

Kiribati has achieved or is on track to achieve most aspects of the Millennium Development Goals (MDGs) relating to education and some aspects of health. However, the country is unlikely to halve its high level of poverty or meet all health, water and sanitation targets. Poverty in Kiribati, as in much of the Pacific, is described as hardship and the lack of access to opportunities rather than as abject poverty.<sup>6</sup>

There is considerable scope to strengthen data across all of the MDGs. In some cases data needs to be verified and updated; however, in many cases there are insufficient data to track progress or draw accurate conclusions on achievements. The Kiribati Development Plan 2008–11 identifies the need to improve and expand statistics for more effective planning and policy formulation.

**TABLE 3 PROGRESS TOWARDS KIRIBATI MILLENNIUM DEVELOPMENT GOALS, 2007**

MDGs—how tracking	Progress a
1— Unlikely to be achieved. Insufficient data to determine progress.	Approximately 50 per cent of Kiribati households were below the national basic needs poverty line in 1996. Asian Development Bank estimates (2002) put the figure at 38 per cent after factoring in consumption of own production.  The proportion of underweight infants dropped from 8 per cent in 2002 to under 6 per cent in 2005.
2— On track. Likely to be achieved.	Primary school enrolment was 100 per cent from 2002 to 2006.  The proportion of grade 1 students reaching grade 8 has exceeded 100 per cent since 2002 (includes repeat students).  Raising the quality of education outcomes remains a challenge.
3— Some progress. Unlikely	The female-to-male ratio at primary school level was slightly below 1 from 2001 to 2006, and slightly above 1 in the previous eight years.

<sup>5</sup> Ron Duncan, *Kiribati: political economy for capacity development*, mid-term report, Asian Development Bank, 2008.

<sup>6</sup> Republic of Kiribati, Millennium Development Goals report, 2007, p. 10.

to be achieved.	<p>The female-to-male literacy ratio was 1.00 in 2005.</p> <p>The proportion of women in non-agriculture wage employment was 65 per cent in 2005.</p> <p>The percentage of seats held by women in the national parliament was 0 per cent in 1999 but 10 per cent in 2007.</p>
4— Improving but child mortality still high relative to other countries. Could be achieved.	<p>The mortality rate of children under five years of age was 66 in 2005, down from 88 in 1990. At this rate, a target of two-thirds reduction by 2015 will not be achieved.</p> <p>The infant mortality rate had been on a downward trend for 30 years but rose sharply between 2000 and 2005 from 43 to 52 deaths per thousand.</p> <p>About 95 per cent of children under six have been immunised against measles and rubella.</p>
5— Insufficient data. Could be achieved.	<p>Maternal mortality doubled from 100 per 100 000 live births in 2002 to over 200 in 2004. No data are available for 2005 or 2006.</p> <p>Births attended by skilled health workers increased from 70 per cent in 1990 to 90 per cent in 2005.</p> <p>Contraceptive prevalence rates ranged from 18.5 per cent in 1990 to 22 per cent in 2005.</p> <p>Teenage fertility rates range from 4 per cent in 1990 to 6 per cent in 2005, one of the highest in region and rising.</p>
6— Some progress, but high rates relative to other countries. Unlikely to be achieved for HIV but could be for tuberculosis.	<p>HIV/AIDS prevalence rate was 54 per 100 000 people in 2004, the second highest rate in the region (behind Vanuatu).</p> <p>Condom usage rate was in the range of 5–10 per cent from 1990 to 2005.</p> <p>26.5 per cent of seafarers aged 20–54 have comprehensive correct knowledge of HIV/AIDS.</p> <p>Tuberculosis prevalence increased from 392 cases in 1990 to 403 in 2006. The death rate fell from 19 per 100 000 in 1991 to 10 in 2005.</p> <p>The detection and cure of tuberculosis cases as a result of the Direct Observation Treatment Strategy rose from 80 in 1990 to over 90 in 2005.</p>
7— Slow improvement. Unlikely to be achieved.	<p>Kiribati decreased carbon emissions between 1990 and 2000. CFC consumption is zero.</p> <p>Rural and urban access to improved drinking water sources increased in total from 35 per cent in 1990 to 49 per cent in 2000. The greatest percentage increase in access was in rural areas.</p> <p>Only 22 per cent of the rural population and 59 per cent of urban population has access to improved sanitation facilities. <sup>b</sup></p> <p>The majority of well water in urban areas is not safe for drinking.</p>
8— Could be achieved.	<p>Kiribati uses a high proportion of official development assistance and its national budget for basic social services.</p> <p>official development assistance represents about 25 per cent of Kiribati's gross national income.</p> <p>53 per cent (10 173) of youth unemployed. Youth population 52 per cent male, 48 per cent female.</p> <p>Phone line subscriptions increased from 51 to 643 per 1000 from 2001 to 2006, when there were 185 mobile phone subscriptions per 1000.</p> <p>Fixed line and mobile phones are non-existent on most outer islands.</p> <p>5 per cent of households have internet connections with over 80 per cent of these in urban areas.</p>

<sup>a</sup> All data are from Republic of Kiribati, *Millennium Development Goals report 2007*, unless otherwise referenced. <sup>b</sup> United Nations Economic and Social Commission for Asia and the Pacific, *The Millennium Development Goals: Progress in Asia and the Pacific*, UNESCAP, 2007.

## SOCIAL SECTORS

Kiribati is one of the least developed island countries in the Pacific. Social indicators are generally poor. Between 38 and 50 per cent of Kiribati households are considered to be living below the poverty line, though abject poverty is not present in Kiribati. Kiribati has high maternal morbidity, high teenage fertility and low use of contraception. HIV/AIDS prevalence is high and linked to the high prevalence of tuberculosis. The infant mortality rate increased sharply between 2000 and 2005.

MDG indicators for education are good, with high enrolment rates and good gender parity in participation, though girls tend to outperform boys in high school. The budget allocation for education from 2004 to 2007 ranged from 21 to 25 per cent of the government's total recurrent budget. In 2008 this was increased to 26 per cent, one of the highest in the region. Despite the high proportion of government spending on education, the levels students attain, their literacy levels and the quality of education in Kiribati are generally low by regional standards. A new strategic plan for education and a strengthened senior management team are in place and expected to spearhead considerable improvement.

Kiribati has one of the highest net primary enrolment rates in the Asia-Pacific region and has met this element of MDG 2. There are limited places in schools in the secondary system, so many students do not continue their education and have very low employment prospects. About 52 per cent of 15–24 year olds are unemployed.

The government allocated 15 per cent of the recurrent budget to health in 2008, the same proportion as in 2007. There is a high national population growth rate (1700 people a year<sup>7</sup>) and an increase in lifestyle illnesses—non-communicable diseases—due to high dependency on imported foods. A population policy has been developed with the aim of stabilising the population by 2025. However, there has been minimal implementation progress. Between 2000 and 2005 there was reverse migration from South Tarawa, with 1300 people a year moving to North Tarawa and other islands in the Gilbert Group, resulting in a slowdown in the net growth rate for South Tarawa.

Maternal mortality from 2000 to 2005 was a significant concern because the rate doubled in this period. During the same period there was a 20 per cent increase in the number of births attended by skilled birth attendants. It is difficult to determine whether a link exists between these two sets of data; however, research shows that an increase in the number of births attended by skilled attendants generally results in a reduction in maternal mortality. Since 2007, 15 Cuban doctors have been working in the main hospital and clinics on South Tarawa, increasing both the quality and availability of services. It is anticipated that statistics for 2007–08 will show improvement in child and maternal mortality.

The incidence of tuberculosis in Kiribati is one of the highest in the Western Pacific. A successful treatment program is being delivered by the Ministry of Health and the Secretariat of the Pacific Community, funded by AusAID. Data on tuberculosis prevalence and death rates vary greatly, indicating that reliable data are not available (Table 4).

**TABLE 4 VARIATION IN DATA ON TUBERCULOSIS PREVALENCE AND DEATH IN KIRIBATI**

Report	1990–91		2005	
	Prevalence per 100 000	Death rate per 100 000	Prevalence per 100 000	Death rate per 100 000

<sup>7</sup> Asian Development Bank, *Draft Pacific island economic report 2007*.

Millennium Development Goals: progress in Asia and the Pacific 2007 (UNESCAP)	1 157	115	426	49.3
Republic of Kiribati, Millennium Development Goals 2007	392	19	403	10

**Note:** Nearly half of the population has access to improved drinking water sources. Despite nearly 60 per cent of urban populations having access to improved sanitation facilities, most households, including those in urban areas, use the beach or bush for defecation. Overpopulation in South Tarawa has exceeded the capacity of sanitation infrastructure.

## GENDER

Gender parity in Kiribati is generally very good in all sectors. There are almost equal participation rates for boys and girls in education. However, there is slightly higher male participation in primary education and this trend is reversed in the secondary system, which has a higher male dropout rate than for females. There are equal numbers of literate females and males, with negligible statistical variation from year to year.

Women held a 65 per cent share of wage employment in 2005, representing a steady increase from 1990. This is expected to continue to rise. Forty per cent of heads of ministries are held by women, including the key ministries of Finance and Economic Development, Education, and Foreign Affairs, and the Public Service Office. The participation of women in national parliament rose to 10 per cent in 2007. The Vice President of Kiribati is a woman and there is one female member of parliament. The current Kiribati High Commissioner to Fiji is a woman.

The prevalence of domestic violence is being studied as part of the Secretariat of the Pacific Community's sociocultural research on gender-based violence and child abuse. Preliminary results suggest that domestic violence is a significant problem.

## What are the results of the Kiribati aid program?

Progress against the goals outlined in the Kiribati Development Strategy 2008-2011 and the Strategic Plan for 2007/08 were marginally successful, however there is significant room for improvement.

Kiribati remains a difficult environment in which to work and live. It is a small, crowded and isolated community. In addition to the capacity of the Government of Kiribati bureaucracy is limited, while the number of donors and challenges are significant.

Therefore harmonisation and collaborative approaches that support the government of Kiribati processes and planning are most appropriate.

### OBJECTIVE:

IMPROVED QUALITY, RELEVANCE AND EFFICIENCY OF BASIC EDUCATION FOR GIRLS AND BOYS IN KIRIBATI

- The objective will be partly achieved within the timeframe.

### ASSESSMENT OF RESULTS AND PERFORMANCE

#### Key results

- > Seven junior secondary schools were constructed, and extensive teacher training and teaching resources were provided under the Kiribati Education Sector Program.
- > The Ministry of Education successfully held an education summit funded by AusAID, leading to endorsement of a strategic plan for education.
- > Long-term technical assistance for developing curriculums and managing educational assessments contributed to the completion of an implementation timetable for the Curriculum and Assessment Strategy.

The independent completion report for the Kiribati Education Sector Program completed in 2006 found the program had been ‘marginally successful and its contribution to its goal of improving education quality has been slight’.

The review found that the program had been successful in achieving a set of project-based objectives. However, the aspirations for a sector-wide approach envisaged in the program design had not been realised and achievements against the program-level objectives had been less than originally anticipated.

The independent completion report found that the program delivered its required outputs and did so on time and generally within budget. The outputs included:

- > the construction of seven new junior secondary schools, resulting in up to 4000 new student places
- > the provision of 240 000 student books, 61 920 teacher guides and reference materials
- > 5280 days of in-service training to primary teachers, and 15 000 units of teaching and learning materials for junior secondary schools
- > an Education Management Information System with robust capabilities, and various analytical studies, most of which are being used as a basis for future improvements.

While the outputs were significant the report found that they did not appear to have translated into demonstrable improvements in teaching and learning or into improved system performance.

Many of the outputs of the program's projects provided high-quality and useful analyses, which formed significant components of the new program of assistance, particularly the Review of Curriculum and Assessment, the Facilities Management Plan and the Kiribati Education Management Information System.

Since late 2006 the Ministry of Education has taken a stronger leading role by developing a strategic plan (currently being costed) and holding an education summit (funded by AusAID). AusAID has increased capacity in its office in Kiribati and has increased access to technical expertise.

The working relationship between AusAID and the new senior management of the Ministry of Education has grown in the past 18 months. A full sectoral program of support is expected to be operational after preliminary activities are implemented.

#### ESTIMATED EXPENDITURE

Approximately 12 per cent of the 2007–08 bilateral budget was for this objective. AusAID is the most significant donor in the education sector.

#### OBJECTIVE:

**IMPROVED PUBLIC FINANCIAL MANAGEMENT, NATIONAL PLANNING AND THE PERFORMANCE OF PUBLIC ENTERPRISES**

- The objective will be partly achieved within the timeframe.

#### ASSESSMENT OF RESULTS AND PERFORMANCE

##### Key results

- > Australian Aviation Engineers have kept Air Kiribati flying, which contributed to the completion of the 2007 presidential election and maintained a communication link to outer .
- > The Pacific Regional Policing Initiative contributed to major improvements in the

Kiribati Police Service, including improved community policing, a new women's barracks, new police standing orders and improved workforce planning.

- > Technical assistance was mobilised for critical sections of government, including the Tax Office, the Audit Office, Customs and the Tourism Office.

## **Public financial management**

From 1996, AusAID contributed to the Asian Development Bank's Strengthening Management Information Systems Project, which developed and installed computer-based planning, budgeting and financial management systems (PEBAM and Attaché) during its first phase. The second phase of the project upgraded and provided training on the systems developed during the initial phase. Implementation finished in December 2004, and technical support was provided until March 2006.

While the project can be credited with facilitating the Government of Kiribati's move from a predominantly manual accounting system to computer-based accounting, the project overall had significant problems and provided key lessons for future development assistance programs.

The project delivered an overly complex, unsustainable financial management system. The independent completion report recommended that the government develop an information and communications technology strategy, and immediately commence planning for the replacement of the systems. By 2006 the Ministry of Finance had virtually abandoned PEBAM2 and now uses Excel for financial management.

## **Public sector improvement**

Since 2006 a design mission for a public sector support program has been undertaken, a mentor has been recruited for the new head of Customs, research has been undertaken and reports have been written for the Government of Kiribati on renewable sources for electricity, and technical assistance has been recruited to the audit, tax and tourism offices. No outcome from this technical assistance can be described yet, as the positions commenced only in early 2008.

AusAID has funded two aviation engineers for two years for Air Kiribati, the state-owned national airline. The engineers have been critical to the ongoing operation of the airline. As Air Kiribati has no qualified engineers (two trainee engineers are on staff and are completing their training under the Australian engineers), maintenance of the planes was irregular and there were frequent flight delays and irregular scheduling. The presence of the engineers made the 2007 election possible as it allowed ministerial tours and participation of outer island members of parliament and officials as required. Future support for public sector improvement will be through a sectoral program in cooperation with other donors. Design work is completed and implementation is expected to begin by the end of 2008.

Australia provides assistance to Kiribati for surveillance of its Exclusive Economic Zone under the Pacific Patrol Boat Program. AusAID is also supporting the Forum Fisheries Agency in developing an institutional strengthening program for the Kiribati Ministry of Fisheries.

### **Pacific Regional Policing Initiative**

The ongoing support and mentoring for the Kiribati Commissioner of Police through the Pacific Regional Policing Initiative has significantly improved the Kiribati Police Service—improved community policing, new police standing orders and improved workforce planning. A new women's barracks was constructed, which contributes to improved engagement of women. The Kiribati Police Force changed its name to the Kiribati Police Service in recognition of its significant community-policing responsibilities.

#### **ESTIMATED EXPENDITURE**

Approximately 9 per cent of the 2007–08 bilateral budget was for this objective. AusAID provides significant public sector support along with the Asian Development Bank and the United Nations Development Programme.

#### **OBJECTIVE:**

EFFICIENT AND EFFECTIVE PROVISION OF ACADEMIC PROGRAMS, IN-COUNTRY PROGRAMS AND OVERSEAS PROGRAMS FOR BOTH NEW ENTRANTS TO THE LABOUR MARKET AND FOR THOSE ALREADY IN THE LABOUR MARKET; DEVELOPMENT OF AN ENABLING ENVIRONMENT FOR IMPROVED HUMAN RESOURCE DEVELOPMENT IN KIRIBATI

#### **RATING**



The objective is on track to be fully achieved within the timeframe.

#### **ASSESSMENT OF RESULTS AND PERFORMANCE**

##### **Key results**

- > A National Human Resource Development Plan and its processes are in place and operational, leading to improved workforce development planning and allocation of training awards.
- > Ninety-six per cent of the first cohort of students undertaking the Nursing Preparation Program in Australia completed the program successfully.
- > Nineteen i-Kiribati students commenced study at the Australia–Pacific Technical College.
- > Sixty-three students are currently studying in the region and in Australia on Australian scholarships.

- > Labour market analysis was completed and the 'road map' for technical and vocational education and training was close to completion.

### **Kiribati Australia Nurses Initiative**

All of the first cohort of 30 students who entered the Kiribati Australia Nurses Initiative successfully completed the academic training program in Kiribati and subsequently moved to Australia to undertake the Nursing Preparation Program, with a 96 per cent completion rate. The second cohort of 30 students has commenced training in Kiribati, with early indicators suggesting the success rate will be very high.

Given the nature of the program, it will be several years before any outcomes from this program can be measured. The first cohort is due to complete training in 2010 and, from then, employment success can begin to be measured. Implementation has been on schedule.

The training of nurses for employment in the overseas market is component 1 of the Kiribati Australia Nurses Initiative. Under components 2 and 3, consideration will be given to providing support for upgrading the skills and qualifications of i-Kiribati nurses currently registered in Kiribati, and to examining the support required to upgrade the Kiribati School of Nursing to deliver a higher standard of basic nurse education. Design work for these components will commence in 2008–09.

### **Technical and vocational education and training**

Analysis and review of the Kiribati labour market and apprenticeships training scheme was completed and a 'road map' of future assistance will be finalised through the Pacific Partnership for Development process. The road map, which will provide directions for improving the apprenticeship and trade training system in Kiribati, will cover the regulatory environment as well as the organisational effectiveness and standard of training at the Kiribati Institute of Technology.

In early 2008 19 i-Kiribati were accepted into the Australia–Pacific Technical College and granted fully funded scholarships. The students will upgrade their qualifications to an international standard in the fields of carpentry, automotive and diesel mechanics, electrical services and hospitality.

### **Scholarships**

There are currently 10 Australian Development Scholarship recipients studying in Australia in such areas as education, agriculture, economics, marine studies, business, criminology, information technology, architecture and engineering. Since 2000, 90 per cent of scholarship recipients have successfully completed their study programs. There are insufficient processes in place to effectively monitor the outcomes of providing these scholarships, though several graduates hold prominent positions in the Government of

Kiribati, such as departmental secretary of Education, of Environment, Lands and Agriculture and of Commerce, Industry and Cooperatives, as well as the Kiribati Commissioner of Police.

There are currently 53 students studying under Australian Regional Development Scholarships in tertiary institutions in Fiji, Samoa and Vanuatu. Fields of study include education, medicine, law, engineering, computing, economics, management and accounting. Since 2000, only 63 per cent of scholarship recipients have completed their study programs—an unacceptably low completion rate compared with the 90 per cent completion rate of Australian Development Scholarship recipients. Similarly low success rates are experienced by students under regional scholarships funded by New Zealand and Kiribati. Some measures have been taken to better support students studying in the region, including close monitoring of progress by university-based student liaison officers, regular communication between liaison officers and AusAID and the appointment of a Kiribati student support officer to provide culturally aligned support to students experiencing difficulties.

While a portion of Australian scholarship recipients find employment in Kiribati, there are no processes for monitoring this or for determining the impact graduates have in their home country after completing their scholarship-funded studies.

### **Human resource development planning**

Since October 2005 AusAID has provided technical assistance to the Public Service Office to develop and implement a National Human Resource Development Plan and improve student selection and reporting procedures for Australian scholarships. The new scholarship procedures (Section K of the National Conditions of Service) and the National Human Resource Development Plan for 2008–11 have been approved by Cabinet. The plan, which will be updated annually and prioritises national training needs, covers the public sector, the private sector and non-government organisations and will be used to ensure long-term and short-term training awards, including Australian scholarships, are allocated according to national priorities. It is anticipated that the technical assistance will be extended beyond the current term to help to sustain momentum in the lead-up to expanded programming to improve the public sector and the development of human resources.

### **ESTIMATED EXPENDITURE**

Approximately 60 per cent of the 2007–08 bilateral budget was for this objective. Australia, New Zealand, Japan, Taiwan and Cuba provide significant support for developing human resources.

## OBJECTIVE:

IMPROVED AID EFFECTIVENESS THROUGH ALIGNMENT OF DONOR AID RESOURCES TO THE GOVERNMENT OF KIRIBATI'S NATIONAL DEVELOPMENT STRATEGY

## RATING

- The objective will be partly achieved within the timeframe.

## ASSESSMENT OF RESULTS AND PERFORMANCE

### Key results

- > Successful programs in environment, health and justice were delivered in partnership with the World Bank, the United Nations Children's Fund, the United Nations Population Fund and the Secretariat of the Pacific Community, resulting in improved detection and treatment of tuberculosis, better equipment and skills in obstetric care, improved climate change preparedness, and better juvenile justice awareness and service provision.
- > A joint interim country strategy was developed with New Zealand and made operational in 2007–08.
- > Multi-donor public sector missions were undertaken with NZAID, the Asian Development Bank and the Pacific Financial Technical Assistance Centre.
- > A strategic partnership between the Government of Kiribati, AusAID and the United Nations is in the final stages of development.
- > Development assistance is aligned with the development priorities of the Government of Kiribati.

### Donor harmonisation

Australia has worked closely with New Zealand since 2005, when joint programming was undertaken and a joint country strategy developed. While the joint strategy was never formally endorsed, it was agreed as a 12-month interim strategy, providing the framework for Australian and New Zealand development assistance. Performance indicators aligned to MDGs were developed for the interim strategy. The key program areas are urban renewal, better educational outcomes, improved public sector performance and human resource development.

Multi-donor missions in the public sector area have been undertaken as have harmonisation meetings between donors, including AusAID, NZAID, the Asian Development Bank and the Pacific Financial Technical Assistance Centre, in developing a public sector support program.

AusAID is developing a multi-year partnership with the United Nations (eight agencies through a single agency as the 'administrative agent') in order to reduce duplication and transaction costs, improve harmonisation between agencies and increase the impact of the aid program in key areas including health, gender and governance. The partnership agreement is expected to be formally endorsed in 2008.

Areas of achievement in harmonisation include supporting the implementation of the Ministry of Education strategic plan in cooperation with NZAID, aligning key program areas with previous and new development plans of the Government of Kiribati, and using government systems for disbursing grants for development under the Kiribati Development Plan, for the education summit and for curriculum development activities. The Government of Kiribati acknowledges the need to take a stronger role in guiding program development in terms of both direction and pace and considers the quality of aid to be critical. Increased efforts by the government to coordinate donors under the new Secretary of Finance have been noted.

Currently there are no agreed processes for mutually assessing progress in implementing agreed commitments on aid effectiveness. However, NZAID, AusAID, the Asian Development Bank, the World Bank and UN agencies are considering a donor–partner agreement linked to new country strategies for Kiribati, following the release of the Kiribati Development Plan 2008–11. In 2007 AusAID was successful in engaging Taiwan in a multi-donor meeting in Kiribati.

### **Programs in climate change, health and human rights**

The Partnerships in Vulnerability Initiative, which covers climate change, health and human rights, involves multiple activities delivered by the United Nations, the World Bank and regional organisations such as the Secretariat of the Pacific Community.

The Kiribati Adaptation Project II led by the World Bank has commenced public awareness surveying, held the first ever national consultation on climate change, and developed reports and calculators for predicting climate change. The project has experienced significant implementation delays. The World Bank and AusAID undertook two joint monitoring missions in late 2007 and early 2008 to address the delays. Reasons included difficulty in finding the required technical assistance and ongoing management issues on the ground. After two years of a three-year program, only 8 per cent of the budget had been spent.

In partnership with the United Nations Population Fund, AusAID is supporting an activity to improve emergency obstetric care (which has delivered both equipment and training to 12 health clinics in Kiribati) and an activity to improve adolescent health and development (which delivered training and awareness-raising initiatives to over one hundred peer educators, young people and other community groups in 2007). Both activities are progressing as planned. The emergency obstetric care activity has the potential to be significantly expanded to provide equipment and training for staff in the 75 health clinics being constructed on the outer islands with funds from the European Union.

In partnership with the United Nations Children’s Fund, AusAID is supporting a child health activity to provide technical advice and assistance to the Ministry of Health for the WHO/UNICEF Child Survival Strategy, as well as a juvenile justice activity. The child health activity is significantly behind schedule as UNICEF has not been able to find a consultant to fill the position of advisor on an ongoing basis. The juvenile justice activity

is progressing extremely well, working with the judiciary to draft a juvenile justice manual for magistrates, working with the Kiribati Police Service's underage drinking taskforce, and supporting community-policing initiatives such as blue light discos and youth soccer competitions.

In partnership with the Secretariat of the Pacific Community the three-year Quality Tuberculosis Epidemic Control Initiative has built a tuberculosis ward, implemented the daily Direct Observation Treatment Strategy, and employed nurses to carry out contact tracing. A dedicated tuberculosis laboratory was due to be completed by the end of 2007 but there were delays with government approval of building plans. Available results suggest that the program is significantly improving the detection and treatment of tuberculosis; however, the reliability of data remains an issue.

Also in partnership with the Secretariat of the Pacific Community, support for regional sociocultural research on gender-based violence and child abuse in Melanesia and Micronesia has begun, with teams surveying in some outer islands. Funding was provided for the secretariat to undertake a household income and expenditure survey and poverty analysis. Both programs have experienced delays, the report on the household survey being almost twelve months overdue.

### **Alignment with Kiribati Development Plan 2008–11**

The development plan identifies six key policy areas: human resource development, economic growth and poverty reduction, health, the environment, governance and infrastructure. These areas are broadly in line with the priorities of the previous plan, which provides the opportunity to improve on work already done rather than completely reorientate work. The goals stated within the development plan are broadly consistent with the MDGs, and the plan explicitly seeks to contribute to the achievement of the MDGs. However, limited human and financial resources and institutional capacity are likely to present significant constraints to implementation of the plan.

Australia's development assistance is directly aligned with the key policy areas of the development plan. It currently focuses on five of the six key policy areas: human resource development, economic growth, governance, health and the environment.

The Kiribati aid program provides assistance to regional programs such as the Pacific Regional Policing Initiative and the Pacific Regional HIV/AIDS Project that complement existing aid efforts in the country rather than set up parallel aid structures. These and regional programs being developed—the Pacific Region Infrastructure Facility and the Pacific Land Program—align directly with the priorities of the Government of Kiribati. Implementation of AusAID's infrastructure facility will mean Australian support is being provided to all six key policy areas.

### **ESTIMATED EXPENDITURE**

Approximately 9 per cent of the 2007–08 bilateral budget was for this objective.

## What is the quality of AusAID activities?

In 2007–08 the Kiribati aid program rated five of its activities in terms of their achievement objectives, progress of implementation, monitoring and evaluation, and the sustainability of their outcomes. In broad terms, all of the rated initiatives were considered to be making at least partial progress towards their objectives and most were performing satisfactorily in terms of producing sustainable outcomes. Only two initiatives had satisfactory monitoring and evaluation and all five required some improvement in that area. At least three initiatives needed to improve implementation and work on the sustainability of their outcomes.

### IMPLEMENTATION PROGRESS

The AusAID Program Support Unit in Tarawa experienced significant change in 2007, taking on four new staff and a significantly increased workload when additional responsibilities devolved from Canberra.

As AusAID moves towards more coherent program planning, difficulties have arisen in pulling together the range of somewhat ad hoc activities that were developed and implemented in the public sector program and, to some degree, in education. The education program is particularly complex, and inadequate strategic planning and capacity issues in both the Ministry of Education and AusAID contributed to the delays to date.

### ACHIEVING OBJECTIVES

Of particular concern is the regional scholarships program. Of the approximately 180 recipients of Australian Regional Development Scholarships since 2000, about 70 have had their awards terminated prematurely for reasons (as stated by students) including the socialisation culture of i-Kiribati, inadequate teaching management and support levels at the University of the South Pacific and their poor English language ability. High failure has been noted among students studying accounting. AusAID is providing funding for an i-Kiribati student counsellor to be based in the Kiribati High Commission in Fiji, a hub for Kiribati students. This counsellor will support both AusAID-funded and Kiribati-funded students and it is hoped this support will enable early identification of problems and ensure targeted support is provided.

### MONITORING AND EVALUATION

There are many reasons for poor monitoring and evaluation. No tools currently exist for monitoring scholarship outcomes. AusAID is working on this at the agency level and

tools are being trialled. It plans to have effective tools available soon to enable the scholarship programs to be monitored and evaluated.

As activities for education are still being developed, some activity-level but no sector-level monitoring has been undertaken. The Ministry of Education's strategic plan contains a quality framework, which will form the basis for AusAID's sector-level monitoring of outputs. A monitoring and evaluation framework will be developed as part of the development of a sectoral program of support for education later in 2008.

Activity-level monitoring by implementing agencies of the Partnerships in Vulnerability Initiative is good. However, no monitoring and evaluation framework exists or will be developed for this initiative as a whole as it was not set up as an integrated program. A strategic partnership will be developed with the United Nations under which AusAID-funded activities will be monitored as part of UN Development Assistance Framework.

## SUSTAINABILITY

The sustainability of outcomes of most activities is adequate as all activities are aligned with the development priorities of the Government of Kiribati and are delivered in close cooperation with relevant government ministries. Achieving sustainable scholarship outcomes is a complex matter and, until better monitoring and evaluation systems are in place for scholarships, the outcomes will be difficult to measure.

It is likely that the Kiribati economy will remain reliant on donor support for the foreseeable future. The cost and difficulties faced in providing basic services to a population of fewer than 100 000 people on 33 islands spread over an Exclusive Economic Zone larger than New Zealand's are major challenges. Infrastructure and services are entirely lacking in much of Kiribati.