



Report on the Istanbul Programme of Action:

Government of Kiribati

November 2015

National Economic Planning Office, Ministry of
Finance and Economic Development

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Acronyms

ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency Syndrome
CANCC	Coalition of Atoll Nations on Climate Change
COP	Conference of Parties
CPPL	Central Pacific Produce Limited
CYPFW	Children, Young People and Family Welfare
DCC	Development Coordinating Committee
EDF	European Development Fund
EU	European Union
FDI	Foreign Direct Investment
FNU	Fiji National University
FTC	Fisheries Training Centre
GDP	Gross Domestic Product
GEF	Global Environment Fund
GOK	Government of Kiribati
HIV	Human Immunodeficiency Virus
ICT	Information and Communications Technology
IFAD	International Fund for Agriculture Development
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
JICA	Japan International Cooperation Agency
JSS	Junior Secondary Schools
KAP	Kiribati Adaptation Project
KDP	Kiribati Development Plan
KFL	Kiribati Fish Limited
KIRIWATSAN	Kiribati Water and Sanitation
KIEP	Kiribati Integrated Environment Policy
KIT	Kiribati Institute of Technology
KJIP	Kiribati Joint Implementation Plan
KPA	Key Priority Area
LDC	Least Developed Country
LDCF	Least Developed Countries' Fund
MHMS	Ministry of Health and Medical Services
MDG	Millennium Development Goal
MELAD	Ministry of Environment Land and Agriculture Development
MFED	Ministry of Finance and Economic Development
MLHRD	Ministry of Labour and Human Resource Development
MoE	Ministry of Education
MOU	Memorandum of Understanding
MP	Member of Parliament
MTC	Marine Training Centre
NCD	Non-Communicable Diseases
NGO	Non-Government Organisation
NYP	National Youth Policy
ODA	Official Development Assistance
OLSH	Our Lady of the Sacred Heart
PIPA	Phoenix Island Protected Area

PNA	Parties to the Nauru Agreement
PNG	Papua New Guinea
SDG	Sustainable Development Goal
SHIP	Shared Implementation Plan
SOEs	State Owned Enterprises
SS	Senior Secondary
TAFE	Technical and Further Education
TB	Tuberculosis
TSKL	Telecom Services Kiribati Limited
TVET	Technical and Vocational Education and Training
UAE	United Arab Emirates
UN	United Nations
UNEP	United Nations Environment Program
VAT	Value-Added Tax
VDS	Vessel Day Scheme
WHO	World Health Organization

I. Introduction

This is the report of the Government of Kiribati to the Comprehensive High-Level Midterm Review of the Implementation of the Istanbul Programme of Action for the LDCs for the decade 2011-2020.

II. The national development planning process, including key economic, social, political and environmental trends

The Kiribati Development Plan (KDP) is the key document that sets out the development priorities of the Government of Kiribati for the period 2012-2015. The next KDP for 2016-2019 is currently under preparation.

The formulation of the Kiribati Development Plan (KDP) 2012-2015 took into account the important lessons from past KDPs including widespread consultation with key stakeholders. The 2012-15 KDP was based on the review of the former KDP and a ‘partnership’ approach which involved extensive consultations, meetings and discussions with all key stakeholders in identifying national, Ministries’ and sectoral issues including proposed strategies in addressing the identified issues. A last and important step in the formulation and preparation process was the alignment of the KDP to policy statements to ensure that it was consistent with the intent of the government.

The KDP 2012-15 mainstreamed the goals and priorities of the Istanbul Programme of Action through the identification of the Key Priority Areas of the Plan which included:

- KPA 1 – Human Resource Development
- KPA 2 – Economic Growth & Poverty Reduction
- KPA 3 – Health
- KPA 4 - Environment
- KPA 5 – Governance
- KPA 6 – Infrastructure

Linking the KPAs with the Istanbul Programme of Action

Istanbul Programme of Action	KDP Key Priority Areas
Productive capacity	KPA 2
Agriculture, Food Security and Rural Development	KPA 2, KPA 4, KPA 5 and KPA 6
Trade	KPA 2
Commodities	KPA 2
Private Sector Development	KPA 2
Human and Social Development	KPA 1 and KPA3
Multiple crisis and other emerging challenges	KPA 4
Mobilizing financial resources for development and capacity building	KPA 2
Governance at all levels	KPA 5

Specific National Policy documents that have been developed in line with the priorities of the Istanbul Programme of Action have been the following:

- National Disaster Risk Management Plan
- Kiribati National Labour Migration Policy
- Kiribati National Youth Policy 2012-16
- National Energy Policy
- Kiribati National Fisheries Policy 2013-25
- National Approach to Eliminating Gender and Sexual Violence
- Children Young People and Families Welfare System
- Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management
- National Tourism Action Plan
- Population Implementation Strategy
- Private Sector Development Strategy

The Committee for Development Policy of the UN concluded its triennial review of the list of LDCs in March 2015. The Committee found that Kiribati fulfilled the criteria for graduation from least developed country category for the second consecutive time. However, the Committee deferred its decision on a recommendation for graduation for Kiribati to the next triennial review which will be held in 2018. Kiribati was regarded as having the highest level of vulnerability of all countries and there were also concerns about the sustainability of its current level of income. The situation of Kiribati will be reviewed again in 2018.

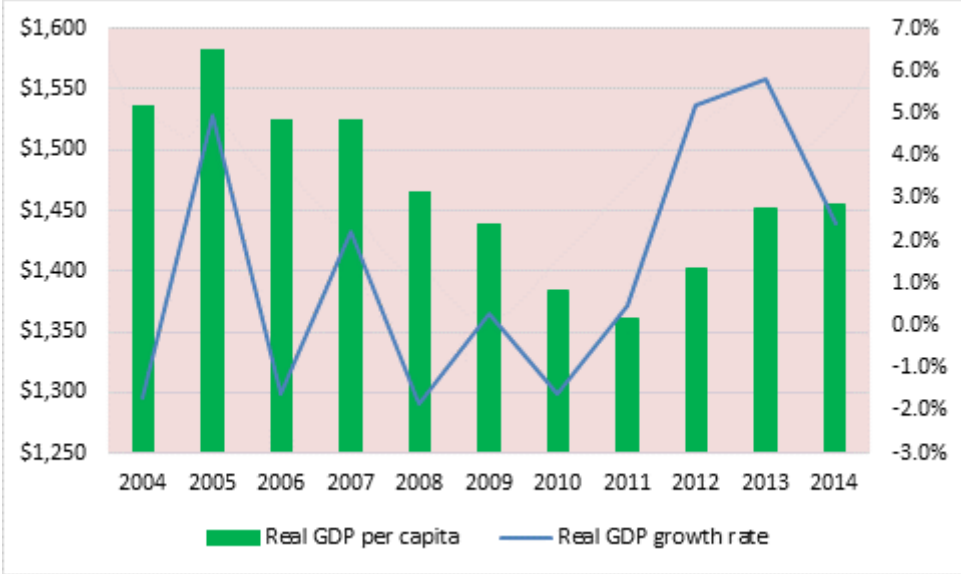
For Kiribati to be in a situation to graduate from LDC status, the economic vulnerability criterion will have to be satisfied.

The population in Kiribati at the 2010 Population Census was 103,058 with 48.6% of the population in South Tarawa and the rest scattered in the outer islands. The population growth rate was 2.2% for the nation and 4.4% in South Tarawa. The growth in South Tarawa contrasts with the near stagnation in rural population growth of 0.2%. Some outer islands experience rapid population decline (eg 5.7% on Makin) while others such as Teeraina (7.6%) experienced high increases. This growth in South Tarawa is mainly fuelled by migrants from the outer islands seeking better employment opportunities and the benefits of being part of the cash economy rather than a subsistence living. South Tarawa has a doubling rate such that by 2026, in 11 years' time, its population will have doubled to 100,000 people. The rapid growth in South Tarawa has caused strains on the ability of the Government to provide basic services such as water and sanitation.

Kiribati is one of the most remote group of islands in the Pacific with 32 coral atolls and one raised coral island over an area of 3.5 million sq km. There is a distance of 4,500 km from the east to the west and 1,500 from the north to the south. 24 of the 33 islands are inhabited, many of which are isolated from the capital in South Tarawa. Transportation costs are high and transport services to some islands are intermittent.

The effects of the Global Financial Crisis in 2007-08 had an influence on GDP levels in Kiribati in recent years with a decline in growth in 2010 of 1.6% followed by only a modest rise of 0.5% in 2011. GDP growth in 2014 was 2.4%. This modest growth however, came on top of high rates of growth of 5.2% in 2012 and 5.8% in 2013.

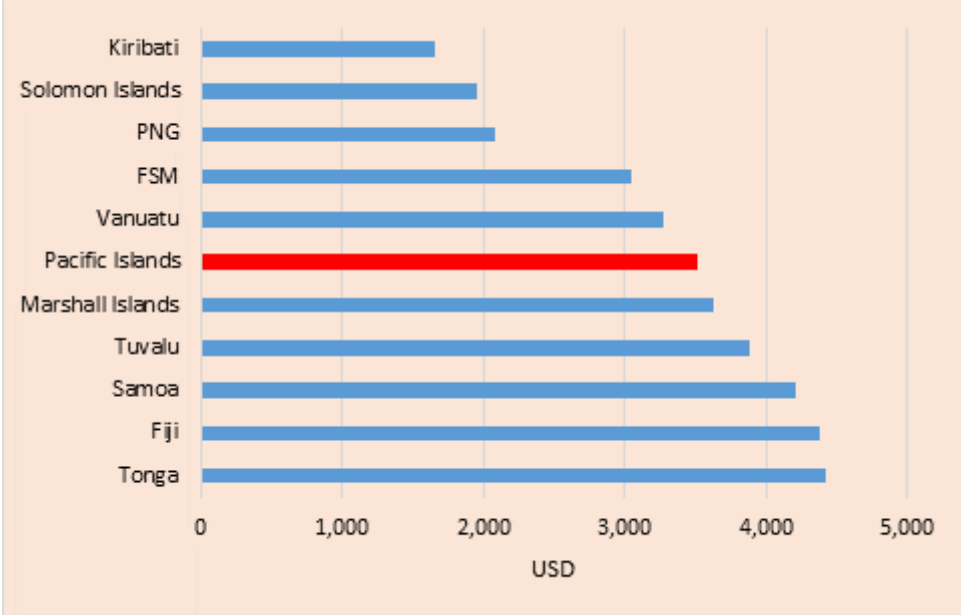
Figure 1: Real GDP Growth Rate and Real GDP Per Capita, Kiribati, 2004-14



Source: KNSO

For 2015, the IMF expects growth in Kiribati to rise to 3.1% in real terms, mainly reflecting the impact of major donor projects including the conclusion of the Kiribati Roads Rehabilitation project, the Bonriki airport terminal renovation and the water and sanitation rehabilitation project for South Tarawa. Recent increases in population have caused a general reduction in real GDP per capita but this has improved since 2012 with higher growth rates. GDP per capita in 2014 was \$1,838, one of the lowest of Pacific Island nations.

Figure 2: GDP per capita, Pacific Island Countries, 2013



Source: World Bank

Merchandise exports are concentrated in only two products, coconuts, and fishing. In 2012 coconut products accounted for \$3.8 million of exports and the fishing industry \$887,000. Coconut products accounted for 79% of all domestic exports and fishing 18%. The copra price subsidy in 2012 amounted to \$6.5 million.

The share of agriculture, forestry and fisheries in GDP over the past decade has risen from a low of 20.3% in 2005 to 27.1% in 2009. In 2014 it was 20.9%. Most of this type of industry is associated with the fishing industry as the coral islands do not provide sufficient nutrients for a more wide- ranging agricultural industry.

Most atolls including South Tarawa are no more than 3 meters above sea level. The estimates of sea level rises by the IPCC of one metre by the turn of the century make Kiribati one of the most vulnerable nations in the world to the consequences of climate change.

Because Kiribati is on the equator, it does not experience cyclones or other disasters such as earthquakes which regularly occur in other Pacific nations. So natural disasters are not a common occurrence in Kiribati. However, the effects of storms can have major consequences because of the low lying land with flooding and salt infestation causing damage to crops and coconut trees.

There is only minor agricultural production in Kiribati with the coconut industry the main source of revenue. Large subsidies are provided to the coconut industry which amounted to \$7.7 million in 2013 and \$5.3 million in 2014. Other agricultural production is limited to a few vegetables and fruit such as breadfruit and papaya.

Exports have traditionally been mainly coconut products and fish. Kiribati is highly reliant on imports of foodstuffs. Exports in 2012 fell by 18.6% to \$A6.8m mainly due to low sales of coconut products but imports rose by 17.9% to \$A104.8m leaving a balance of trade of - \$A98m. The rise in imports was mainly due to an increase in goods associated with donor infrastructure projects.

In March 2015, the peripheral force of Cyclone Pam hit the southern islands of Kiribati causing extensive damage through flooding and heavy winds and rain. Because of the low-lying nature of the islands, there was massive flooding, displacement of families, destruction of homes, infrastructure, food crops and the water supply. The second largest hospital on the capital South Tarawa was flooded with patients having to be relocated to the National Gymnasium. The causeway linking the most populated parts of the country collapsed and a new road under construction was damaged. On two outer islands, villages had to be moved in response to flooding. Cost of the damage was estimated at \$9 million.

III. Assessment of progress and challenges in the implementation of the Istanbul Programme of Action for the Decade 2011-2020

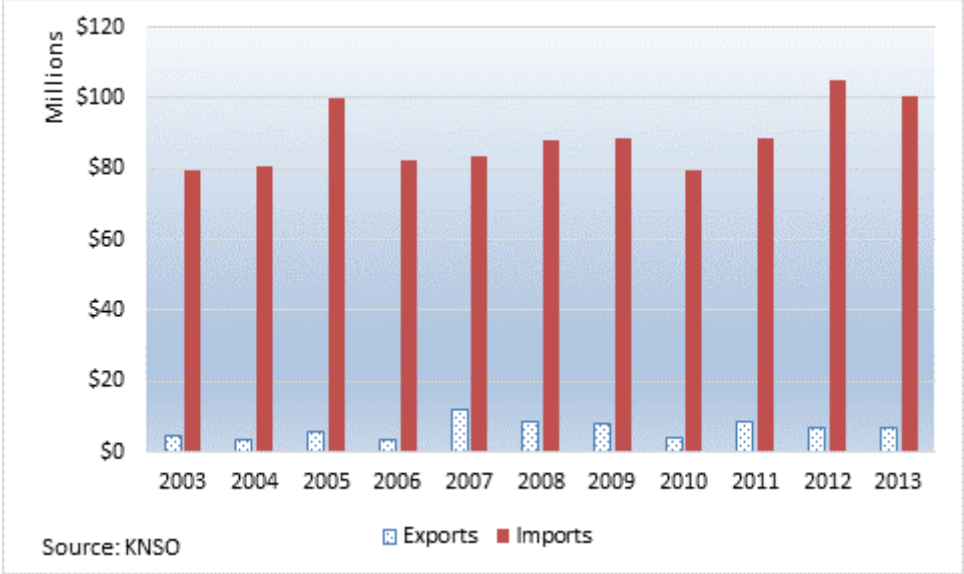
This section provides an assessment of the overall progress made against the overarching goal of overcoming the structural challenges faced by Kiribati in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the LDC category.

a) Productive capacity

Exports have traditionally been mainly coconut products and fish. Kiribati is highly reliant on imports of foodstuffs. Exports in 2013 rose slightly by 0.9% to \$A6.8m and imports fell by 1.6% to \$A103.3m leaving a balance of trade of -\$A96.5. The decline in imports was mainly

due to declines in the imports of manufactured goods (down 42.6%). Imports of foodstuffs rose by 5.6%.

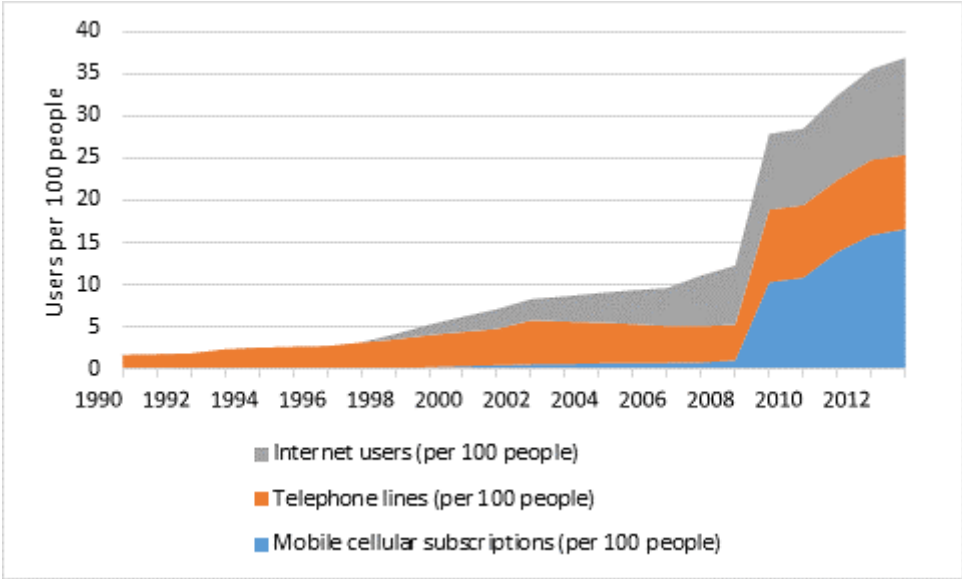
Figure 3: Exports and Imports, Kiribati, 2002-13



The main factor that has contributed to the diversification of local export oriented productive capabilities has been the expansion of the fishing industry. Kiribati Fish Limited is a joint venture of Kiribati’s CPPL, Shanghai Deep Sea and Golden Ocean. The project is worth \$11m and the factory was officially opened in 2012. It was established to increase revenue from the fisheries sector increase local employment opportunities and promote trade activities in terms of exports to the Japanese, Australian and Korean markets.

Advances have been made in the telecommunications sector. The number of telephone lines per 100 people has doubled from 2008 to 2009 (4.2 to 8.6) but since then usage has plateaued out. The figure is 8.8 in 2013. The number of cellular subscribers per 100 people has risen substantially between 2008 and 2013 rising from 1.1 to 16.6 respectively. The number of internet users per 100 people has multiplied dramatically from 4.5 in 2006 to 11.5 in 2013 (see figure 20). The Government has opened the telecommunications sector to competition and has recently privatised the State-Owned TSKL.

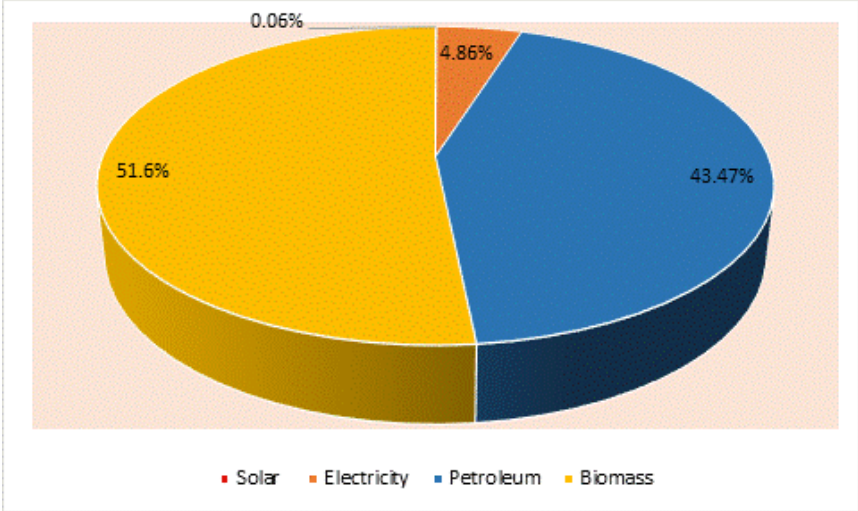
Figure 4: Mobile Cellular Subscriptions, Telephone Lines and Internet Users, Kiribati, 1990 to 2013.



Source: International Telecommunication Union, World Telecommunication/ICT Development Report and database, and World Bank estimates.

Development of the energy supply infrastructure has occurred under the KDP 2012-15 with a special focus on renewable sources of energy. The Solar Energy for the Outer Islands project (US\$5.3 million), implemented by the Kiribati Solar Energy Company and funded by the European Union under EDF 10, was completed in 2015 providing 2,010 solar home kits, 281 solar kits for maneabas, businesses and teacher residences, and 8 hybrid mini-grid systems for high schools on 18 islands. A pricing system aims to support ongoing maintenance and improve sustainability. An additional 10,000 small solar lighting kits are being provided with Taiwan funding assistance for delivery and installation on all outer islands.

Figure 5: Share of Energy Output by Source, Kiribati, 2014



Source: MPWU

By 2016 three new solar photovoltaic systems will be connected to the PUB grid on South Tarawa with an additional peak capacity of 1.4 MWh, or 30% of peak demand. A Japan-funded 400 kWh system was commissioned at Bikenibeu in April 2015 and a UAE-funded 500 kWh system was commissioned at Bonriki in September 2015. A World Bank funded

516 kWh system is to be installed on roof-tops at four sites and commissioned by mid-2016. With automated power management, the systems are expected to provide about 10% of total demand and to save about \$800,000 in fuel costs annually.

Pilot trials of renewable energy options have been conducted on wind generation, coconut oil biofuel, solar-powered water pumps and hybrid mini-grid systems under Italian funding.

Inter-island connectivity is reliant on air and sea services to cover the vast distances of 3,300 km of ocean between the three island groups and to connect the 20 inhabited atolls to the main economic centres on South Tarawa in the west and Kiritimati in the east. Air services are unreliable and serve only the Gilbert group and sea services are unscheduled. A major upgrade of the international airports at Bonriki and Cassidy is in progress, and port expansion in Betio was completed in 2014. Priority now needs to be given to improving the capacity of the port on Kiritimati Island to accommodate regional, fishing and tourism vessels, and the wharves, jetties and airfields on the outer islands. Upgrading of Kanton Island airport in the Phoenix islands would support development of tourism potential and the feasibility of establishing an air link between Tarawa and Kiritimati. Intra-island transport and the provision of social services are hampered by the poor condition or lack of roads and causeways on the outer islands. The economically crucial causeway linking the Betio port and business centre to the rest of Tarawa and the Bonriki airport is at high risk of collapse and in urgent need of major reconstruction.

b) Agriculture, food security and rural development

Kiribati has very limited land and agriculture resources. The soils are shallow, alkaline and very low in organic matter content while water sources are mostly fragile shallow water lenses that are easily made saline by salt water incursion due to over-use, drought and sea level rise. The tyranny of the distance between the islands places more complexities in the working environment coupled with the poor means of communication to monitor the progress of activities.

Table 1: Agriculture’s share of GDP, Kiribati, 2005-14

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
20.3%	22.4%	23.5%	25.0%	27.0%	24.5%	25.9%	25.0%	23.4%	22.9%

Most agricultural food production (crops and livestock) are mainly at subsistence level while there has also been initiatives and commercial programs operating on a very small scale that have provided local markets with eggs, vegetables and other small farm products.

The Taiwan Technical Mission which has expenditure of \$800,000 annually has been assisting communities in Kiribati through training programs and agricultural research. A new project through IFAD will provide US\$7.2 million over four years for training and assistance to home gardens and food production in the outer islands. The project will also increase the supply of clean drinking water and extend it to more remote households.

The GEF LDCF project Enhancing Food Security in the Context of Climate Change in Kiribati is scheduled to commence soon at a cost of A\$4.4 million over 5 years. This project will provide agricultural training, support to outer-island fisheries development initiatives, support the establishment of community based gardening and school gardening, and assist with marketing of agricultural products.

A new Food and Nutrition Security Policy has been drafted and is expected to be finalised early in 2016.

c) Trade

For too many years, offshore fisheries through licensing has served as the traditional key income generating activity for the Government of Kiribati. However recently, a more robust and sustainable basis for fisheries revenue has been adopted by embarking on other activities and to make them part of the package in return for fishing access in Kiribati's waters. This has provided leverage to negotiate and demand returns for its resources from these fishing vessels and one which has resulted in the support programmes being introduced such as Te Waa n Oo and Boats and Engine project to support artisanal fishermen and the local fishing communities.

The establishment of the Kiribati Fishing Limited (KFL) in 2012 made a breakthrough and a major development change by bringing fishery development to shores of Kiribati for the first time and consequently created more benefits to the local community in terms of employment and training.

Progress has also been made to diversify the coconut industry through trialling initiatives to produce coconut oil on the outer islands.

The major constraints remain the isolation of Kiribati and the high cost of air and sea transport.

d) Commodities

Because of the low export base in Kiribati, commodity price volatility is not an issue in Kiribati. Nevertheless, Kiribati is highly reliant on the tuna fishing industry to provide its major source of revenue through fishing license fees. The tuna industry is regulated by the Parties to the Nauru Agreement (PNA). The price of tuna is currently relatively low but this has had little impact on the revenue gained from fishing license fees which are predominantly under the regulations associated with the Vessel Day Scheme of the PNA.

e) Private Sector Development

A Private Sector Development Strategy has been finalised. The Government is also expanding opportunities for the private sector such as the introduction of the first Public-Private Partnership through a management concession for the operation of the Otintaai Hotel. A new Telecommunications Act was passed in April 2013. This Act set the conditions for a competitive market in telecommunications and focused on the regulator's capacity to manage a competitive market. In May 2015, the Government owned telecommunications company TSKL was privatised.

f) Human and Social Development

Education

A major challenge is the rapidly increasing population and high unemployment rates of youth and school leavers (which are estimated to be at 2,000 per year). The 2010 Population

Census showed that unemployment was 31 per cent while youth unemployment was 54 per cent.

The Basic Education system in Kiribati consists of the first nine years of schooling made up of primary school (grades 1 to 6) and junior secondary school (grades 7 to 9). These years are supplemented by 4 years of senior secondary schooling undertaken in grades 10 to 13. Only the primary and junior secondary components of schooling are compulsory and free. Basic education is free of school fees and in 2015 the Government approved subsidisation of stationery for students.

Most post school education (including TVET) is under the management of the Ministry of Labour and Human Resource Development (MLHRD). This education activity is provided by the Kiribati Teachers College (managed by MoE), Kiribati Institute of Technology (KIT), the Marine Training College (now amalgamated with the Fisheries Training Centre), Kiribati Nursing College, and the Police Training Centre.

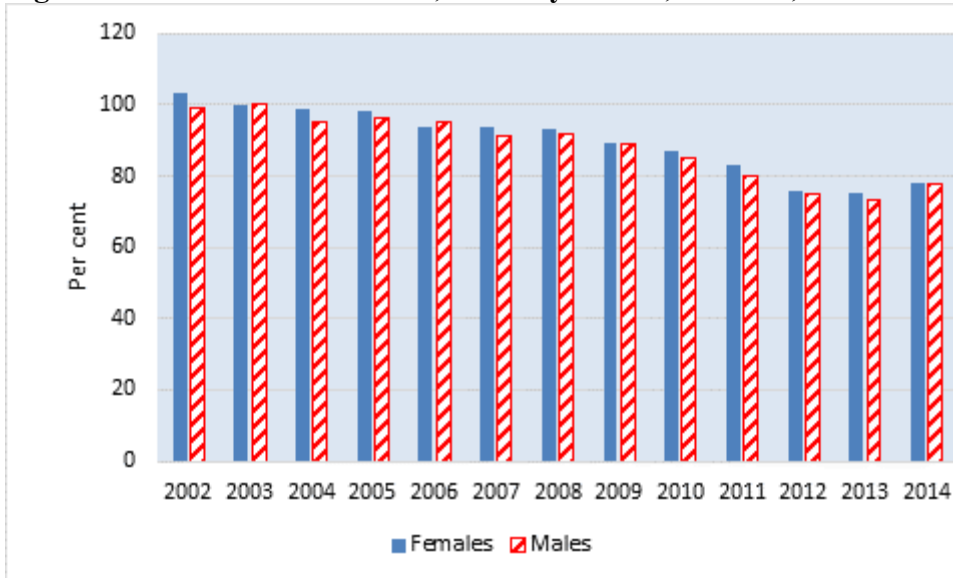
The major recent initiatives have included the following:

- The Education Act was passed by Parliament in December 2013
- A new language policy has been adopted for use in schools in 2014
- Three teacher professional development sites have been established on outer islands to improve the quality of teaching
- National curriculum framework introduced
- Improved governance and management, local community involvement, and teacher quality

A commitment by the GoK to inclusive education and to early childhood education has evolved recently. As well, educators see that recent ICT developments will have transforming impacts upon learning and curriculum reform. The Government has placed emphasis on increased skills and capacity of teachers. This growth in capability comes from more support towards professional development and from the efforts and attributes of teachers themselves.

There is some conjecture on the accuracy of statistical data for education. The information shows that a key performance indicator, the Basic Education Net Enrolment Rate, has been declining in recent years but 2014 has seen a reversal in this long term decline (see Figure 5).

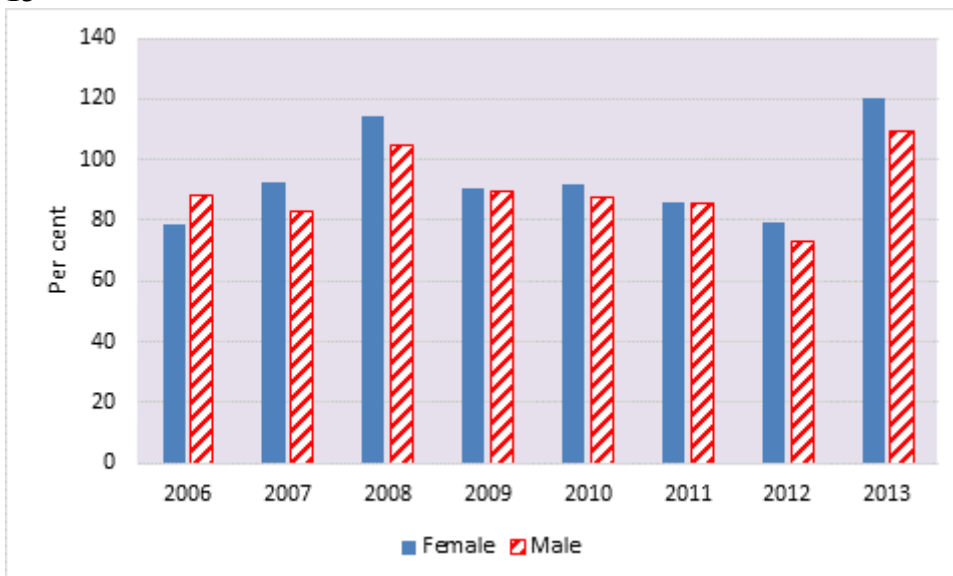
Figure 6: Net Enrolment Rates, Primary School, Kiribati, 2002-2014



Source: MoE

The survival rate to class 5 is often internationally accepted as a minimum level for future adult literacy. Figures show that the survival rate to grade 5 and 6 was low and declining (Figure 6) but significantly improved in 2013. As well, repetition rates indicate some serious deficiencies in the system although rates appear to be falling over the three-year period to 2014. The emerging curriculum and assessment development process, modernisation of school facilities and the emphasis on teacher development and school improvement processes should assist in addressing these issues.

Figure 7: Percentage of Pupils Starting Grade 1 and Reaching Grade 5, Kiribati, 2006-13



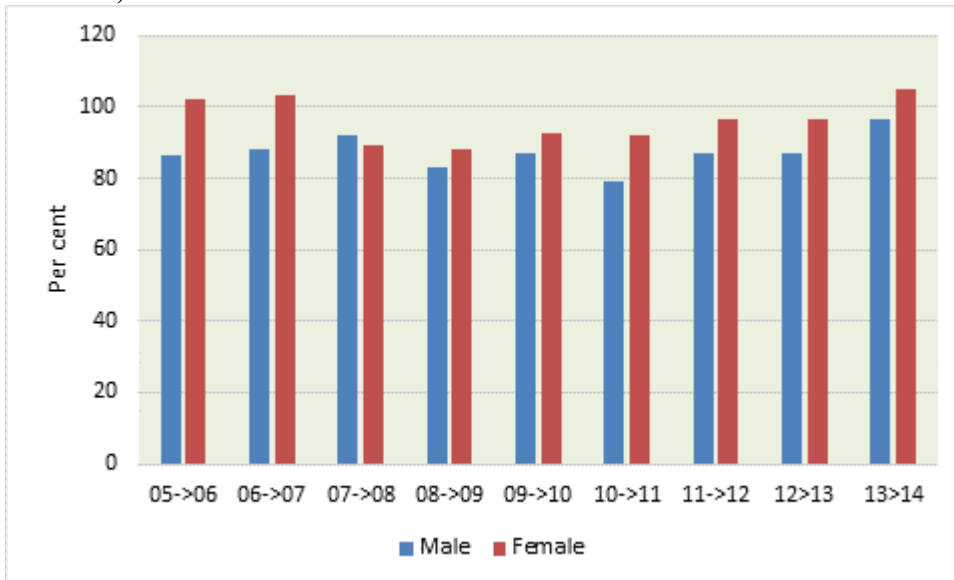
Source: MoE

The participation rate for girls exceeds that of boys in JSS and SS school, and the gap is widening. The official literacy rate is most likely not be a valid measure as it is based on a self-reporting Population Census question.

A strategy (Education Partnerships in Kiribati) has been developed to enhance engagement with development partners including other Ministries.

Transition rates from Year 6 (Primary education) to Form 1 (Lower Secondary) have steadily improved since 2008-09 (Figure 7). For females the rate of improvement was significantly higher than males.

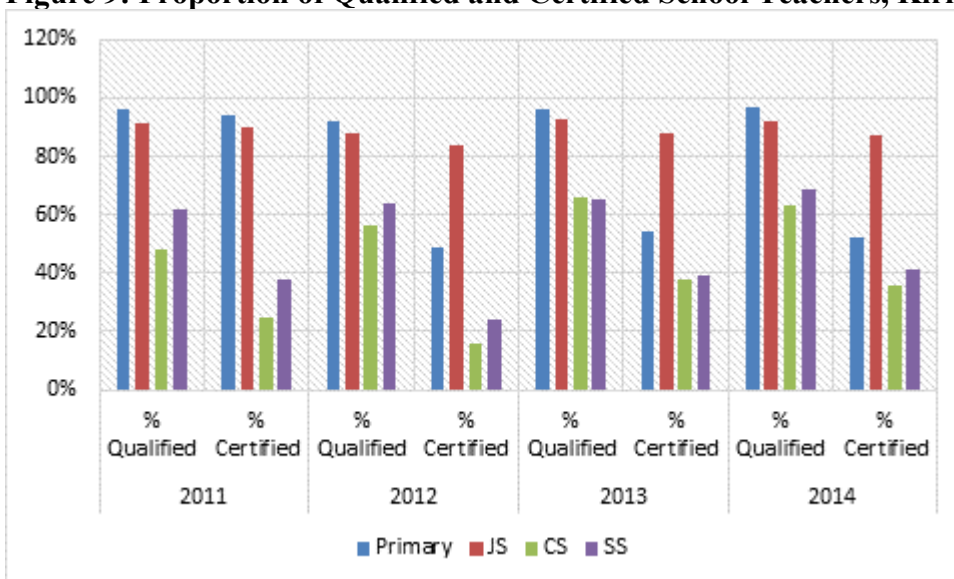
Figure 8: Transition Rate from Year 6 (Primary) to Form 1 (Lower Secondary), Kiribati, 2005-14



Source: MoE

The minimum academic qualifications required by national authorities for giving classes at schools is Form 5 for Primary Teachers and Form 7 for Junior and Senior Secondary Teachers. Certification requires a two year teaching certificate. The trend appears to be showing overall better qualifications for teachers in Kiribati Schools.

Figure 9: Proportion of Qualified and Certified School Teachers, Kiribati, 2011 to 2014



Source: MoE

Gender balance in education is becoming a problem in secondary education in Kiribati with the number of female students vastly outnumbering the number of males. Kiribati has achieved gender parity in primary education. In 2013 the gender parity index for primary education was 1.03. This follows a similar trend since 2006. For secondary education, the gap is much wider with females outstripping the number of males attending school. For senior secondary education in 2005 the index was 1.34 while in 2013 it had increased to 1.53.

Seafaring has been a main source of employment and income in Kiribati. Seafarers trained at the Marine Training Centre have for many decades been contributing to the economy through remittances. In 2015, MTC commenced delivering fisheries training as a result of the merger with the Fisheries Training Centre. A Fisheries curriculum was developed in line with traditional overseas employment opportunities as well as emerging ones.

The Kiribati Institute of Technology (KIT) has also invested heavily in developing a strong and positive brand within the Kiribati community. This has resulted in KIT being recognized as a high quality TVET institution, allowing KIT graduates to receive preferred employment opportunities from local and international companies operating in Kiribati. A key strength of KIT is its ability to offer international standard TVET courses through partnerships with TAFE South Australia, TAFE Queensland East Coast and FNU. However, poor access, performance, reliability and high cost of the internet connectivity impacts negatively on KIT teaching and administration. Although KIT has achieved significant reforms in workplace behaviour and productivity, absenteeism, lateness and poor performance of some staff weakens KIT's ability to maintain its strong brand attributes and provide the necessary mentoring and role models for KIT students and graduates.

The merger of Kiribati School of Nursing with KIT provided KIT a greater diversity of courses in the health and community services sector as well as the opportunity to establish an additional campus in Bikenibeu. The establishment of Industry Training and Advisory Committees for KIT and MTC provided opportunities for industry stakeholders to dialogue on training requirements to meet industry demands.

Population and Primary Health

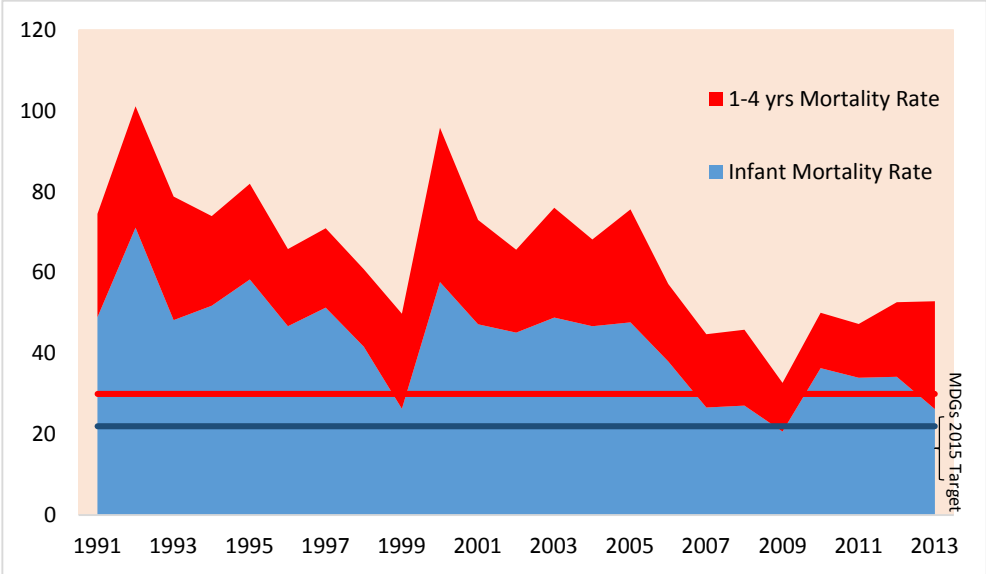
The population growth in 2010 was 2.2 per cent but South Tarawa's growth rate was 4.4 per cent compared with 0.2 per cent in all the other islands combined. This growth in South Tarawa reflects the continual migration of people from the outer islands to the cash economy of South Tarawa. This relates to a doubling in 16 years by the year 2026 when the population of South Tarawa would be 100,000. This population growth in South Tarawa has placed severe burdens on the supply of basic necessities such as sanitation and water. Kiribati has adopted a Population Implementation Strategy which promotes health family concepts and family planning. The strategy intends to stem outer island migration by improving access to economic and social infrastructure to the outer islands and ensure that all people of Kiribati can access the associated opportunities.

The publicly funded health system in Kiribati is well established, and includes a national referral hospital in South Tarawa, two hospitals in the Outer Islands and another small hospital providing basic medical services in South Tarawa. Primary care services are provided through 92 health centres. The Health Ministry has around 740 permanent staff. This includes around 405 professional/technical roles, including approximately 375 nurses and 30 doctors.

Kiribati is off track in relation to many of its health-related Millennium Development Goal targets. Life expectancy at birth in 2013 was 64 for males and 69 for females,¹ the second lowest in the Pacific after PNG

Its under-five mortality rate (52.9 per 1,000 live births in 2013)² is the second highest among the Pacific Island countries after PNG, mainly due to neonatal mortality, malnutrition and common, life-threatening infections (such as pneumonia and diarrhoea). Problems include the lack of skills and capacity of maternal care attendants, particularly in the outer islands and the quality of maternal and child health facilities and equipment. Immunisation rates vary greatly between islands. Neither rotavirus nor pneumococcal conjugate vaccines are currently included in the national schedule.

Figure 10: Infant and Under 5 Mortality Rates, Kiribati, 1991 to 2013



Source: MHMS

The MDG target for maternal mortality³ in Kiribati is to reduce the rate to 25 by 2015. In 2013, the figure was nil because there were no maternal deaths that year. However, the figure was 150.6 in 2014, a significant variance from the target. The actual number of maternal deaths in Kiribati is quite low (5 in 2012 and 4 in 2014), but due to the small population and relatively low number of live births annually, the figure is multiplied up to calculate a ratio per 100,000 live births, magnifying small variations.

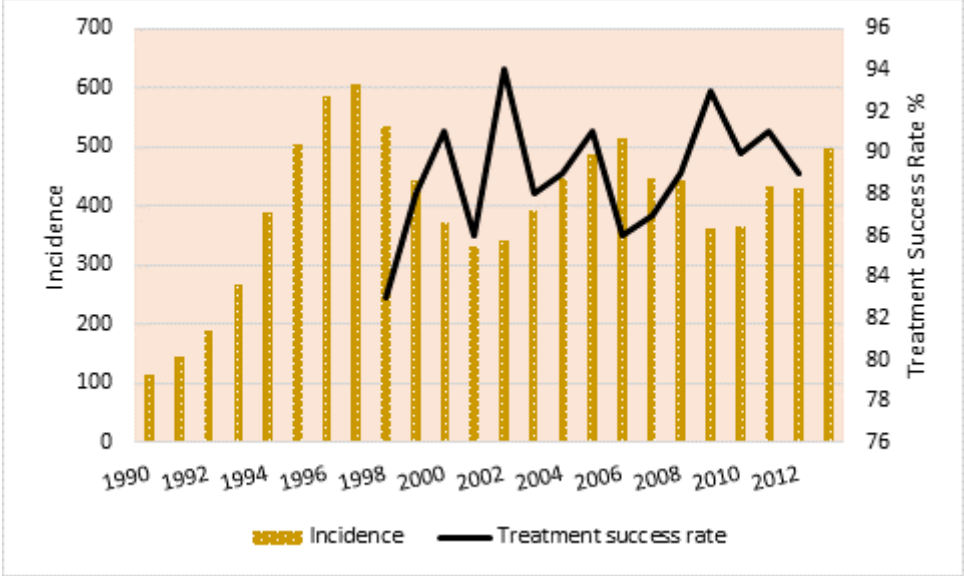
Communicable diseases are endemic in Kiribati and most of them are associated with overcrowding and poor hygiene. Access to, and use of, safe water and basic sanitation are the best ways of promoting improved hygiene. However, potable water and sanitation remain large challenges with South Tarawa the biggest concern. Kiribati is one of four countries in the world that still has leprosy.

The incidence of tuberculosis is the highest in the Pacific. It has risen from 116 per 100,000 population in 1990 to a high of 605 in 1997 but has declined steadily since then until 2009.

¹ WHO, Global Health Observatory Data Repository
² MHMS
³ The number of maternal deaths per 100,000 live births

The incidence in 2013 was 497. Treatment rates have been declining since 2009. Diabetes is a major driver of the TB epidemic.

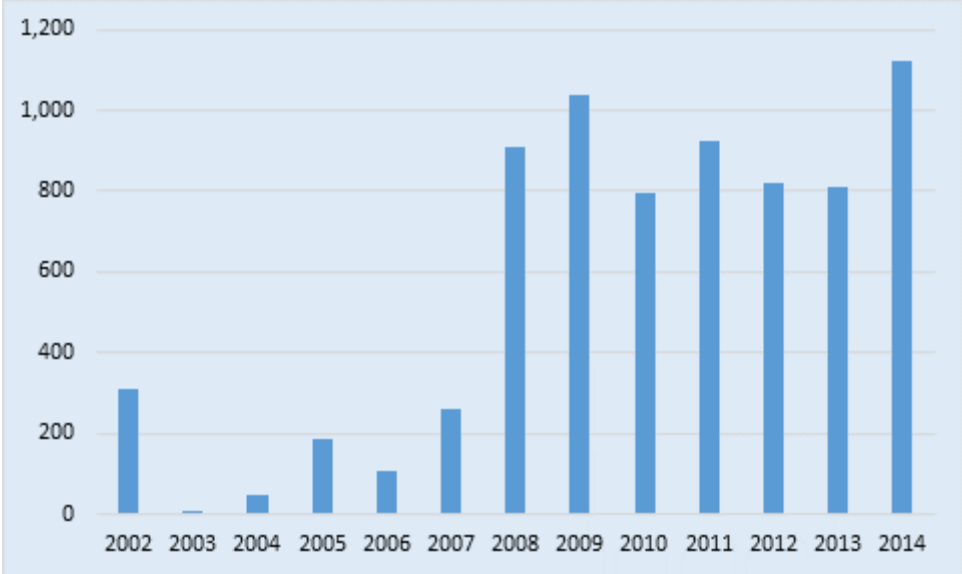
Figure 11: Incidence of TB and Treatment Success Rate, Kiribati, 1990-2013



There are significant levels of gender-based violence, including directed towards adolescents and children. The Kiribati Family Health and Support Study published in 2010 showed that violence against women is prevalent. According to the study, 68% ever-partnered women aged 15–49 reported experiencing physical or sexual violence, or both, by an intimate partner.

Non-communicative diseases such as diabetes are also a high determinate of death in the Pacific Islands and Kiribati is no exception. Almost three-quarters of the adult population have personal NCD risk factors (elevated blood pressure, smoking, insufficient exercise, overweight and obesity), and one quarter of adults over the age of 25 years are pre-diabetic or already on treatment for diabetes. Data on the incidence of diabetes have not been recorded well in the past but recent information suggests that diabetes continues to be a major health issue. The number of new cases of diabetes fell from 1,036 in 2009 to 809 in 2013 but has risen to an all-time high of 1,123 in 2014 (Figure 11).

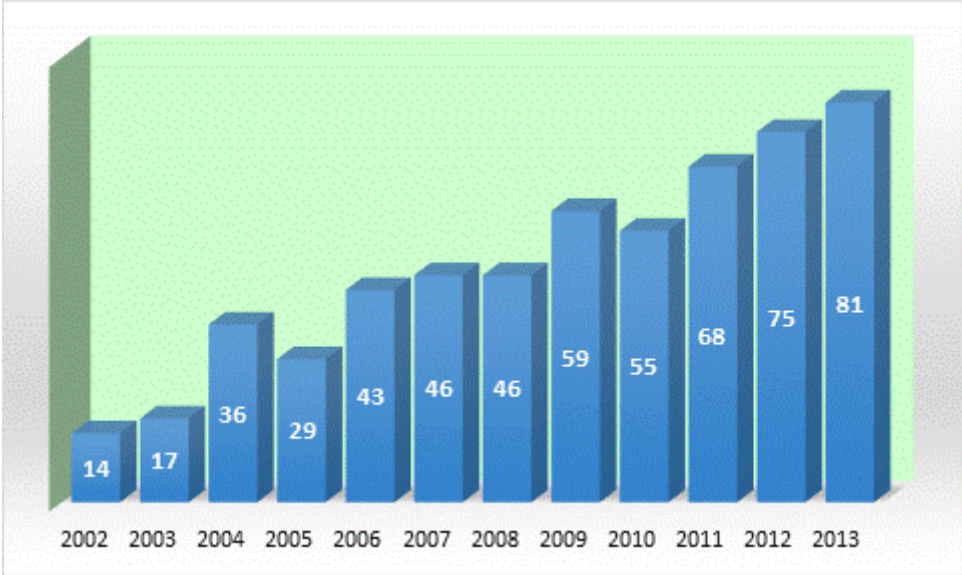
Figure 12: Incidence of Diabetes, Kiribati, 2002-14



Source: MHMS

Lower limb amputation as a result of diabetes and smoking is the most rapidly increasing reason for surgical admission at the national hospital and contributes significantly to the national burden of disability. Tobacco consumption in Kiribati is the highest in the Pacific with 61.5% of the population current smokers (74.0% for males and 45.4% for females).

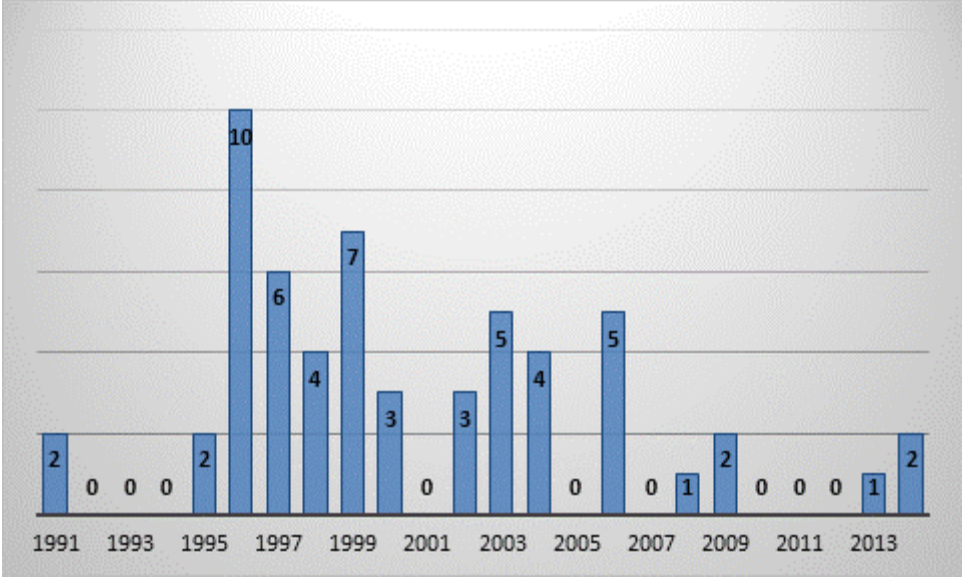
Figure 13: Amputations in Kiribati, 2002 to 2013



Source: MHMS

The first case of Human immunodeficiency virus (HIV) was diagnosed in 1991 and since then the number steadily increased but has dropped off in more recent years. Kiribati’s incidence of HIV/AIDS was one of the highest in the Pacific. The total number of people ever diagnosed with HIV in Kiribati is 58. No new cases were detected in 2010, 2011 or 2012. There was one new case in 2013 and two new cases in 2014.

Figure 14: HIV Positive Cases, Kiribati, 1991 to 2014



Source: MHMS

Youth development

Kiribati’s population is young, with 36% percent below the age of 15. The current National Youth Policy (NYP) 2012 to 2016 concentrates the focus on four strategic policy areas and these include: Education and Skills building, Economic Participation and Employment, Health and Safety and Social Cohesion and Civil Participation. This policy will be reviewed and updated. The National Youth Policy 2012-2016 aims to improve and enhance the development status and general welfare of the youth and children in relation to the Convention on the Rights of the Child (CRC). Kiribati ratified the CRC in 1995.

Since the inception of the NYP in 2012, a range of activities has been implemented through partnership work with Ministries, Churches, and Development Partners. The Government along with other stakeholders have been providing financial and technical support for the development, co-ordination and management of youth related programs, initiating and conducting youth training programs at island and national levels, providing technical assistance to NGOs with youth related programs, and representing Kiribati at international and regional meetings. All stakeholders and youth groups have been concentrating their efforts on the four strategic areas of the NYP.

At the 2010 Population Census the unemployment rate of 15-24 year olds was 47.6% for males and 61.8% for females making a total of 54%. Young people accounted for more than a half (51.7%) of all the unemployed in 2010. Currently roughly 2,000 youth enter the labour force each year. Of these about 150 become students at the Kiribati Institute of Technology and 90 go overseas on scholarships. About 35 become students at the Australia Pacific Technical College annually. About 90 new recruits are made each year into the public sector. The Marine Training Centre takes 100 additional students annually. Most of the remaining labour force entrants must find employment in the private sector or become self-employed.

The Government is committed to the establishment of an internationally respected skills development sector which plays a pivotal role in improving productivity and economic growth and increasing employment opportunities for the people of Kiribati, particularly the

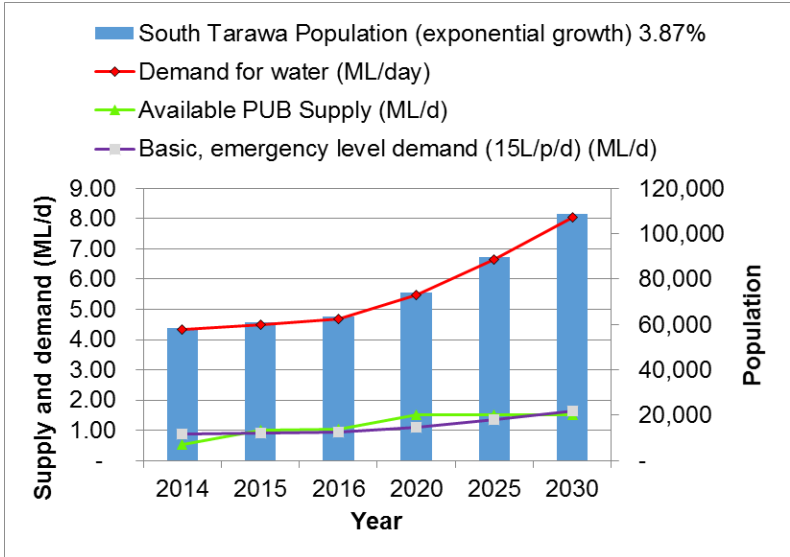
youth. The strategy is to enhance and improve youth employability, both locally and abroad. The capacity to achieve this relies on aligning skills development to match labour market needs and standards locally and internationally, and promoting good working conditions in workplaces, creating decent employment opportunities and establishing and maintaining labour market information systems.

Water and sanitation

Inadequate water supply, sanitation and hygiene in South Tarawa have been estimated to impose economic costs of A\$3.7 to 7.3 million per year, equivalent to 2-4 percent of the country’s Gross Domestic Product in 2014. Health costs due to poor water supply, sanitation and hygiene alone are estimated to be A\$550-1,100 per household in South Tarawa, excluding environmental and tourism costs. High infant mortality, at 52.9 deaths per 1,000 births in 2013, caused mainly by infantile diarrhoeal diseases, and acute diarrhoeal outbreaks are directly linked to contaminated water, inadequate sanitation and poor hygiene.

Freshwater resources are limited and easily contaminated because of the shallow water table and highly permeable coral sands of low-lying atolls. On South Tarawa, residents receive only 20-30 percent of an estimated safe water requirement of 75 L/p/d because of limited freshwater reserves and high leakage in parts of the piped system, which delivers water for only two hours every two days. The chart below shows the supply and demand for safe water over the next 15 years on South Tarawa, assuming a population growth rate of 3.9%, a maximum 2 ML/day extraction rate from the Bonriki and Buota lenses, 25 percent leakage loss in the reticulated water supply and a demand of between 68-80 L/p/d. On this basis, the current demand for safe water is approximately 4.5 ML/day, rising to 8 ML/day by 2030, and the gap between supply and demand is approximately 3.5 ML/day currently, rising to over 6 ML/day in 2030.

Figure 15: Expected supply and demand for water on South Tarawa, 2015 to 2030.



Source: MPWU

⁴<http://www.adb.org/publications/economic-costs-inadequate-water-and-sanitation-south-tarawa-kiribati>

In the outer islands, water and sanitation infrastructure needs to be well maintained and protected by the communities to conserve and protect freshwater resources and to ensure water security for drought periods. Groundwater assessments to determine sustainable water supply and community-led total sanitation awareness programs to promote hygiene and combat open defecation have formed a strong foundation that needs to be built on during the plan period.

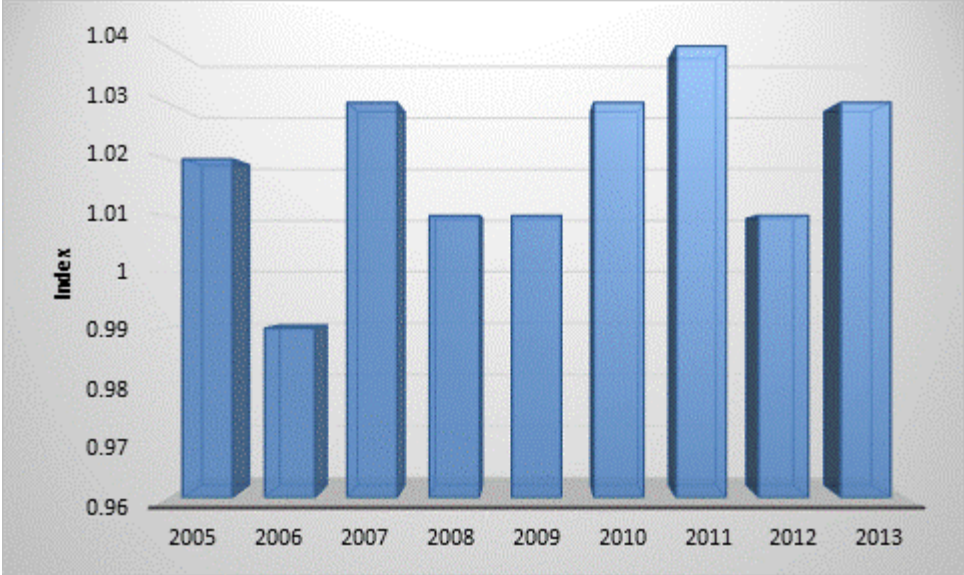
Landfill capacity for managing solid waste in South Tarawa is adequate for over 20 years in Nanikai and Bikenibeu, but is reaching its limit in Betio. Disposal of bulky waste, e-waste and recyclables requires a concerted program for collection, processing and export.

A number of projects have been implemented to address the water and sanitation issues. The major project is the South Tarawa Sanitation Improvement Sector Program at US\$22.5 million which will be completed at the end of 2016. It aims to improve sanitation and hygiene practices through a sustained community awareness and education program, upgrade priority water and sanitation infrastructure including three ocean outfalls and build capacity in the relevant Ministries. The Water and Sanitation Project in the Outer Islands (Kiriwatsan), a US\$8.7 million project, aims to increase access to safe and sustainable water and sanitation and reduce related diseases in 16 islands of the Gilbert Group in Kiribati. The project will undertake water resource assessments, conduct rainwater harvesting, and mobilise the community and build their capacity to ensure sustainable operation and maintenance.

Gender equality and empowerment of women

Kiribati has achieved gender parity in primary education. In 2013 the gender parity index for primary education was 1.03. This follows a similar trend since 2006.

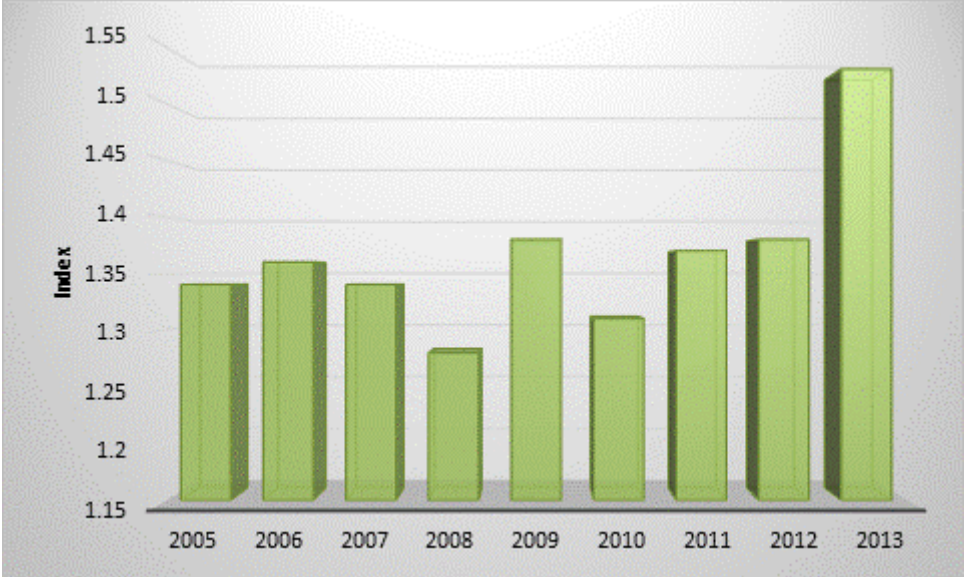
Figure 16: Gender Parity Index, Primary Education, Kiribati, 2005-13



Source: MOE

For secondary education, the gap is much wider with females outstripping the number of males attending school. For senior secondary education in 2005 the index was 1.34 while in 2013 it had increased to 1.53.

Figure 17: Gender Parity Index, Senior Secondary Education, Kiribati, 2005-13



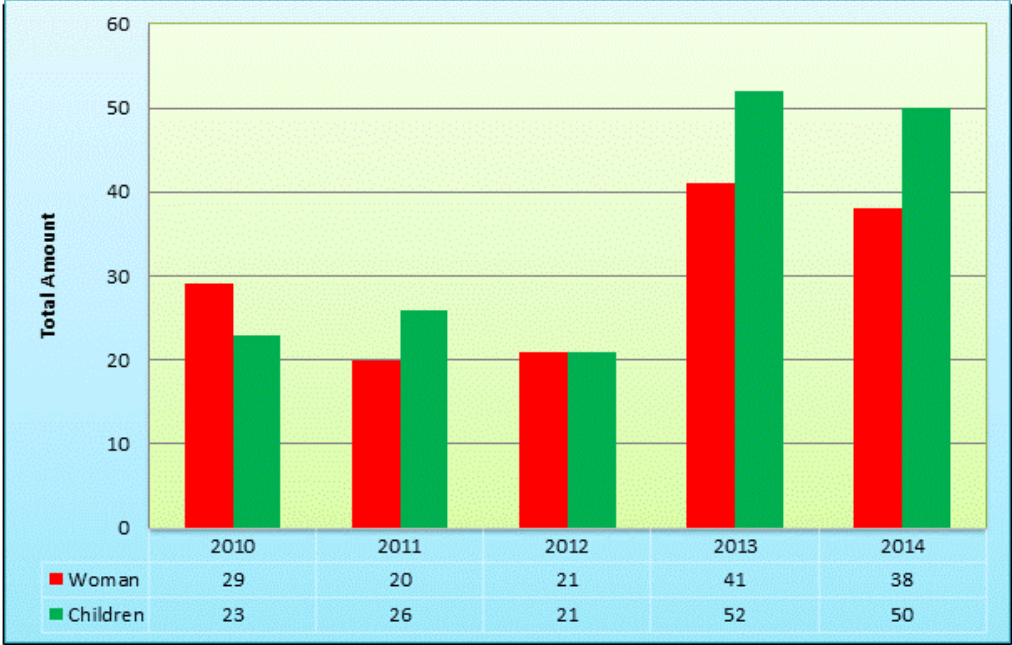
Source: MoE

In 2005, there were 4,423 women cash workers employed in non-agricultural industries or 39.6% of the total (11,201). In 2010, the figure had risen to a total of 10,709 or 50.7% of the total (21,113)

Out of a total of 45 MPs, currently four women (8.9%) hold seats in the Parliament. Of these four women, three are Ministers and one also holds the position of Vice President. All three heads of diplomatic missions for Kiribati are currently women. A very high proportion of women are employed at Senior Executive level in the public service including at Secretary level.

The Kiribati Family Health and Support Study published in 2010 shows that violence against women is prevalent. According to the study, 68% ever-partnered women aged 15–49 reported experiencing physical or sexual violence, or both, by an intimate partner. The number of women and children going through the Our Lady of the Sacred Heart Crisis Centre has increased in recent years (see Figure 15).

Figure 18: Number of Women and Children going through the OLSH Crisis Centre at Nawerewere, 2010 to September 2014



Source: Our Lady of the Sacred Heart Crisis Centre

The Government has several schemes that target poor people in Kiribati. First the copra subsidy specifically aims to increase the living standards of families in the outer islands. Nearly \$8 million will be spent on the Copra subsidy in 2015.

Second the Government has a program of assisting in the payment of schools fees for underprivileged children which will amount to \$56,000 in 2015. The Government provides school stationery for all Primary and Junior Secondary School students which amounts to a subsidy of \$1.2 million each year. As well, the Government provides a senior citizens’ benefit which will amount to \$2.8 million in 2016. This affects every citizen over the age of 67.

g) Multiple crises and other emerging challenges

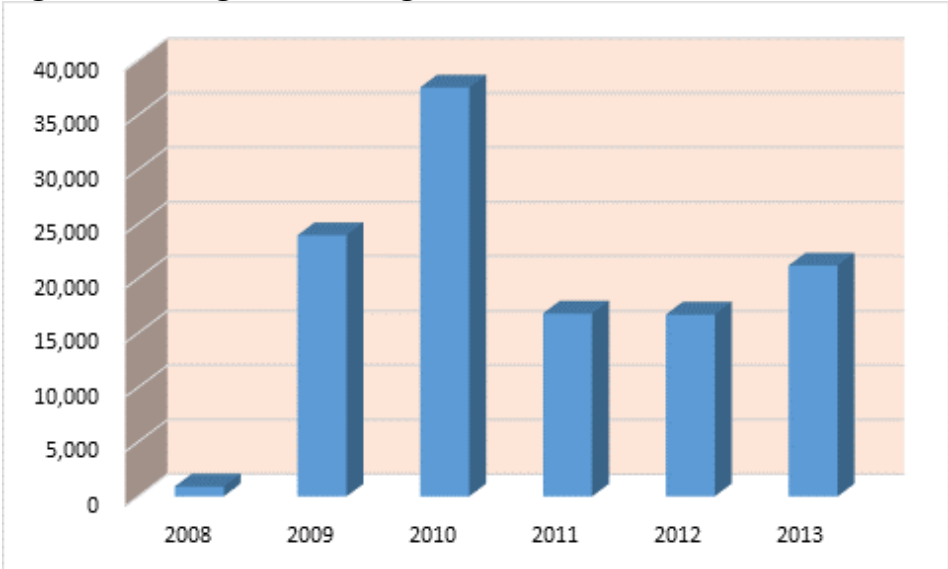
The Kiribati Integrated Environment Policy (KIEP) was adopted by the GoK in June 2013 and launched in August 2013. A process for periodic monitoring and evaluating the implementation of KIEP is being put in place and associated capacity building is proposed under national and regional Global Environment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

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

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

broader environmental issues and how the public and communities can assist in protecting their environment.

Figure 19: Mangrove Plantings, Kiribati, 2008-13



Source: MELAD

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

In August 2013 a Key Biodiversity Area Analysis report for Kiribati was launched. The report stocktakes the status of national biodiversity. It will form the basis of the Government of Kiribati’s direction towards designating areas and species that have significant biodiversity values at national and global levels. Twenty-two Key Biodiversity Areas were identified and suggested for immediate management.

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

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

The Phoenix Islands Protected Area (PIPA) was closed to all commercial fishing on 1 January 2015, with a small exemption for subsistence fishing around Kanton Island. As a major spawning ground for tuna, PIPA closure will have a major contribution to the conservation and rejuvenation of fish stocks and to food security.

Efforts have been made to maximise and sustain agricultural production (crop and livestock) at household level to provide adequate fresh and healthy food and increase household income. The focus has been on long term food crops and those that are well adapted and grown well

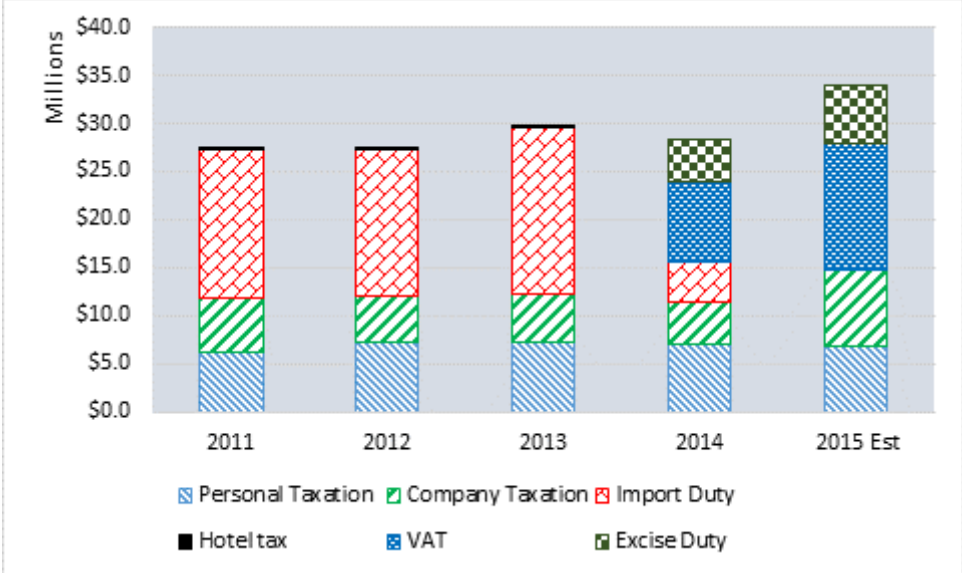
on Kiribati including pandanus, coconut, giant swamp taro, pumpkin, banana, and sweet potato. The focus for livestock has been on local and exotic pigs and chickens and exotic ducks. Work is also focusing on screening and breeding varieties and breeds that are well adapted to atoll conditions.

h) Mobilizing financial resources for development and capacity building

Domestic resource mobilization

The GoK introduced a VAT in April 2014, abolished customs duties and introduced an excise tax. This will have the effect of broadening the government revenue base. Taxation revenue in 2014 was \$27.6 million compared with the 2013 amount of \$29.6 million. Lags in revenue collection occurred in 2014 due to the introduction of the VAT. The expectation is that in future years, taxation revenue will be increased.

Figure 20: Taxation Revenue, Kiribati, 2011-15



Source: MFED

Public financial management has focused on capacity building in accounting and the links between budget and planning. To increase transparency, all budget documents including the budget speech and the Annual Report of the Ministry of Finance and Economic Development (MFED) are published on the Ministry website. Other reports such as the Report on Fisheries Revenue for 2014 and a monthly updated Economic Outlook are also reported on the MFED website.

Official development assistance

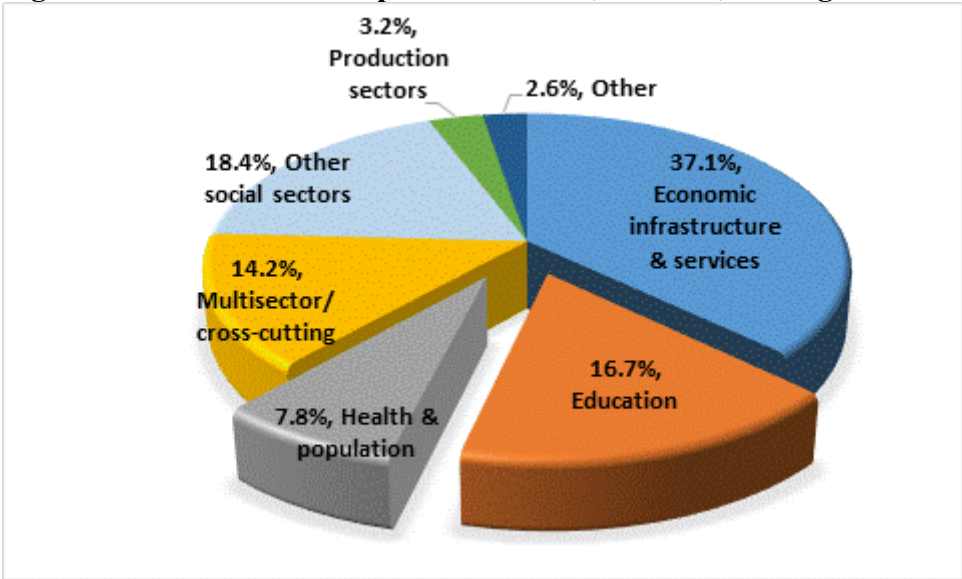
Development cooperation is mobilised in line with the national policy and priorities set out in the Kiribati Development Plan in a way to achieve broad-based, inclusive, and sustainable economic growth, generating employment, reducing poverty, and providing social safety nets.

The Kiribati Development Plan for 2012–15 lists six Key Policy Areas (KPAs) that the Government focuses on: Human Resource Development, Economic Growth and Poverty Reduction, Health, Environment, Governance, and Infrastructure. It lists the outcomes in relation to these and the outputs and strategies required to achieve them. Ministries prepare their own Strategic Plans for the same period as the KDP. The Ministry Strategic Plans show

the broad outcomes that are desired, and the strategic objectives and the outputs that will be required to achieve these.

All ODA is aligned to the KDP. Projects recommended by the Development Coordinating Committee (DCC) to Cabinet for approval are vetted to ensure that they fit the key priority areas of the KDP. The alignment of development cooperation with the national policy, priority and the country system requires a robust Results Framework as appears in the Kiribati Development Plan. Reports on the progress of the KDP are made to the DCC and Cabinet biannually.

Figure 21: Sectors as a Proportion of ODA, Kiribati, Average 2009-13



Source: OECD

Figure 18 shows the major sectors as a proportion of ODA to Kiribati averaged from 2009 to 2013. Essentially the figure demonstrates that the main areas of ODA has been economic infrastructure and services (37.1%), other social sectors (water and sanitation etc, 18.4%), education (16.7%) and health and population (7.8%). All areas are priorities set out in the Istanbul Programme of Action.

The Development Partners’ Forum is the forum for high-level dialogue between the Government of Kiribati and development partners on issues such as progress on the KDP, development strategies, and priorities for the Government and ODA. This forum reviews the policies and action plan for development jointly put forwarded by the Government and development partners. The forum also discusses the effectiveness of development cooperation and resource estimation. The forum holds discussions between the Government and development partners regarding the development cooperation policy and announces initiatives to drive reforms in the implementation of projects and programs. The meetings of the Development Partners’ Forum are held every two years in Kiribati. The actions and deliberations of the Forum are published on the MFED website. The forum assists in ensuring that aid fragmentation does not occur.

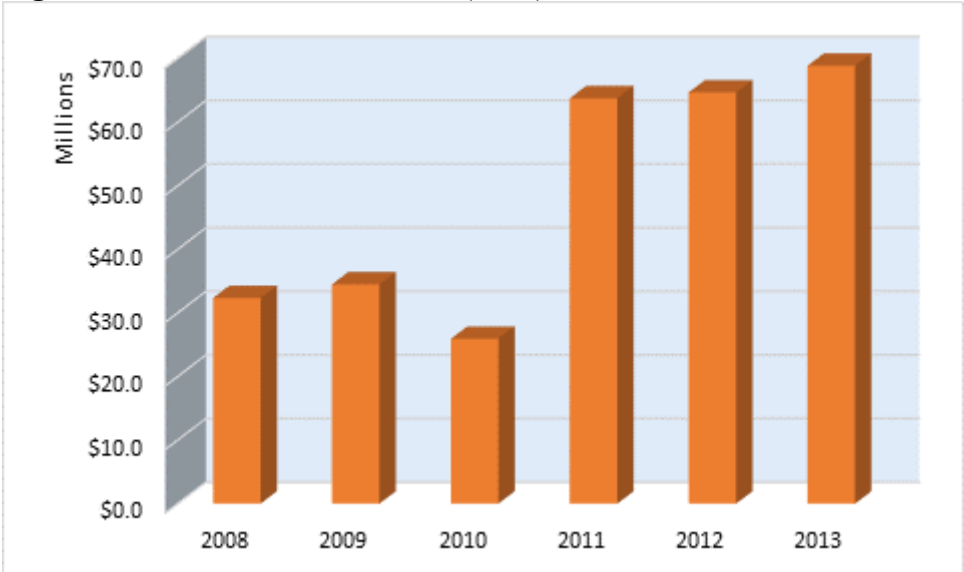
High Level Development Partners Talks are organised individually on an annual or biennial basis between the major donors and the Government of Kiribati. The purpose of these talks

are to review progress against development program targets and outline future directions based on the priorities of the Kiribati Development Plan.

Local Development Partners Meetings are organised quarterly. This mechanism serves as a platform for regular dialogue and coordination between the Government and the development partners working at local level regarding the implementation of development cooperation policy and the problems associated with aid mobilisation. As well, development partners are consulted at regular meetings with regard to Sectoral Strategies particularly for health, education, water and sanitation, economic reform and infrastructure.

ODA to Kiribati has grown considerably in recent years (see Figure 19).

Figure 22: ODA to Kiribati, Real (2012) US\$, 2008-13

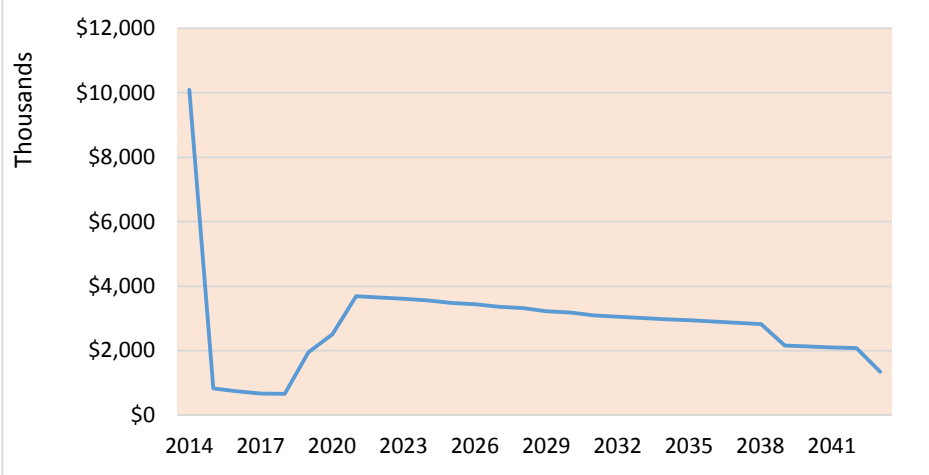


Source: World Bank

External debt

The Present Value of total debt at the end of December 2014 amounted to AUD\$27.7 million. This is equivalent to 401% of export earnings, 14% of GDP and 15% of revenue. Annual debt payments are expected to be \$0.8 million in 2015 which is 10.3% of exports and 0.4% of revenue. While annual debt servicing will remain low over the next few years, annual debt payments will rise dramatically to \$2.0 million in 2019. As reflected in Figure attached, annual debt payments will reach a peak in 2021 (\$3.7 million). This is when most of the new loans' grace periods end. All loans are expected to be cleared in 2043.

Figure 23: Annual Debt Payments, Kiribati, 2014-43



Source: MFED

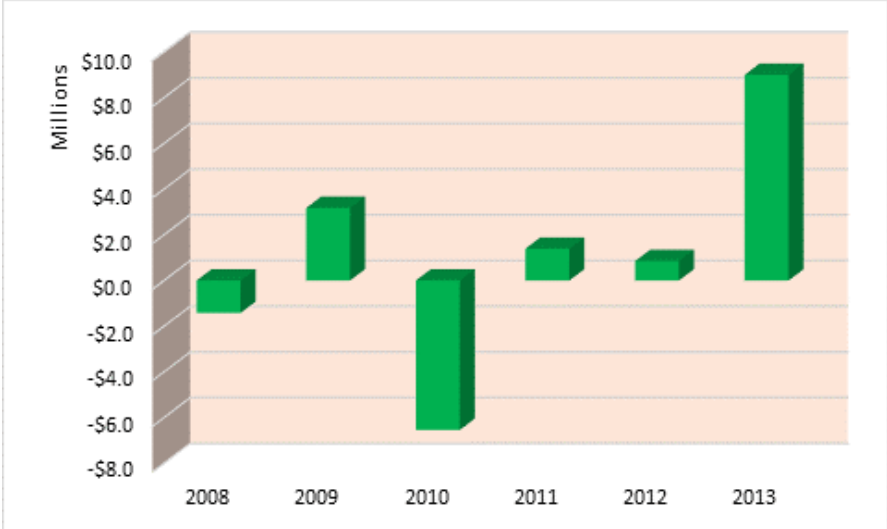
In the 2014 IMF Article IV Consultations, the external Debt Sustainability Analysis undertaken by the World Bank indicates Kiribati is at high risk of debt distress. The main reason for the high risk rating is the low value of exports from Kiribati which as stated in the paragraph above, provides a total Debt to Export ratio of 401%.

In 2013, the Government approved a Debt Policy which was based on principles which included the fact that the Government will avoid use of non-concessional debt and all borrowing and issuance of guarantees should provide economic or social benefits to Kiribati.

Foreign direct investment

There is a need in Kiribati to streamline procedures and processes so that applications for FDI proposals can be considered quickly and implemented early after receiving final approval. The current Private Sector Development Strategy intends to undertake an overall review of existing foreign investment procedures to make them more conducive to foreign investment. World Bank figures show a relatively low level of FDI (figure 21) but this has risen significantly in 2013.

Figure 24: Foreign Direct Investment, US\$, Kiribati, 2008-2013



Source: World Bank

Science, Technology and Innovation

The Government of Kiribati recognises that an efficient global communications service is a key to improving economic growth. In a move to improve the efficiency of communications in Kiribati, the national telecommunications organisation TSKL introduced a new third generation (3G) mobile network in 2013. Investigations are on-going about the roll out of the network to the outer islands. TSKL was privatised in 2015 and the new owners intend to further invest in outer islands communications.

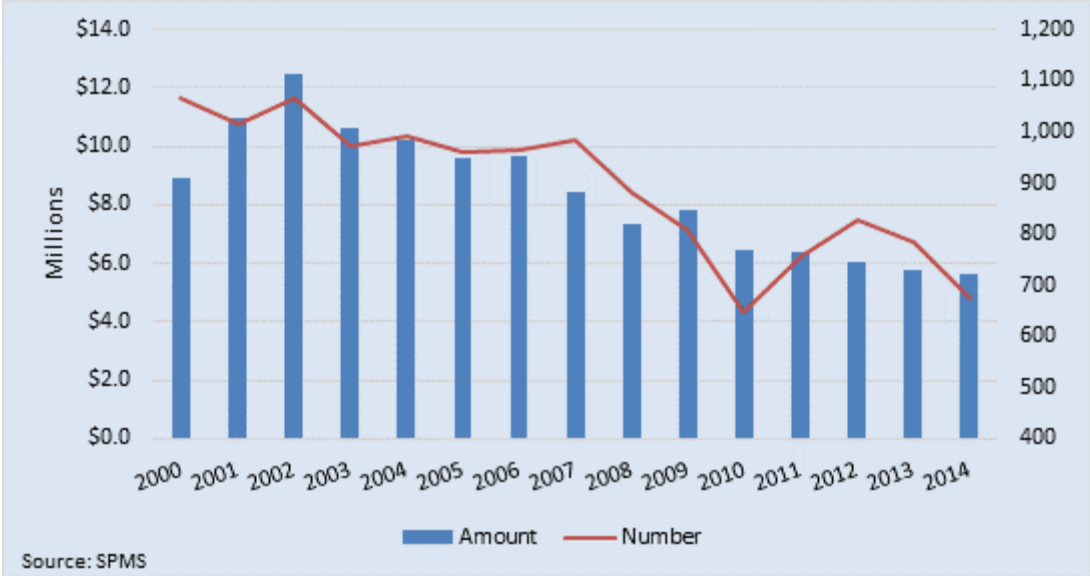
Use of solar power has increased enormously (see page 6).

Remittances

Kiribati has been participating in seasonal work schemes in Australia and New Zealand. Though participation has been relatively low compared to other Pacific Islands, 2015 saw new developments in efforts to increase Kiribati’s participation in unskilled employment and labour migration opportunities including the Northern Development White Paper for Australia which will allow extended visas for low skilled workers from select Pacific countries including Kiribati. As well, conditions have been applied to the issuance of fishing licenses to increase employment opportunities.

Remittances from seamen in the past have been a large source of income from abroad. However, since the Global Financial Crisis, the number of seamen employed overseas has steadily declined. Besides economic conditions, changes in vessel technology, where ships have become larger, and increased competition from Asian nations’ seamen has contributed to this decline. Seamen’s remittances were \$5.6 million at the end of 2014 compared with \$12.5 million at their peak in 2002. 676 seamen were employed at the end of 2014.

Figure 25: Seamen’s Remittances, Kiribati, 2000 to 2014



i) Good governance at all levels

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

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

A Children, Young People and Family Welfare System Policy was approved in April 2012 and the Children, Young People and Family Welfare (CYPFW) Act was enacted in May 2013. An awareness program on the CYPFW Act in the outer islands is on-going and is aimed to be completed by the end of 2015. Training materials for the implementation of the Act and the procedures for a referral system of victims was drafted and completed in May, 2014. A Youth Justice Bill was passed in August 2015.

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

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

The Government has developed a Climate Change and Climate Risk Communications Strategy 2013-16 to increase awareness and understanding of climate change and the risks

involved. The Strategy aims to strengthen the resilience of the community to adapt to the adverse impacts of climate change.

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

IV. Coherence and linkages with the Post-2015 Development Agenda and other global processes

As low level land is extensive in Kiribati the share of population in low elevated coastal zones would be 100%. Most atolls including South Tarawa are no more than 3 meters above sea level. The estimates of sea level rises by the IPCC of one metre by the turn of the century make Kiribati one of the most vulnerable nations in the world to the consequences of climate change. Therefore, Kiribati is one of the most forthright nations in promoting the potential damage from climate change. Not only is Kiribati at the forefront of discussions on climate change at the COP at Paris in December 2015 but it is also heavily involved in regional organisations such as the Pacific Islands Forum, the Pacific Islands Development Forum and the Coalition of Atoll Nations on Climate Change (CANCC). CANCC is a coalition of the most vulnerable nations to climate change and jointly share concerns over the slow pace of global action to address the increasing urgency and severity of the challenges from climate change.

Through its KDP 2016-19, Kiribati is establishing the links between the KDP and the Sustainable Development Goals (SDGs) so that there is a clear connection between the KDP and the targets of the SDGs.

V. Conclusion and Way Forward

Kiribati has one of the lowest levels of GDP in the Pacific. Its population of 103,000 people is diffused over 24 coral atolls over a huge EEZ in the Pacific. The population growth rate is among the highest in the Pacific. There are very few exports and the nation is highly reliant on the fishing industry. As coral islands do not provide sufficient nutrients, the opportunities for a more wide-ranging agricultural industry are limited. The private sector in Kiribati is highly underdeveloped. With a low-lying coral atoll nation with land not more than three meters above sea level, Kiribati is one of the most vulnerable nations in the world to climate change.

Essentially, there are five avenues that Kiribati needs to progress as high priorities, through curbing population growth, managing natural disasters, education of its people, increasing the returns from the fishing industry, and continuance of the economic reform program.

Curbing population growth is a major priority of the government. With a 4.4% population growth rate in Tarawa and a doubling of the total population between 2010 and 2026, services

such as water and sanitation come under great stress. The government intends to highlight family planning as a means to decrease the high birth rate and improve outer island services and income generation to curb the migration of people towards the capital Tarawa. Giving people the skills for a more mobile labour force capable of taking up the demand for labour in neighbouring countries is also a part of the plan to curb population.

Similar to most Pacific countries, Kiribati has had to learn to deal with natural disasters over a long period of time. While Kiribati does not suffer the effects of cyclones such as the disaster which confronted Vanuatu this year, or tsunamis which have had devastating effects on countries such as PNG and Samoa in recent years, regular high seas and high winds can inflict enormous damage to the country.

In March this year, Kiribati was affected by Cyclone Pam in the capital Tarawa and the southern islands. Because of the low-lying nature of our islands, there was massive flooding, displacement of families, destruction of homes, infrastructure, food crops and the water supply. The extent of the damage was huge with sea walls requiring repair, and buildings needing renovation. The immediate bill was \$9 million. The current El Niño event in the Pacific has brought well above average rainfall to Kiribati in 2015.

There are several ways in which the Government can mitigate against these natural disasters. One is a “hard” solution, that is, the construction of sea walls. Sea walls however, can create environmental problems due to changing currents that further erode areas nearby to the new construction sites. A sound knowledge of the environmental consequences of building sea walls is therefore necessary to progress this solution. The “soft” solution is the planting of mangroves which is less costly but does not have an immediate impact. It is also not a solution to erosion on the ocean side of islands.

The third way is migration. This means providing superior education for children. Students need to have the academic skills to be able to transfer their skills and knowledge to other countries in the immediate vicinity to meet their labour demands. Tertiary overseas scholarships will need to increase. The Government has also increased support to technical and vocational education training. The Government is committed to ensuring the internationally recognised Marine Training Centre remains at best practice. School attendance is a problem in Kiribati. The Government is implementing schemes such as free student transport and subsidies for stationery to ensure that costs to parents are minimised and all children can attend schools and have the opportunity to attain their academic goals.

The ability to migrate, of course, will also depend on the labour laws of neighbouring countries, especially Australia and New Zealand. A successful migration scheme will assist in boosting much needed revenue from remittances and thus aid economic growth.

The GoK adopted a National Fisheries Strategy in November 2013. The goals of this strategy are to support economic growth through sustainable fisheries and to ensure the long-term conservation of fisheries and marine ecosystems. The policy emphasises governance and capacity building and is expected to improve revenue performance from fishing license sales.

Kiribati is a member of several regional and international fisheries organisations, including the Forum Fisheries Agency, the Secretariat of the Pacific Community, the Parties to the Nauru Agreement, and the Western Central Pacific Fisheries Commission. Kiribati also

participates at meetings of the Inter-American Tropical Tuna Commission which manages and controls the tuna fisheries in the eastern Pacific.

The Parties to the Nauru Agreement (PNA) control the most productive waters for tuna in the Pacific and include Tuvalu, Kiribati, Nauru, PNG, Solomon Islands, the Federated States of Micronesia, Palau and the Marshall Islands. The PNA have recently made strong progress to improve benefits through the implementation of the Vessel Day Scheme (VDS). The objectives of the PNA Vessel Day Scheme have included the conservation of tuna resources, making access scarce and valuable, increasing revenue and creating and increasing domestic opportunities and benefits in the tuna industry. Access fees have risen strongly since the introduction of the VDS, with significant increases in the fees now being charged by Kiribati.

Revenue from fishing licenses in Kiribati has increased significantly in the past few years, reflecting mainly the impact of the PNA. It rose from \$29.5 million in 2009 to \$141.6 million in 2014. So a key way forward for Kiribati is to maintain and improve on these regional fishing agreements to ensure that Kiribati is compensated sufficiently for the use of its resources.

The next step is to process fish within Kiribati to ensure that value is added to the product and that employment opportunities are enhanced. Production from coastal subsistence fisheries in Kiribati also needs to increase and result in more inter-island trade.

The fifth area of importance to Kiribati is to maintain the economic reform program. The economic reform package has included a wide range of initiatives involving debt management, improving the financial management of SOEs, improving the operations of the sovereign wealth fund, adopting new policies for the fishing industry, and liberalising telecommunications. These policies will be continued in the future.