Kiribati Report on Istanbul Programme of Action

7-8 December 2015
Brussels, Belgium
Country Background

- Kiribati nation is made up of 32 atolls and one raised coral island.
- Elevation above sea level: 0-3 meters high
- 24 islands are inhabited
- Capital: South Tarawa
- Land size: Total: 811 km² (313 sq mi)
- Population: 103,058 (2010 Census)
- Currency: AUD
- GDP per capita 2014: 1,838 (lowest in Pacific Island Countries)
- Main Export Commodity: Copra and Fish
- Main Source of Revenue: Fish Licensing
Figure 1: Real GDP Growth Rate and Real GDP Per Capita, Kiribati, 2004-14
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 Istanbul Programme of Action with Kiribati Development Plan’s Key Priority Areas

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1. Productive Capacity

• Main Export Commodities; Copra and Fish
• Coconut accounted 79% and Fish only 18%
• Exports in 2012 fell by 18.6% to $A6.8m due to low sales in coconut products
• Imports rose by 79% to A$104.8m mainly due to importation of donor infrastructure projects.
• Balance of Trade 2012 -$A98m
• The establishment of the Kiribati Fish Limited (Joint venture between GoK, Shanghai Deep Sea and Golden Ocean has contributed to the diversification of local exports
• Telecommunications sector has improved.
  • Cellular subscribers per 100 people has increased between 2008-2013 from 1.1 to 16.6 respectively.
  • Internet users per 100 people multiplied dramatically from 4.5 in 2006 to 11.5 in 2013
  • Privatized the State-Owned TSKL. The successor company is undergoing major work on upgrading cellular and internet systems.

• Renewable Energy Sector development
  • EDF 10, Taiwan grant, UAE, Japan and World Bank, has provided the people of Kiribati with Solar light kits on outer islands, hybrid mini-grid systems for high schools. The solar grid project will provide about 10% of total demand and save $800,000 in fuel cost.
• Major upgrades on Bonriki International Airport and Cassidy airport is in progress. Betio Port was completed 2014.

• Two additional small aircrafts were procured to service connection to the outer islands. In total 3 aircrafts are now available.

• 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.
2. Agriculture, Food Security and Rural Development

• Agriculture comprises of 22.9% of GDP in 2014 compared to 20.3% in 2005
  • is mainly on a subsistence level while commercial programs only operate on a very small scale

• 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.
Cont.

• 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.
  • 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.
Cont.

• Development Projects on infrastructure developments on the Outer islands.
  • These include Australian project on Upgrading of Primary school facilities, EU medical clinics project, Taiwan funded projects on construction and maintenance of government buildings and seawalls, road and airport upgrading, solar energy projects and water and sanitation.

Strengthening of island councils through upgrading the capacity of staff e.g Island clerks requirement is upgraded to a graduate degree.
3. Trade

- Fisheries is the traditional key of income generation
- 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. These include canoes, boats and engines to support artisanal fishermen and community

- The establishment of the Kiribati Fishing Limited (KFL) brought fishery development to shores of Kiribati for the first time benefitting the community in terms of employment and training.

- Progress made on diversify the coconut industry
  - through trialing initiatives to produce coconut oil on the outer islands.

- However the major constraints remain the isolation of Kiribati and the high cost of air and sea transport.
4. Commodities

• Because of the low export base in Kiribati, commodity price volatility is not an issue in Kiribati.

• Kiribati is highly reliant on the tuna fishing industry to provide its major source of revenue through fishing license fees.
  • 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. (Parties to the Nauru Agreement)
5. Private Sector Development

• A Private Sector Development Strategy has been finalised.

• Public- Private Partnership through a management concession for the operation of the Otintaaai 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.
6. Human and Social Development

• A major challenge - rapid 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.

• Basic Education system in Kiribati consists of the first nine years of schooling.
  • Primary school- grades 1-6, Junior Secondary School – grades 7-9 (Free Education)
  • 2015 Government approved subsidization of stationery for students
Cont.

• Post school education (including TVET) is provided by Kiribati Training College, Kiribati Institute of Technology, Marine Training Centre (now amalgamated with Fisheries Training Centre), Kiribati Nursing College and Police Training Centre.

• The Kiribati Education Improvement Program is undergoing major upgrading on school curriculum, teachers’ upgrading and upskilling, and rehabilitation of primary school facilities since 2012.

• Improvements in school percentage of students from survival rate from Grade 1 reaching Grade 5 and also transition rates from Grade 5 to Grade 6 (see graph).

• It is also seen that there are more girls than boys in school.
Survival rate Grade 1-Grade 5

Transition rate Grade 5 to Grade 6
The Kiribati Institute of Technology (KIT) has also invested heavily in developing a strong and positive brand within the Kiribati community.

- 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.

- KIT has the 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.

- The merger of Kiribati School of Nursing with KIT provided KIT a greater diversity of courses in the health and community services sector.
Cont. (Population and Growth)

• Population is a big issue with a count of 103,058 in 2010 census.

• Growth rate was 2.2% in 2010 however 4.4% in South Tarawa the Capital
  • Kiribati has adopted the Population Implementation Strategy to address the issue

• With Overcrowding in South Tarawa it has placed severe burden on supply of basic necessities such as sanitation and water and health

• Kiribati has not been able to meet the MDGs on Health areas such as Infant mortality and Communicable and Non Communicable diseases

• Progress in some areas such as the increase in number of skilled birth attendants, number of qualified doctors and establishment of a Kiribati Internship Training Program for new medical doctors.
  • The program has attracted the interest of neighbouring countries.
Cont. (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.

• Water and Sanitation projects.
  • 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.
  • The project aims to increase access to safe and sustainable water and sanitation.
Cont. (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.

• 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, 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.
7. Multiple crisis and other emerging challenges

• The Kiribati Integrated Environment Policy (KIEP) was adopted by the GoK in June 2013 and launched in August 2013.
  • 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 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.
  • Major contribution to the conservation and rejuvenation of fish stocks and to food security.
8. Mobilizing financial resources for development and capacity building

• Introduction of VAT in April 2014, abolished customs duties and introduced an excise tax.
  • This will have the effect of broadening the government revenue base.

• Development cooperation is mobilised in line with the national policy and priorities set out in the Kiribati Development Plan.

• Total external debt to end of 2014 amounted to AUD27.7 million. All loans are expected to be cleared in 2043.

• In 2013, the Government approved a Debt Policy
  • to avoid use of non-concessional debt and all borrowing and issuance of guarantees should provide economic or social benefits to Kiribati.
Cont.

- There is a need in Kiribati to streamline procedures and processes to promote Foreign Direct Investment.
  - 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.

- Remittance is very low. New developments in efforts to increase Kiribati’s participation in unskilled employment and labour migration opportunities including the Northern Development White Paper for Australia

- As well, conditions have been applied to the issuance of fishing licenses to increase employment opportunities.
9. Governance at all levels

• UN Convention Against Corruption and the UN Convention on the Rights of Persons with Disabilities.

• Establishment of a Ministry for Women, Youth and Social Affairs (MWYSA) in 2013

• Te Rau n Mwenga Bill (the Family Peace Bill)-enacted in 2014
  • aims to ensure the safety and protection of all people

• Moral Education - related to eliminating domestic violence has been included in the school curriculum for Year 3 to 6.

• The Shared Implementation Plan (SHIP) to Eliminate Gender Based Violence in Kiribati has been finalized.

• 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
• Kiribati National Human Rights Taskforce established in July 2014 with a mandate to oversee all ratified Human Rights Conventions.

• A Whole-of-Government Communication Strategy was adopted in November 2012.

• The Government is working towards having a Freedom of Information policy produced.

• The Government is also working towards producing a central web portal with links to other government departments.

• Development of Climate Change and Climate Risk Communications Strategy 2013-16 to increase awareness and understanding of climate change and the risks involved.
Coherence and linkages with the Post-2015 Development Agenda and other global processes

• 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.

• Kiribati is one of the most forthright nations in promoting the potential damage from climate change at COP 21 in Paris.

• Kiribati is also 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).

• With the new KDP 2016-19, Kiribati will establish 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.
Conclusion and Ways 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.
• Kiribati is highly reliant on Fishing Industry as a means of revenue generation.
• Private sector is highly under developed
There are five avenues that Kiribati needs to progress as high priorities, i) curbing population growth, ii) managing climate change and natural disasters, iii) education of its people, iv) increasing the returns from the fishing industry, and v) continuance of the economic reform program.

Curbing Population Growth
- Through family planning and improving outer island services and income generation to curb the migration of people towards the capital Tarawa

The government has several ways to mitigate against climate change and natural disasters
- Hard solution – construction of seawalls however has side effects to environment
- Soft Solution – plant mangroves however does not have an immediate impact and cannot grow on the ocean side.
Cont.

• Third way is migration – superior education for children, acquiring proper academic skills and knowledge to meet other countries labour demands and increased overseas scholarships

• Maximize returns from fisheries
  • To promote revenue performance from fishing license sales through regional agreement
  • Value adding fishing industry in Kiribati

• The fifth area is to maintain the economic reform program.
  • Debt management, SOE reform, 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.
Thank you
Kam bati n rabwa