

Annexes

A Framework for the Supervision of Public Enterprises

Who Should Be Involved?

One of the current impediments to improving the performance of public enterprises (PEs) is the absence of an appropriate system of external, independent supervision. There are a number of options for such a system, each with its strengths and weaknesses.

A common approach internationally is to share responsibility for supervision between the policy agency, which is normally the line ministry with responsibility for the relevant sector, and the central finance agency, normally the Treasury or Ministry of Finance. This would allow the combination of important policy skills from the line ministry with the economic and financial skills (and a concern for the budget bottom line) of the central finance agency.

In Kiribati, the line ministries tend to also control or heavily influence the boards of PEs (through having senior officers on the board). The conflict of interest that arises is unavoidable and for most PEs, effective supervision will require that ultimate responsibility rests with a separate agency (although both the line ministry and the PE itself should, of course, have some involvement in the system of supervision). This separate agency could be the Ministry of Finance and Economic planning (MFEP), but even this option suffers from important limitations: the MFEP is the responsible agency for some PEs, and there would be potential

resistance from other agencies to the MFEP gaining additional influence over their activities.

These considerations point to the value of allocating supervision responsibilities to an independent agency. One option is to expand the responsibilities of the Office of the Auditor-General beyond financial compliance audits to also include performance audits. This is attractive as the Office already has powers under the Public Finance Ordinance to request information and an ability and obligation to report directly to parliament and hence the public. The Office has also demonstrated independence and determination in its current work. This option would require a substantial development of the skill base of the Office (beyond accounting) and it may be difficult to attract nonaccounting staff away from the established career paths.

Yet another option is to establish a new independent agency that also reports directly to parliament. Such an agency would naturally report to the Public Accounts Committee (PAC), as does the auditor-general. This option essentially amounts to establishing a professional and well resourced secretariat for the PAC. There are two main advantages. First, it would avoid the conflict of interest inherent in requiring line agencies or the MFEP undertaking supervision. Second, it would strengthen a critical component of the government machinery. One of the existing weaknesses of the public sector is the weak demand for performance. A more effective PAC could do much to improve this situation.

An independent agency could also report to the Office of the President. However, this may actually limit the independence of the agency and is a higher-risk option.

If supervision responsibilities are kept within the MFEP or line ministries, it would be important to consider changes to the structure of the boards of PEs. Ideally, the board would comprise individuals chosen for their ability to manage a commercially-driven organization. Such skills are in short supply in a public service and more suitable board members would be available from the private sector. However, the private sector is shallow and may also be unable to provide individuals with both the right skills and absence of conflict of interest.

It is possible to bring in board members from overseas, an option that would greatly expand the pool of suitable candidates.

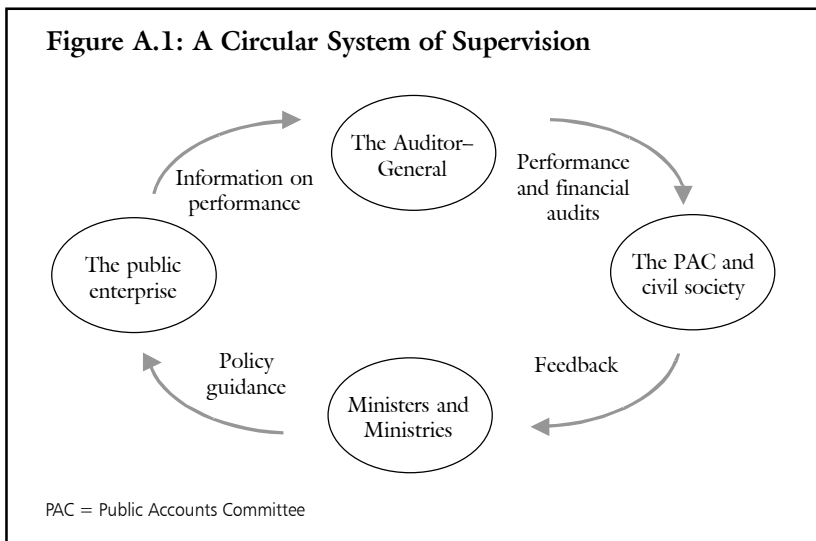
To keep costs within a reasonable level, private representatives could sit on more than one board or a number of PEs could be grouped under a holding company, where overseas board members could sit on the board of the holding company.

A very much suboptimal option would be to replace the senior ministry staff on boards with more junior staff, and grouping such PEs under a holding company led by a board of permanent secretaries or other senior staff. This may help distance permanent secretaries from the individual PEs and potentially create more independence. There may also be benefits from grouping permanent secretaries within the board of a holding company so that they jointly hold responsibility for a PE, rather than expecting one permanent secretary as supervisor to scrutinize the work of another as chair.

Clearly, there is no uniquely correct system. Figure A.1 summarizes one alternative to illustrate how such a system could operate. The figure represents the process of supervision as a circular system in which a flow of information between the various parties builds on the provision of information on performance by the board and senior management of the PEs.

Under this illustrative system, the Office of the Auditor-General provides independent scrutiny of the performance information of the PEs, with the findings of this work contained in performance and financial audits (discussed below). Those audits must in turn be scrutinized by the community as the owner and customers of the PEs. In this illustrative case, the community is represented by the PAC of parliament, but it is also desirable that civil society be provided the opportunity for a direct involvement in supervision via the provision of information. The work of the Office of the Auditor-General and feedback from the PAC and civil society can be thought of as flowing through to the relevant ministers and their ministries. They have a critical role to play in setting the policy environment of the PEs. This role encompasses the mentoring of the system of supervision, setting the activities of the PEs, and working with PEs to improve their performance.

Under such a circular system, each party adds value to the information it receives. Each party to the system of supervision improves on the work of others and over time this can be expected to help build up the performance of the PEs.



The Role of Key Parties in Supervision

The Role of a PE Board

The board of a PE is responsible for ensuring the efficient accomplishment of the purposes of the enterprise. This purpose would normally be defined in the establishing ordinance or articles, and any service or operating agreement reached with the Government (as described below).

Ideally, a board would not be involved in day-to-day management. It is normal practice for a board to delegate authority to manage a PE to the chief executive officer, specifying the powers that are delegated and a requirement to report and account to the board for the exercise of those powers, and the extent to which the chief executive officer may further delegate them.

In implementing its responsibilities, a board would normally oversee a continuous planning and management process within a PE, preparing and monitoring strategic and annual plans, ensuring that foreseeable risks are identified, and seeing that they are managed, as well as safeguarding the financial and other assets of a PE.

A Board would also normally be expected to undertake the following.

- Exercise particular care to see that annual reports and audited accounts of the PE are prepared and presented in accordance with the establishing statute and the provisions of the Public Finance Ordinance.
- Ensure, through competitive recruitment, continuing supervision, and succession planning, that honest and competent executive and senior management is always in place.
- Ensure that meetings of the full board are held at designated intervals (e.g., at least once every three months).
- Ensure the systematic and timely preparation and distribution of board papers, minutes of board meetings, recording and dissemination of board decisions, reminders on action to be taken, and reports on implementation.
- Ensure the declaration of interest, withdrawal from discussion, and abstention from voting on any matter by a board member whose interests are or may be affected by that matter.
- Provide for the use of board committees, including but not limited to a finance and audit committee, to pursue and oversee specific issues assigned to them by the full board.
- Ensure that board meetings are conducted in a timely and businesslike manner to avoid unnecessary costs and to set an example of productivity to PE staff and employees.
- See that the affairs of the PE are promptly, transparently, and accountably reported to the Government, parliament, and the people by the publication of annual and ad hoc reports and news releases.

- The responsible minister(s) should be promptly informed of any situation beyond the board's control that prevents compliance with the directions and requests of the minister(s).

The composition of a board is very important for ensuring that it can implement its responsibilities, and it is desirable that rules are established on board composition. For example, it would be sensible to establish that not more than one quarter of the directors of a PE may be persons holding executive management positions or be otherwise employed by the PE. Remaining directors should be appointed because of their professional and technical knowledge and experience of the field of operation of the PE, their known record of achievement in the direction of commercial and economic affairs, or their ability to represent in the board a significant body of the PE's stakeholders. Board members should not have an active interest in a competing organization.

The Role of Directors

Directors carry an individual responsibility for the appropriate direction and conduct of the affairs of a PE through the board's comprehensive authority over executive management, and for the quality of board proceedings and the integrity of its systems.

The Role of the Chief Executive Officer

The chief executive officer is to establish with the board clear performance standards and agreed targets to be met by the PE. Accountability is enhanced when such standards and targets are incorporated into the employment agreement of the chief executive officer.

The chief executive officer is the key individual responsible for ensuring sound financial management by a PE. It would be expected that this person would be accountable for ensuring that

- a PE maintains a high standard of financial accounting, security of cash and other financial resources, budgeting, and financial planning;

- accounting systems are properly designed, installed, and operated, and that reports and financial statements are promptly prepared and submitted to management and the board;
- accounting procedures are clearly set out in manuals prepared and periodically reviewed by management and approved by the board, and implemented by management through explicit training and supervision of staff;
- annual and quarterly budgets are submitted to the board in good time for board consideration and approval, and describe in sufficient detail for proper supervision and accountability the proposed sources of funds for the PE's operations for the period ahead, together with the most recent actual income and expenditure results and revised estimates for the current period;
- upon approval by the board, a copy of such budgets are sent to the minister(s) with portfolio responsibility for the PE;
- internal audit processes are in place and appropriate to the size and nature of operations of the PE in order to maintain the oversight of financial management and accounting procedures, and that report directly to the board of the PE;
- bank accounts shall be subject to stringent control and prompt reconciliation with the transaction records of the PE;
- funds surplus to the operational needs of the PE are invested in deposits with licensed commercial banks in Kiribati or in securities issued by the Government of Kiribati; and
- the board is promptly informed of any situation beyond the chief executive officer's control that prevents compliance with the directions and requests of the board.

The chief executive officer has an important role to play in ensuring that a PE operates ethically. It is appropriate that PEs set and adhere to high standards of honesty and integrity in the conduct

of their business affairs, and they should also require that their suppliers and contractors adhere to similarly high standards. This would normally require that rules be established to ensure that procurement processes are open and transparent, that all payments and receipts are fully documented and brought promptly to account, and that no activities of a corrupt or financially improper nature are tolerated.

Chief executive officers who are also directors of the PE need to have a balanced regard to their duties as a director, as a technical adviser to the board, and as a leader (or member) of the management team charged with implementation of approved programs.

The Role of the Auditor-General

The role of the auditor-general is to conduct audits in compliance with the Public Finance Act and the enacting legislation of the PE or the Companies Ordinance as appropriate. Audit reports are submitted to the PAC. The auditor-general has an important role to play in providing technical assistance to the Committee in helping interpret the audit findings.

The Role of the Public Accounts Committee

The PAC is responsible for the scrutiny of the reports of the auditor-general. Through parliamentary processes, the PAC provides the main formal mechanism for the scrutiny of PEs by their effective owners, the community.

The PAC has the power to issue directions or requests for the purposes of ensuring the appropriate scrutiny of PEs or improving the performance of PEs.

The Role of Ministers and their Ministries

PEs are responsible for the careful, efficient, and accountable use of public resources; and for the safe and timely production and delivery to the public of goods and services of good quality and at a

fair price, in a manner that reflects the legitimate interests of the community at large. Ministers and their ministries are responsible for clearly defining the Government's expectations with respect to such matters.

Such expectations would normally be set out in a service agreement prepared by ministries in cooperation with the PE, setting out the detailed rights and obligations of the Government and the PE toward each other. A service agreement would normally be established as a legally binding contract between the PE and the Government (as represented by appropriate minister(s)), upon which either party could sue or be sued by the other.

The relevant ministers and their ministries have an important role to play in working with PEs to improve their performance and to ensure that their activities are aligned with the Government's objectives. Only in exceptional circumstances would these responsibilities extend to an involvement in day-to-day management. Their usual role would be as a source of strategic analysis of performance and advice on future directions.

Ministers and their ministries would carry much of the responsibility for ensuring the implementation of any directions or requests of the PAC based on its review of PE performance.

In order to carry out their responsibilities, it is important that the secretary of finance and other relevant permanent secretaries be able at any time, by writing to the chief executive officer of a PE, to access an up-to-date and comprehensive statement of the financial position of that PE, and that the chief executive officer responds promptly to any such request.

Ministries would normally be expected to maintain an up-to-date record of information from PEs reporting to their minister.

Possible Components of a System of Supervision

Potential components of a practical system of supervision are explained below. Initially, a system of supervision could be a very simple one, using only some components or a simplified version of a component. Or the system may only apply to some PEs in the first

instance, in which case it could become more sophisticated over time and its coverage expanded as familiarity and confidence in the worth of the system develops.

A Code of Governance for PEs

A code of governance is potentially a key building block of a system of supervision. Its purpose is to set out clearly the roles of key parties, and mechanisms for ensuring that each party can carry out its responsibilities. The code puts in place important principles relevant to all PEs.

A code of governance would look very similar to the description provided above of the roles of key parties (with some rewording). It may also include additional material defining other important obligations of a PE, for example with respect to ethical standards, the environment, standards for setting employment terms, and conditions for and payments to board members.

The code could be established by statute as a legal requirement binding on those individuals with a formal role in the system of oversight (e.g., board members, heads of ministries). Alternatively, it could be established as a policy document with no legal force but used as the main guide to appropriate behavior.

Service Agreements

A code of governance would be expected to specify a requirement for a service agreement be put in place between the PE and the Government. Thus, the service agreement would indirectly form part of the code.

A carefully drafted and negotiated service agreement would be an important mechanism for supervising and improving the performance of a PE. In particular, it could be sufficiently flexible to allow a PE considerable autonomy in day-to-day operations, while providing rigorous monitoring of key strategic outcomes. Such an agreement allows a government as owner to reduce its control of day-to-day matters in the knowledge that limits are set on the PE's behavior and that performance will be checked.

Ideally a service agreement would flow from a PE's corporate planning process and present a helpful opportunity for the PE to clarify its obligations and interaction with government.

A service agreement could include statements regarding

- objectives, nature, and scope of the main activities of the PE;
- service performance standards;
- mechanisms for measuring performance against agreed criteria;
- the nature of information to be provided to the Government by the PE during the course of the financial year, including information to be included in quarterly and half-yearly reports;
- required government financial contributions to cover operating and/or capital costs;
- impending major investments and proposed financing arrangements;
- proposals for varying the Government's equity contribution;
- the PE's dividend policy;
- terms of access to and the use of land and other fixed assets;
- pricing policies (e.g., tariff structures and amendment procedures) in cases where a PE lacks effective competition;
- accounting policies to be applied;
- specific employment, wage, and industrial regulations requirements not reflected in general legislation;
- mechanisms for periodically revising the service agreement; and

- such other matters as might be agreed on by the shareholding ministers and the board from time to time.

Performance Criteria

The performance criteria depend on the nature of the PE. The criteria for monitoring performance would normally be simpler when PEs face effective competition with the private sector on all aspects of their business (and compete on similar terms to those applying to the private sector without any unfair competitive advantage). In this instance, the key performance criteria would be profitability as indicated by the PE's return on assets and return on equity. If similar returns to those earned by private sector competitors are achieved, it would be reasonable to assume that the PE is operating efficiently and setting appropriate prices/charges.

The process of comparing a PE's performance against a reasonable market standard is termed benchmarking and is an important aspect of monitoring the performance of PEs.

Within Kiribati, a number of the larger PEs do not face effective competition with the private sector; they hold monopoly power in at least some aspects of the business. In such cases, it is not sufficient to monitor profitability only. A monopolist can have the power to set high prices while operating inefficiently and providing poor service. For these PEs, it is important to set performance criteria based on service standards and efficiency. There are many ways of defining such performance criteria. For example:

- Performance criteria could be set at existing levels subject to the PE making a steady improvement over time. For example, an annual increase of $y\%$ could be requested in sales per employee starting from current levels.
- Prices could be allowed to increase at the rate of inflation less $x\%$. This would force the PE to find some way to keep costs below the level of inflation if profits are to be preserved. This is often called CPI-X regulation.

- Performance criteria could be set based on benchmarking with international standards. For example, it is possible to set targets based on international standards for the number of phone lines per employee or, the number of water connections per employee.

Ideally performance criteria would flow from the corporate planning process of the PE and be of use to both the PE and those overseeing its performance.

Performance and Financial Audits

At present, investigations by the auditor-general are limited to financial compliance audits as per the provisions of the Public Finance Ordinance. The illustrative framework proposes that the powers of the auditor-general are extended to also conduct performance audits. In this context, the performance audit would rest on an examination of the compliance of the PE with the provisions of the code of governance inclusive of any service agreement.

This means that the audit process would have a very broad scope, encompassing such matters as financial systems, administrative practices, and reporting and service standards. The “rules” of the pure financial audits would continue to be set by accounting standards, while the “rules” for performance audits would be established in the code of governance and any service agreement.

The reports of the performance audits should contain a summary of the PE’s service agreement, in the same way that existing financial audits contain a summary of a PE’s financial accounts.

Public Reporting

Under this illustrative system of supervision, performance and audited accounts would be publicly released via the auditor-general’s report to parliament. The code of governance could also be publicly released, with its summary of any service agreements.

The role of civil society would be enhanced if summary information on the state and performance of the PEs were regularly released. One feasible option would be the preparation of an annual statement that accompanied the budget, but there is a wide range of alternatives.

Upgrading Qualifications and Professional Development for Senior Managers in the Public Service and Public Enterprises

The following professional development program is proposed for senior managers of ministries or public enterprises (PEs) who want to update their management skills and upgrade their qualifications.

The objective of the program would be to support the performance of senior public service and PE managers by delivering a program through which managers could gain an internationally accredited diploma in management, contracted through a tertiary institution in the Pacific region.

The course would be based on management competencies required by senior managers. It would offer the opportunity for managers to specialize in corporate enterprise or government finance. In addition to financial management modules, the course would include developing strategic and corporate plans, leadership,

teamwork, human resource management and development, staff supervision, and performance management. The course would involve practical and written assessments and course material. Case studies would be based on the Kiribati experience with reference to countries with comparative experiences.

The course would be delivered in modules, probably over a two-year period and would involve face-to-face workshops, action research projects that will result in measurable improvement of performance in organizations, in-country mentoring and tutoring, and video conferencing with E-mail and/or telephone hotline assistance for students. The pattern of course delivery could include 5-day workshops with weekly seminars and follow-up tutorials. This pattern would require the extended presence in Kiribati of a coordinator/mentor who is an experienced senior manager able to act as a tutor, provide mentoring, and facilitate the seminars.

In order to reward those managers who complete the course successfully, the final module could be conducted at the campus of the tertiary institution conducting the course. Students eligible to attend the final module overseas would be those who had successfully completed all the previous modules. The final module would involve site visits and possible work attachments with organizations similar to those in which the students were employed in Kiribati. Students would be expected to produce a comparative research paper based on their international experiences and outlining future strategies to improve their organization.

Outputs from the course would include training materials and manuals, graduates with diploma-level qualifications, and measurable performance improvement in an aspect of the organizations from which students have come.

Outcomes from the course would include a cadre of senior-level managers with knowledge, skills, and experience to implement corporate plans and continuously improve their organizations. Additionally, a professional development organization could be established from the cadre of managers taking part in the program and other public and private sector managers in Kiribati.

It is possible that a course of this kind could attract external funding under a bilateral or regional aid program.

Statutory Restructuring of the Revenue Equalisation Reserve Fund

The proposed strategy to restructure the Revenue Equalisation Reserve Fund (RERF) has two main components:

- The enactment of legislation governing the funds now included in the RERF. The status of the RERF as a crucially important national asset would be recognized by a new law defining its nature, purpose, and rules of governance. The title of the new law might be the Kiribati Reserve Funds Act.
- The separation of the present RERF into two funds. The new law would establish a protected reserve fund (or core reserve), invested in international financial markets, to which the Government would not have access, and an accessible reserve fund, invested in Australian dollar assets only, from which the Government could draw down money into the national budget by parliamentary appropriation.

For discussion here, the protected fund is called the National Reserve Fund (NRF) and the accessible fund is called the Government Reserve Fund (GRF).

The NRF would feed the GRF by automatically paying over its surplus earnings after maintaining its own real value per head of population. The statutory first call on the earnings of NRF would be to maintain its own required real value per head. If market or exchange rate movements caused the fund value to fall below that level, no transfer to GRF would be permitted until NRF value had been rebuilt to the required level and a surplus earned. Surplus capital value in the NRF, accumulated in excess of the maintained real value per head, would be transferable to the GRF on government request in the form of a motion approved by parliamentary resolution.

The GRF, which would not incur exchange rate gains or losses because it would hold only Australian dollar assets, would also hold and suitably invest such funds as the Government has from time to time surplus to current needs, e.g., unappropriated or unspent windfall revenues.⁹²

This strategy recognizes that the core reserves are a national asset, to be held in the NRF, protected, and passed on undiminished in real value per head from government to government under the supervision of parliament. It also recognizes the need for the government of the day to have access through suitably formal process to money held in the GRF for both recurrent budget support and development projects, and provides for this access to be through appropriation by parliament on motion by the Government.

The act of parliament establishing this structure would be entrenched in a similar manner to the Constitution itself, requiring a two thirds majority in parliament to change it.⁹³ The act would provide rules for the transparent and accountable governance of both funds.

Importantly, the proposed strategy removes the need to have a preset limit on the draw down into the budget in any given year. Because the drawings no longer come from the NRF, the core reserves held there are not exposed to the risk of an excessive draw down. The NRF is not accessible to the Government, except by moving an amendment to the entrenched statute—a process that ensures full public and parliamentary transparency and makes the event one of major political significance.

The status of the GRF would be closer to that of the present RERF, with some important differences. The Government will be

able to draw what it needs for current and capital purposes from the GRF by including those amounts and purposes in an Appropriation Act, thus ensuring public knowledge of the proposed transactions. The statute would provide that GRF moneys cannot be drawn down other than by a voted appropriation, i.e., access to GRF as a contingency provision would not be allowed.

By the same token, however, the Government will only be able to draw down what is available in the GRF. This limitation will require the use of multiyear budget projections and active forecasting and management of government cash flow. It will promote the use from time to time of local bank overdraft facilities, and in due course the issue of Treasury bills into the local capital market⁹⁴ to raise short-term funds for the Government and put some domestic impetus into deposit interest rates.

To back the issue of government debt and as a matter of wider public confidence, there will be a need for the GRF to contain sufficient funds to act as a cushion in case the NRF encounters one or more years of adverse market conditions that limit or even prevent the transfer of surplus income to the GRF.

A critical decision to be made within the strategy is how to divide the RERF between the two new funds. Trade-offs between conflicting objectives are involved, and this is one of the key points at which they will be decided. The Government would need to consider the matter carefully and justify its conclusions to parliament when bringing forward the proposed new law. The conflicting requirements are that

- the NRF should be established with as large a real value-per-head base as possible, to provide the greatest assurance of future budget support;
- the GRF should be established with a base big enough to provide funds for several years recurrent budget support—the "buffer" function—plus a reasonable "capital reserve" to enable transfers to the Development Fund for domestically-funded projects.

To illustrate this, assume the RERF has a value of \$650 million at change-over day at the start of 2004.⁹⁵ Assume a decision is

made to establish the NRF at a value of \$600 million and the GRF at \$50 million. The NRF then has a value of about \$6,300 per head in 2004 prices, or \$5,000 in 1996 prices, about 11% higher in real terms than the current mandatory real value set in 1996. This could be adopted as the new real value per head to be maintained by NRF.

Assuming an opening value of \$600 million, a nominal rate of return on the NRF portfolio investments of 6.5%, stable exchange rates, population growth at 1.7% and inflation at 2.5%, NRF would be earning \$38–40 million a year in 2004–2005, retaining about \$25 million to maintain its real value per head of population, and transferring \$13–15 million to GRF.⁹⁶

GRF would start off with \$50 million (around four times its expected income from NRF), and would receive the \$13–15 million from NRF at the end of the year. GRF would earn an investment income on undisbursed funds of around 5% (Australian bonds), say \$2 million a year on an average balance of \$40 million.

The distinct objectives and procedures of the two funds would be spelled out in the establishing statute. They could readily share one board of directors, chaired by the Minister of Finance. The board should include financially experienced members from civil society, with reasonable security of tenure. The board would meet regularly, and the secretarial and local accounting operation would require a competent full-time secretary-accountant.

GRF would be established by liquidating (in the above example) \$50 million worth of RERF assets and transferring the proceeds to GRF, to be invested in Australian dollar assets and managed according to objectives and performance criteria reflecting the purposes of the GRF.

Existing RERF funds managers would be invited to bid for management of the GRF, along with others with institutional links with Kiribati. Close liaison between the GRF fund manager and budget planners and cash flow managers of the Ministry of Finance and Economic Planning would enable the transaction costs of GRF to be minimized.

Adoption of the proposed strategy would set off a process involving considerable administrative and legislative activity, likely to take a year to complete. The outcome would be a set of

arrangements providing much greater protection for the core functions of the RERF, together with increased flexibility in budgetary and financial management for the government of the day, all under more effective parliamentary supervision.

Kiritimati (Christmas Island), Kiribati's Newfound Land

Kiritimati, with a land area of 388 square kilometers (km²), is the largest atoll in the Pacific. It lies at the southeast end of the Northern Line Islands, 3,500 km east of Tarawa and 2,200 km south of Honolulu. The Line (except for Palmyra) and Phoenix islands were included in the Republic of Kiribati at independence, more than doubling its land area and extending its EEZ 5,000 km across the central Pacific. During the colonial period, when they were administered as part of Gilbert and Ellice Islands colony of the United Kingdom (UK), coconut plantations and a trans-Pacific cable relay station were established on Teraina (Washington) and Fanning (Tabuaeran) islands. Further south, in the Phoenix group, a short-lived government resettlement scheme for people from the southern Gilberts was established in the 1940s, and a trans-Pacific air refueling station set up on Kanton during the Pacific War was maintained into the 1970s.

Kiritimati was virtually uninhabited until the mid-1950s. It was then chosen as the base for the UK's H-bomb tests because it was a remote colonial possession, generally enjoying fine weather and used only as a breeding-ground by millions of sea-birds. Now, two thirds of the atoll is a government-administered wildlife reserve with a rich and rare stock of fish and birds. The other third is inhabited by about 5,000 people living in three villages and one urban center, among scattered coconut plantations dating from the

1960s and 1970s. The equatorial climate is moderated by year-round easterly winds. The island is prone to droughts broken by periods of heavy rain. Kiritimati is atop a mountain thought to be still rising from the seabed.

Since the mid-1980s, the Government has been resettling people from the Gilbert Islands into Teraina, Tabuaeran, and Kiritimati, and encouraging economic development on Kiritimati based on sport fishing and marine exports. As a result, Kiritimati has experienced rapid population growth and in the 2000 census, 50% of persons aged 15–54 were reported to be engaged in cash-earning activity, a similar rate to that in South Tarawa.

Most residents of Kiritimati feel that they are better off than people elsewhere in the country, citing as the reasons:

- Availability of land free of customary interests. All land in the Line and Phoenix islands is owned by the State. There are no indigenous inhabitants. Grants of freehold and leasehold interests carry none of the inherited kinship obligations that burden land at home. A sense of space and freedom pervades Kiritimati society.
- Easy access to plentiful natural resources, in contrast to the Gilbert Islands and the smaller Line and Phoenix islands. Coconuts are easy to find and free to the finder (licenses to make copra are available at a small fee). Fish are plentiful in the lagoon and open sea. Large freshwater lenses are now being tapped by an AusAID project for safe drinking water in villages (cost to the consumer through metered supply to individual household header tanks is \$1.50/1,000 liters).
- Relative proximity to the commercial and communications facilities of Honolulu, three hours away by jet, putting Kiritimati within easy reach of the United States and Canada.
- Better availability of jobs and business opportunities.

They also cite negative aspects of life and work on Kiritimati:

- The sense shared by many public officers of being both excluded from policymaking in Tarawa and micromanaged (badly) by departments 3,500 km away.
- The higher cost of petroleum fuel and goods shipped from Tarawa (the inter-island freight levy only equalizes costs in the Gilbert Islands).
- Distance from specialist health services and higher education and training facilities.
- Lack of the intellectual and social stimulus (and stress) that occurs in more crowded communities, reflected in some residents' description of Kiritimati as "boring."
- Family separation. People in Kiribati are used to this, but for those in Kiritimati the distances are greater and the opportunities for visits less frequent.

On balance the positive factors win. Kiritimati is attracting a net inflow from the rest of Kiribati, estimated locally at more than 500 persons a year, coming to join relatives and look for work. The 2000 census population of just fewer than 3,500 was believed to be about 5,000 in mid-2002 (close to 4,000 in Ronton and Tabwakea). There are mixed reactions to this growth among the existing residents. Many feel that inward movement should be restricted, as when Kiritimati was a closed district under colonial legislation. Others accept that freedom of movement is a constitutional right in Kiribati, and that access to the "good life" of Kiritimati cannot be limited to a lucky few.

Kiritimati is administered by the Government through the Ministry of Line and Phoenix Group (MLPG). Unlike Teraina and Tabuaeran, there is no Island Council. Power and water are supplied in the main settlement areas by units of MLPG. Other ministries maintain departmental branches or technical units attached to MLPG, funded by warrants on main budget heads issued to MLPG. Conflicts

arise about the use of such funds. The coordinating role of MLPG is reported to be problematic, with Tarawa ministries issuing direct orders to their Kiritimati offices without consulting MLPG, often with inadequate grasp of the local situation, leading to confusion and delay. An area of particular concern is the land-use planning and allocation process, where large numbers of apparently in-order applications have been held up in Tarawa for two years without explanation. Effective development administration requires executive powers to be delegated and exercised locally, under clear policy rules and strong accountability.

All the main public enterprises (PEs) are represented in Kiritimati, plus extra PEs in fisheries and tourism. Many of them suffer from uncompetitive cost structures and attitudes and lack of market awareness, like their Tarawa counterparts. This is handicapping the Kiritimati economy, particularly in the export-oriented sectors of fisheries and tourism (seaweed and copra are exported through Tarawa). The private sector consists of a small group of large trading operations, a strong live-fish export sector, several well-established small building contractors/brick makers, an emerging bus transport sector, several bars and discos, and large numbers of retail shops, hawkers, bakeries, video libraries, and fish sellers. Attempts to organize a business association have faltered and private enterprise lacks a unified voice. More private investment, including foreign investment, is needed in the productive and export-oriented sectors if the Kiritimati economy is to keep pace with the growth of population. Tourism, food-fish export, and solar-salt enterprises are all candidates for expansion through injections of overseas capital, management, and marketing skills.

At the same time, the natural resources that attract investment will have to be sensibly managed. Falling catches of bonefish are reported by (catch-and-release) tourist fishers, and of aquarium fish by live-fish exporters, indicating increased catch of bonefish for food by local fishers and unsustainable collection by aquarium fishers. The Conservation Unit, patrolling the vast nature reserve to protect fish and birds, reports continued problems with human poachers, and with wild cats, dogs, and rats—some of the four-legged predators descended from shipwrecked ancestors long ago; some are more recent arrivals.

Kiribati Oil Company has a substantial operation on Kiritimati, selling weekly 40,000 liters of diesel, 15,000 liters of gasoline, and 12,000 liters of aviation kerosene. The storage tanks (some built in the mid-1950s) are refilled by a coastal tanker from the Fiji Islands every three months. Kiribati Ports Authority has acquired a new wharf on the northwest ocean coast and a 45-ton mobile crane, transferred by NASDA (the Japanese aerospace development agency) as part of the space vehicle test program HOPE-X deal, and has purchased equipment and buildings left from the wharf construction. The Authority plans major storage construction in the wharf area.

Branches of Telecom Services Kiribati Limited (TSKL) and the Bank of Kiribati make strong contributions to the total profits of each organization by providing technically adequate services at prices free of competitive constraints. TSKL faces a pressing need to upgrade the telephone and internet service to important outlying commercial and residential sites. The Development Bank of Kiribati, Kiribati Provident Fund, and Kiribati Insurance Corporation operate branch offices in Kiritimati, nominally also serving the other Line and Phoenix communities. All these agencies provide readily accessible services in “secondhand” but pleasant and well-kept premises in the chaotically laid-out government and business center, Ronton (London).

Education services are well up to national standard, with over 800 children in primary schools, 350 in one junior secondary school and 100 in a new church-run senior secondary school, all located between the main settlements of Ronton and Tabwakea. Some students attend senior secondary schools on Tabuaeran (and elsewhere). University of the South Pacific Foundation and 100-series courses are accessible through the Education Office. There are presently no formal facilities for infants or the disabled.

Health services are based on a health center with four beds, and village clinics. When fully staffed with 3 doctors and 15 nursing staff, this will provide adequate coverage for primary health care and basic surgery. Health problems show patterns normal for Kiribati but include higher levels of obesity than Tarawa, particularly among women, attributed to the relatively easy access to fish and coconuts, and higher cash incomes per head. Medical and surgical cases requiring referral go by sea to Tarawa or in emergency by air to Honolulu.

All the main churches operating in Kiribati are active on Kiritimati, providing support for youth and women's group activities and counseling for those in need. Juvenile crime and family break-up are reported to be at a low level. There is no standing coordinating machinery for churches or other civil society organizations.

Air and sea transport is crucial to the Kiritimati economy. Weekly passenger and monthly freight services are provided by Aloha Airlines on charter to Air Kiribati, with costs shared by NASDA. Freight services have been chartered by private enterprise on occasion, despite official opposition, when the regular freight charter was withdrawn. There are proposals to base an inter-island plane at Kiritimati to link the Line and Phoenix islands as was done some years ago. This would greatly improve urgent freight and government services to the outer islands.

Shipping services from Tarawa by private vessels operate every one to two months, calling also at Tabuaeran and Teraina, and occasionally at Kanton. These bring in passengers and general cargo, and take out passengers, copra, seaweed, and dried and frozen fish. Occasionally, a cargo ship calls from Hawaii or Japan, e.g., for the NASDA project. The MLPG is preparing to operate a confiscated longline fishing vessel, refitted for passengers and cargo, as an inter-island government service. Tourist vessels have suspended calls at Kiritimati because of the removal of reception facilities and a sharp rise in fees—decisions attributed in Kiritimati to a misguided bureaucracy in Tarawa. By contrast, tourist cruise ships are calling at Tabuaeran weekly, soon increasing to twice-weekly, transforming the local economy and causing decline of the formerly flourishing production of seaweed by villagers who do not have time for both tourism and seaweed farming activities.

The Kiritimati economy has been boosted by the NASDA HOPE-X project. The 20-year agreement for use of the 1.8-km Aeon airfield provides for transfer to the Government of the deepwater wharf and various civil works needed for the project, and annual rent of \$1.3 million from 2007 to 2020. The engineering works are completed and a joint venture company has been formed by the Government and Dai Nippon to maintain them. It would be unwise to base wider development plans for Kiritimati on expectations of NASDA expenditures. Such budgets are notoriously

liable to substantial adjustment or postponement in both Japan and the United States.

A further boost should come in 2003–2004 from the clean-up of 40-year-old military waste on Kiritimati. No radioactive material is believed to be present, but there are numerous dumps of rusted vehicles, asbestos materials and other long-lasting relics to be removed, with the aim of restoring the land to its pre-1956 condition. The project, to be wholly funded by the UK Ministry of Defence, is expected to take up to two years. It is being designed to provide technical training and short-term employment for artisans on the atoll. If increased investment in tourism and shore-side fisheries activities can be organized during that period, there is scope for a sustained uplift in economic activity on Kiritimati.

An Outer Island Village: Onomwaru, Butaritari

The Onomwaru Village Survey

A survey was conducted of Onomwaru Village on Butaritari Island to explore issues raised in consultation with the Island Council, national government officers, and representatives of key community groups.

Butaritari Island, the second most northern island of the Gilbert Group, is characterized by the highest rainfall in Kiribati and a relatively good agricultural potential. It is a coral atoll of approximately 13.5 square kilometers with a population of approximately 3,500 (the second largest population outside Tarawa).

Onomwaru is one of 13 villages on the island. Most facilities used by the community are found in the neighboring village, which houses a staffed health center, a primary school, the Island Council's offices, and the island's only junior secondary school (JSS).

Survey Methodology

The survey was based on a short questionnaire of 26 questions covering aspects of education, health, telecommunications, rubbish disposal, drinking water, expenditure, village activities, and coconut production.

The survey was implemented by two mixed-sex groups, each comprising an I-Kiribati enumerator who conducted the interviews and an international consultant as a second enumerator.

The interviews/survey questions were conducted in the I-Kiribati language drawing on an English questionnaire. The questionnaire was tested within the survey groups and with the village councilor, who is also the chief councilor of the island.

Onomwaru was selected because it overlapped the catchment area of the local health center and village primary school, staff of which had been consulted separately to establish key issues affecting the local community.

Residents of randomly selected households in the village were interviewed. A household was defined as a group of persons who share the same food (and would normally encompass a number of dwellings on a small plot of family land). A household member was anyone normally sleeping with the group at the time of the survey.

The list of households from which the sample was selected was prepared by the village councilor. The household list drew on the councilor's local knowledge and the list of households identified in the village bank records (of which the councilor was the secretary). Respondents in 35 of a total of 53 households were interviewed in late May 2002.

Key Findings

The key results of the survey are presented in Table E.1. This section summarizes the key implications of these results and provides additional insights based on consultation with government officials and community representatives.

The survey presents encouraging perspectives on the usage of key government services: education and health. Almost all families reported that all school-age children were at school at the village primary school. Of the small number of children not attending school, half were older children no longer interested in school, while the remainder had special educational needs. The high participation rate is a positive indicator of the ability for households to access schools and of the perceived value of education. The latter appears to be a reflection of both the quality of schooling and the potential use of an education (e.g., securing a government job).

Encouraging perspectives on the quality of education were also provided by the findings that all adults could easily read the Uekera (the local language newspaper), and that most parents believe their children are receiving a better education than they did. Reasons cited for the improvement in education included improved teaching skills and resources and improved accessibility to classrooms (which encompassed an improved availability of classrooms). Only parents educated elsewhere spoke negatively of the current quality of education.

However, there were some negative observations on education in the village. The survey found some instances of over-age children, and the lack of options for children with learning difficulties is of some concern. Separate discussion with village representatives raised some concerns regarding truancy, and the poor state of the school buildings of both the old primary school and the new JSS. The poor state of the JSS (e.g., cracked water tanks, no toilet facilities, no electricity, poorly fitted doors, absence of painting, cracked floors) is particularly disappointing given its very recent construction.

Slightly more than half of the households surveyed reported that at least one household member had been sick in the previous five months (since Christmas). Almost all of those that fell sick attended the health clinic and received treatment. This high attendance is a further encouraging finding of the survey. Typical sicknesses reported were flu, coughing, and diarrhea. Consultation separate to the survey pointed to considerable difficulties faced in treating serious cases (e.g., life threatening births and burns) because of communication and transport constraints and the (understandably) limited training of staff.

A good awareness in the community of health issues was also evident in the finding that almost 100% of households boiled their drinking water. Households that did not always boil drinking water all sourced their drinking water from either their own rainwater tank or a tap connected to the village's rainwater tank. It was reported that there had previously been a widespread occurrence of diarrhea, but this had been controlled when all users of groundwater began boiling their drinking water.

Rubbish disposal was found to be fairly evenly spread among the three options of throwing the rubbish in the water/leaving on

the beach, leaving in a heap on the household's property, and burial. Some households also burned their rubbish.

The absence of reliable, affordable, and private telecommunications appears to be an important issue. At present, outward calls from the island can be made either via private CB radio to another CB, or calls can be made to Telecom Services Kiribati Limited (TSKL) in Tarawa via the Island Council's CBs, which provide a connection to the TSKL phone network. The cost of an outward call on the latter is \$2.70 for 3 minutes for private individuals. The police, the airport, and the health clinic also have their own radios, although the CB of the health clinic had not been operating for at least 12 months. The Island Council's CB had also been in a poor state for some months.

Twenty of the 35 households surveyed had not contacted anyone off the island in the previous five months. Most of those households reported that they did not have a message that was important enough to warrant a call. A few reported difficulty using the service because it was complicated and they were concerned by the lack of privacy. Almost all households reported that they were prepared to pay for a better service. Discussion suggested that an important aspect of a better service was improved reliability and an ability to make private calls (e.g., via a public phone and not on open radio system).

Most households interviewed also reported a willingness to pay for better education and health services. Specifically, there was a willingness to pay for medicine if it was not available at the health center/clinic and for school books for children. This is significant because both the local health facilities and schools were short of materials, but at present households are unable to help correct this shortage through their own contributions. The willingness to contribute was normally expressed subject to the qualification that the cost be affordable.

The strong sense of community apparent in consultation was confirmed by an active interest in village activities. *Maneaba* services/meetings and church services were reported as the most enjoyable village activities.

Copra provides one of the main on-island sources of income. However, almost all households pointed to difficulties in copra

production arising from coconut trees not bearing enough fruit. Almost two thirds of those cited rats as the main problem. In discussion, some success with rat poison was identified. However, it appears that households believe that the distribution of rat poison is the responsibility of the Ministry of Natural Resources and Development and do not place poison themselves. This is probably because, to work well, rat poison must be spread widely and not just by an individual household.

Cash expenditure on household items was used in the survey as a proxy for income. Income can be very variable whereas expenditures tend to be smoothed over time and provide a better means of estimating the average or typical income level. Actual incomes may exceed expenditure if households save or, and this is more likely, if incomes are redistributed to other family members.

A considerable share of food in the village is harvested from, or grown on, a household's property (e.g., taro, breadfruit, eggs, and chickens) or from the lagoon or sea. Most structures are built from traditional materials. Consequently, cash expenditures can be low, yet a household can be well fed and housed.

Normal monthly household expenditure was found to range from \$6.50 to \$200.00, or \$1.10 to \$100.00 per household member. While some households appeared to achieve a good standard of living on low cost expenditures, it was clear that some households were in a difficult position. Although the causes of hardship were not investigated in detail, it appears that contributing factors were a small block of land and the absence of a male old enough to work.

High household expenditure was reported by households where either the son or, more usually, the husband worked as a seafarer or offshore fisher. Expenditures also tended to be relatively higher in households where one member worked for either the national Government or local Island Council. Other important sources of cash were relatives, weaving, copra, and local fishing.

Table E.1: Tabulation of Results from the Onomwaru Village Survey

	Total Households (No.)	Proportion of Households (%)
A. Health		
Households with someone sick in previous 5 months	19	54
Of these, households that visited a health center/clinic for their most serious illness	17	49
For those that did not, main reason why they did not:		
- sought traditional healer	1	3
- other	1	3
- total	2	6
Households prepared to pay for medicine if unavailable at the health center/facility	24	69
B. Rubbish		
Main way of disposing of rubbish (number):		
- burn	5	14
- bury	8	23
- throw in water/on the beach	12	34
- make a heap	10	29
Households prepared to pay to have rubbish collected	10	29
C. Water		
Main source of drinking water (number of households):		
- total	35	100
- groundwater	21	60
- tank water	8	23
- piped water from a tap	6	17
Households that always boil their drinking water by source:		
- total	28	80
- groundwater	21	60
- tank water	3	9
- piped water	4	11
D. Education		
Households where all school-age children are at school	26	74
Households with school age children	30	86
Main reason for not attending school:		
- total	4	11
- not interested	2	6
- education impaired	2	6
Households that believe their children are getting a better education than they did	22	63
Households seeing the main reason for this as		
- total	23	66
- better access to/availability of facilities	6	17
- better teaching skills	7	20

Table E.1: (continued)

	Total Households (No.)	Proportion of Households (%)
- better teaching resources	4	11
- other	6	17
Households with members who visited the school in the previous term	15	43
Households where all adults can read the Uekera easily	35	100
Households prepared to pay for books for children at school	28	80
E. Telecommunications		
Households that had not contacted people outside Butaritari in previous 5 months	20	57
Main reason for not contacting anyone:		
- total	17	49
- no one to contact	3	9
- absence of an important message	9	26
- lack of privacy	1	3
- other	4	11
Households prepared to pay for a better service	31	89
F. Village Benefits		
Number of households identifying as the most important village activities:		
- total	35	
- church	11	31
- <i>Maneaba</i> meetings/services	12	34
- dancing	4	11
- other	8	
G. Coconuts		
Households with coconut trees that do not bear enough fruit	30	86
Households where the main reason for this is seen to be		
- rats	21	60
- trees too young		
- soil no good		
- other	9	26
H. Expenditure		
Average monthly expenditure by main income source:		
- relatives	62	15
- local fishing	31	8
- seafarer or offshore fisher	122	20
- agriculture	52	9
- work paying a wage/salary	102	13
- other	76	15

Annex F

Persons Consulted

ORGANIZATION	PERSON	POSITION
SOUTH TARAWA		
<i>Aia Maea Ainen Kiribati</i> Air Kiribati	Meere T Riwata Sam Tiira Moemoe Kaam	President Acting CEO Financial Controller
Atoll Motor and Marine Services Ltd Atoll Seaweed Company Ltd Australian High Commission	Baie Teanako Kevin Rouatu Colin Hill Nigel Ewels	Managing Director Chief Executive Officer High Commissioner First Secretary
Bank of Kiribati Betio Shipyards	Tony Corrigan Renata Redfern Temaia Ereata	Managing Director Financial Controller General Manager
Betio Town Council	Tonganibeia Taam Tioera Baitika	Chief Councillor Clerk
Broadcasting and Publication Authority BSVL	Tibwere Bobo Riteti Maninraka	Editor, Te Uekera Chairman
Catholic Education Office	Sister Alaima Talu Sister Margaret Barerei Onorio	Director of Catholic Schools Senior Education Officer General Manager
Central Pacific Producers Chamber of Commerce	Lawrence Muller Aree Redfern James Schutz Moannata Ientaake Services Ltd Linda Ueanteang Tatieta Kannangaki Teririko Anre	President Fern Trading FFC Atoll Motor and Marine
Development Bank of Kiribati	Mareta Teken Naata Tekeaa	LU Trading Abamwakoro Trading Limited DTS Finance Manager Lending Manager

ORGANIZATION	PERSON	POSITION
	Roota Maeao	Senior Loans Officer
European Union	Darryl Sextone	Representative
Fern Trading	Aree Redfern	Manager
Fisheries Training Centre	Kamaua Bareua	Principal
Foundation of the South Pacific, Kiribati	Taoniti Irata	Assistant Director
I-Kiribati Video Resource Unit	Linda Uan John Anderson	Manager Director/Trainer
Kiribati Copra Co-operative Society Ltd	Rutiano Benetito	General Manager
Kiribati Copra Mill Company	Katarina Tofinga	Chief Executive Officer
Kiribati Customs Service	Tonganbeia Tamoa	Senior Customs Officer
Kiribati Development Bank	Kietau Tabwebweiti	General Manager
Kiribati Family Health Association	Katikoua Amon	Executive Director
Kiribati Handicraft and Local Produce Ltd	Ienimoa Kiatoa	Manager
Kiribati Housing Corporation	Taam Biribo	General Manager
Kiribati Seamen's Union	Tatoa Kaiteie Norati Anterea	Chairman General Secretary
Kiribati Ports Authority	Willie Maen	
Kiribati Protestant Church	Teruro leuti	Secretary for Education
Kiribati Provident Fund	Veronica Tibana	Finance Manager
Kiribati Shipping Services Ltd	Tetangare Teinai Reuee Tabutoa	Financial Manager Director
Kiribati Teachers' College	Temanori Tiree	Principal
Kiribati National Audit Office KSCL	Teea Tira Kabiri Kikih	President General Manager
Marine Training Centre	Claus Conen	Captain
Ministry of Commerce, Industry and Tourism	Tenanora Tekanene Bweitu Nabau Bweitu Tion Martin Tofinga	Director of Industry Senior Assistant Secretary Senior Assistant Secretary Director of Commerce
Ministry of Education, Training and Technology	Alisi Tira Takei Taoaba Timau Tira Atireti Taikone Karabi Baate	Education Officer Permanent Secretary Chief Education Officer Senior Assistant Secretary Assistant Curriculum Development Officer

ORGANIZATION	PERSON	POSITION
Ministry of Environment	Bibiana Bureimoa Amon Timan	Assistant Curriculum Development Officer Deputy Director Community Development Services
Ministry of Finance and Economic Planning	Tessie Eria Lambourne Teurakai Ukenio Hon Benjamina Tinga Tebwe Ietaake Teuea Toatu Ngaaina Teiwaki Vass Blanchikov	Senior Assistant Officer in Charge, Social Affairs Minister Permanent Secretary Economic and Finance Adviser Finance Deputy Auditor AusAID Strengthening Mgt. Info. Systems Project Director, NEPO Senior Economist, NEPO Economist, NEPO Senior Economist (Investment)
Ministry of Health	Tukabu Tauati Faitele Mika Takuia Uakeia Timau Tira Elena Tuneti Korimara Takoa Baraniko Viane Ioeru Tatapu Terenga Itibita Akee Rotanu Raera Tamen Dr Airam Metai	Economist (Investment) Senior Assistant Secretary Chief Education Officer Assistant Physiotherapist Assistant Secretary Biomedical Department Chief, Health Information Centre Chief Nursing Educator Chief Nursing Officer Dental Therapist Director of Public Health Services
Ministry of Home Affairs and Rural Development	Tebuka Toatu Rota Etera Dr Takeieta B Kienene Dr Baranika Temariti Kotii Torite Erene Nikora Harry Redfern Kabure Temariti Kuareta Rimon Rine Ueara Manikaoti Timeon Teramweai Itinraoi	Laboratory Superintendent Nursing School Permanent Secretary Registrar, Tungaru Hospital Senior Health Education Officer Director of Land Management Land Planning Officer Assistant Secretary Acting Rural Development Officer (Village Banks) Senior Local Government Officer Senior Rural Development Officer Permanent Secretary

ORGANIZATION	PERSON	POSITION
Ministry of Information, Communication and Transport Ministry of Labour, Employment and Co-operatives	Francis Ngalu Mareweia Redfern Ngutu Awira Raimon Taake Taatu Teburea Takuia Uakeia	Permanent Secretary Chief Cooperative Officer Assistant Secretary Permanent Secretary Acting Director Senior Assistant Secretary
Ministry of Natural Resources Development	Tukabu Teroroko Maruia Kamatie Johny Kirata Tetoaiti Tabokai Naomi Atauea	Permanent Secretary Deputy Secretary Chief Fisheries Officer Senior Resource Economist Minerals Officer
Ministry of Works and Energy	Teekabu Tikai Pita Iabeta Daniel K Taeba	Permanent Secretary Assistant Secretary Deputy Secretary
National Employment Register New Zealand High Commission	Tatu Teburea Neil Robertson	Chief Registration Officer High Commissioner
Office of the Auditor-General	David Lambourne Takinoa Toatu Mr Mareko Tebuabua Mr Toromon Metutera Maunana Tuare	Solicitor-General and Registrar of Companies Auditor-General Officer-in-Charge Principal Auditor General Manager
Office of the <i>Beretitenti</i>	Bureti Williams	Secretary to Cabinet
People's Republic of China Embassy Plant and Vehicle Unit Police Service Public Service Commission	Ma Shuxue Romatoa Ubaitoi Allan Timona Tion Otang Tua Eritai	Ambassador Acting General Manager Statistics Chairman Secretary
Public Service Office	Tebuai Uaai Wiriki Tooma Teakai Tune	Secretary Deputy Secretary Management Information Officer
Public Utilities Board	Tekai Tune Tokia Greig Teburea Maio	Information Officer General Manager Officer in Charge
<i>Reita n Aine i Kiribati</i>	Rite Tira	President

ORGANIZATION	PERSON	POSITION
Sanitation and Public Health Education Project Solar Energy Company Limited South Pacific Marine Services	Kianteata Teabo Rutete Ioteba Volker Kant	Project Manager General Manager Manager
Tarawa Technical Institute Teinaimanao Urban Council	Taeboa Tabanga Kauriaa Buraua Kabwearuru Kirataa Reference Committee	Principal Chief Councillor Clerk Reference Committee
<i>Teitoiningaina</i> (Women's Organization) Telecom Services Kiribati Ltd.	Aren Teannako Riteti Maninraka Taom Kaitara	President Chairman of the Board General Manager
University of the South Pacific	Uentabo Neemia Mackenzie	Associate Professor
Voluntary Service Overseas, Kiribati	Cindy Fair	Director
Women's Development Centre	Aren Teannaki	Executive Officer
BUTARITARI		
Agriculture Section <i>Aia Botaki Ainen Butaritari</i> (Women's Development Group Butaritari) and Butari Youth Association	Rui Tibau Ataruru Nanuati, Mereue Enri, Saili Kirititoba, AkataTakea, Teebora Kondria, Rotiari Kanoua, Kiratabweowe Marewe	Agricultural Assistant, Butaritari members
Airenkarawa Memorial Primary School	Routia Takenimwakin	Head Teacher
Butaritari Island Council	Beiabure Beniamina Burantemanoku Timon	Chief Councillor, Butaritari Island Clerk Copra Agent Council member Council member
Butaritari JSS		Teacher accounting, music, social science, Teacher science
Health Clinic, Butaritari	Beia	Officer in Charge

ORGANIZATION	PERSON	POSITION
SDA Church	Tengon Taabuke	SDA pastor, Butaritari
Village Bank Butaritari		Village Bank members
Women's Development Group Butaritari	Saili Kirititoba	
KIRITIMATI (CHRISTMAS ISLAND)		
	Taukeke Karotu Baaroo Namai Jacob Teem	District Education Officer Chief Land Management Officer Member of parliament and businessperson
	Dr Eritane Kamatie John Bryden Alfred Smith, Toarei, Namoriki Eddie Smith Tangi Robuti Iteata Tuana	District Medical Officer Businessperson Pet fish exporters Fishing guide and lodge owner Immigration Officer in charge Senior Exam. Officer i/c Customs
Atoll Seaweed	Kevin Rouatu	Manager
Bank of Kiribati Limited	Kaimemeri Benetito	Branch Manager
Catholic Community, Kiritimati	Arikita Kakaina	Catholic Community, Kiritimati
Development Bank of Kiribati	Motiti Koea	Branch Manager
HOPE-X Project	Mikaere Baraniko	Coordinator
Kiribati Insurance Corporation Kiribati Oil Company Limited Kiribati Ports Authority Kiribati Protestant Church	Lolina Auriaria Tekaiti Yeeon Koubwere Keakea Rev Inginimarawa Tungoria	Branch Manager Manager Manager District Pastor
Kiritimati Maintenance Co.	Hisataka Endo	Director
Ministry of Commerce Industry and Tourism	Tom Temeta	Business Dev't. Officer

ORGANIZATION	PERSON	POSITION
Ministry of Line and Phoenix Group	Hon. Manraoi Kaiea Iamti Rakautu Elliot Ali Mire Raieta Kintoma Tearo Mabuora lotua	Minister Permanent Secretary Deputy Secretary Planning Officer Chief Fisheries Officer Manager
Public Works Department		
Telecom Services Kiribati Limited	Riteti Maninraka Ubatu Kaubati	Chairman Branch Manager
Unimane Association, Tabwakea village	Tabu Takaia	President
Village Banks	Ielu Inaantake	Assistant Project Officer

JSS = junior secondary school; NEPO = National Economic Planning Office; SDA = Seventh Day Adventist.
Note: The consultations were in mid-2002. Changes in positions and titles may have occurred since then.