

### SUMMARY STATEMENT OF STRATEGY

Objectives	Pro-Poor Economic Growth	Enhancing Social Development	Good Governance
<b>Strategic Focus</b>	<p>Promoting use of resources in a sustainable manner</p> <p>Creating an enabling environment for private sector development</p> <p>Increasing decentralization to give more empowerment to the people on the outer islands</p> <p>Promoting local community ownership in government funded projects by improving community consultations and participation</p>	<p>Ensuring access to safe water and proper sanitation on South Tarawa</p> <p>Improving living conditions and access to basic health and social services especially on the outer islands</p>	<p>Enhancing efficiency and effectiveness in the public sector</p> <p>Strengthening the Government's strategic planning capacity for sustainable poverty reduction</p>
<b>Ongoing and Proposed Loans</b>	Outer Islands Growth Centers (2006)	<p>Sanitation, Public Health, and Environment Improvement Project (1998)</p> <p>Water Resource Development (2007)</p>	
<b>Ongoing and Proposed Technical Assistance</b>	<p>Supporting Land Use Management on Kiritimati Island (2003)</p> <p>Feasibility Study on Outer Island Growth Centers (2004)</p> <p>Tourism Training—Line and Phoenix islands (2005)</p> <p>Outer Island Airport Upgrade (2007)</p>	<p>Capacity Building to Support the Outer Island Development (2002)</p> <p>RETA on Climate Change Adaptation Program for Pacific (2003)</p> <p>Water Resource Development (2005)</p>	<p>Strengthening Development Strategies &amp; Supporting Poverty Reduction (2001)</p> <p>Community Development and Sustainable Participation (2002)</p> <p>RETA on Pacific Aviation Safety Office Preparation (2003)</p> <p>RETA on Preparing a Pro-poor Subregional E-Government Project (2003)</p> <p>RETA on Alternative Negotiating Arrangements for Increasing Fisheries Revenues (2004)</p> <p>Local Governance Strengthening on Kiritimati (2006)</p> <p>Capacity Building for Water Use Optimization (2007)</p>
<b>Target Outcomes</b>	<p>Increased job opportunities</p> <p>Strategic plan for natural resource development and other private sector activities,</p>	<p>Increased access to safe water and sanitation</p> <p>Approval and implementation of the water and sewerage</p>	<p>Formulation of nationally - owned strategies on sustainable growth and more equitable distribution of income and opportunity incorporated</p>

Objectives	Pro-Poor Economic Growth	Enhancing Social Development	Good Governance
	<p>particularly on the outer islands</p> <p>Strengthened land use planning for private sector development</p>	<p>connection policy</p> <p>Protection of declared water reserves</p>	<p>into the Ministry Operation Plans</p> <p>Creation of in-country capability to undertake economic policy and planning</p>

RETA = regional technical assistance.

## COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

### Table A2.1: Progress toward the Millennium Development Goals and Targets

Goals and Targets	1990	1995	Latest Year
<b>Goal 1. Eradicate Extreme Poverty and Hunger</b>			
<b>Target 1: Reduce incidence of extreme poverty by half from 1990 to 2015</b>			
1. Proportion of population below US\$1 per day (PPP-values) (%)	—	—	38.0 (1996)
2. Poverty gap ratio	—	—	—
3. Share of poorest quintile in national consumption (%)	—	—	6.0 (1996)
<b>Target 2: Reduce the proportion of people who suffer from hunger by half from 1990 to 2015</b>			
4. Prevalence of child malnutrition (% of children under 5)	—	—	13.0 <sup>a</sup> (1997)
5. Proportion of population below minimum level of dietary energy consumption (%)	—	—	< 5.0 (1996)
<b>Goal 2. Achieve Universal Primary Education</b>			
<b>Target 3: Attain 100% primary school enrolment by 2015</b>			
6. Net enrollment ratio in primary education (%)			
Total	—	—	103.0 (2001)
South Tarawa	—	—	110.0 (2001)
Outer Islands	—	—	99.0 (2001)
7. Proportion of pupils starting Grade 1 who reach Grade 5	103.8 <sup>b</sup>	88.9 <sup>c</sup>	90.0 (2000 est.)
8. Literacy rate of 15–24 year olds (%)	—	—	95.0 <sup>d</sup> (2000)
Male	—	—	93.0 <sup>d</sup> (2000)
Female	—	—	95.0 <sup>d</sup> (2000)
<b>Goal 3. Promote Gender Equality and Empower Women</b>			
<b>Target 4: Eliminate gender disparities in primary and secondary education by 2005 and to all levels of education no later than 2015</b>			
9. Ratio of girls to boys in: (%)			
Primary education	98.0 <sup>c</sup>	97.0 <sup>c</sup>	97.0 (2001)
Secondary education	95.0 <sup>c</sup>	119.0 <sup>c</sup>	125.0 (2001)
10. Ratio of young literate females to males (% of age group 15–24)	—	—	102.0 <sup>d</sup> (2000)
11. Share of women in wage employment in the nonagricultural sector	—	—	37.0 (2000)
12. Proportion of seats held by women in national parliament	0.0 <sup>b</sup>	0.0 <sup>b</sup> (1997)	5.0 <sup>b</sup> (2003)
<b>Goal 4. Reduce Child Mortality</b>			
<b>Target 5: Reduce infant and child mortality by two thirds from 1990 to 2015</b>			
13. Under-5 mortality rate (per '000 live births)	88.0 <sup>b</sup>	77.0 <sup>b</sup>	69.0 <sup>b</sup> (2002)
14. Infant mortality rate (per '000 live births)	65.0 <sup>b</sup>	57.0 <sup>b</sup>	51.0 <sup>b</sup> (2002)
15. Proportion of 1 year old children immunized against measles	75.0 <sup>e</sup> (1989–90)	62.0 <sup>e</sup> (2000)	88.0 <sup>b</sup> (2002)

Goals and Targets	1990	1995	Latest Year
<b>Goal 5. Improve Maternal Health</b>			
<b>Target 6: Reduce maternal mortality ratio by three quarters between 1990 and 2015</b>			
16. Maternal mortality ratio (per 100,000 live births)	—	225.0	56.0 (2000)
17. Births attended by skilled health staff (% of live births)	—	72.0 <sup>a</sup> (1995–1997)	85.0 <sup>f</sup> (1998)
<b>Goal 6. Combat HIV/AIDS, Malaria and Other Diseases</b>			
<b>Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS</b>			
18. HIV prevalence rate among 15–24 year old pregnant women	—	—	—
19. Contraceptive prevalence rate (% of women aged 15–49)	19.0 <sup>g</sup>	20.9 <sup>f</sup> (1998)	28.0 (2000)
20. Number of children orphaned by HIV/AIDS	—	—	—
<b>Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases</b>			
21. Malaria:			
Prevalence rate (per 100,000 people)	—	—	—
Death rate (per 100,000 people)	—	—	17.0 <sup>b</sup> (2000)
22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures	—	—	—
23. Tuberculosis (TB):			
Prevalence rate (per 100,000 people)	—	—	39.0 <sup>b</sup> (2000)
Death rate (per 100,000 people)	—	—	6.0 <sup>b</sup> (2000)
24. TB cases, DOTS:			
Detection rate (%)	—	157.0 <sup>b</sup>	201.0 <sup>b</sup> (2001)
Treatment success rate (%)	—	83.0 <sup>b</sup> (1998)	91.0 <sup>b</sup> (2000)
<b>Goal 7. Ensure Environmental Sustainability</b>			
<b>Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources</b>			
25. Forest area (% of total land area)	38.4 <sup>b</sup>	—	38.4 <sup>b,h</sup> (2000)
26. Nationally protected areas (% of total land area)	—	37.0 <sup>b</sup> (1997)	36.6 <sup>h</sup> (2002)
27. GDP per unit of energy use (PPP\$ per kg oil equivalent)	—	—	—
28. Carbon dioxide emissions (per capita metric tons)	0.306 <sup>b</sup>	0.283 <sup>b</sup>	0.310 <sup>b</sup> (1999)
<b>Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water</b>			
29. Access to an improved water source (% of population) <sup>1</sup>			
Total	47.9 <sup>d</sup>	76.0 <sup>a</sup> (1995–1997)	60.0 <sup>d</sup> (2000)
Urban	76.0 <sup>d</sup>	—	77.2 <sup>d</sup> (2000)
Rural	32.7 <sup>d</sup>	—	49.5 <sup>d</sup> (2000)

Goals and Targets	1990	1995	Latest Year
<b>Target 11: By 2010, to have achieved a significant improvement in the lives of at least 100 million slum dwellers</b>			
30. Access to improved sanitation (% of population) <sup>i</sup>			
Total	24.4 <sup>d</sup>	46.0 <sup>a</sup> (1995–1997)	31.1 <sup>d</sup> (2000)
Urban	32.9 <sup>d</sup>	—	54.4 <sup>d</sup> (2000)
Rural	21.5 <sup>d</sup>	—	22.2 <sup>d</sup> (2000)
31. Access to secure tenure (% of population) <sup>i</sup>			
	—	—	92.2 <sup>d</sup> (2000)

— = not available, DOTS = directly observed treatment, short course; GDP = gross domestic product; kg = kilogram; PPP\$ = purchasing power parity in United States dollar

<sup>a</sup> United Nations Development Programme (UNDP), *Pacific Human Development Report 1999*.

<sup>b</sup> United Nations Statistics Division (UNSD), Millennium Indicator Database (2003), available: <http://millenniumindicators.un.org>.

<sup>c</sup> United Nations Educational, Scientific and Cultural Organization (UNESCO), Institute for Statistics, available: <http://www.uis.unesco.org>.

<sup>d</sup> Secretariat of the Pacific Community (SPC), Pacific Regional Information System (PRISM), available: <http://www.spc.int/PRISM>.

<sup>e</sup> United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), *Economic and Social Survey of Asia and the Pacific 2002*

<sup>f</sup> World Health Organization (WHO), Regional Office for the Western Pacific, Country Health Profiles 2001 Revision, available: <http://wpro.who.int>.

<sup>g</sup> ADB, *Key Indicators 2003*. Manila.

<sup>h</sup> World Bank, *The Little Green Data Book 2003*

<sup>i</sup> Figures for 1990 and 2000 are based on households not population.

Sources: Unless otherwise specified, data are from the Asian Development Bank (ADB), Discussion Paper on Assessment of Hardship and Poverty (Nov 2002), undertaken under regional technical assistance (RETA) 6002: *Consultation Workshops for Poverty Reduction Strategies in Selected Pacific Developing Member Countries (PDMCs)*. Figures from the Discussion Paper primarily based on the 1996 Household Income and Expenditure Survey (HIES) and the 2000 Census.

Table A2.2 Country Economic Indicators

Item	1999	2000	2001	2002	2003
<b>A. Income And Growth</b>					
1. GDP per Capita (US\$, current)	646	572	550	611	760
2. GDP Growth (% , in constant prices)	9.5	1.6	1.8	1.0	2.5
a. Agriculture	21.2	(7.5)	0.0	(4.1)	—
b. Industry	8.0	1.9	25.5	(10.1)	—
c. Services	4.3	5.4	(0.7)	3.0	—
<b>B. Saving and Investment (current market prices)</b>					
	(% of GDP)				
1. Gross Domestic Investment	—	—	—	—	—
2. Gross Domestic Saving	—	—	—	—	—
<b>C. Money and Inflation</b>					
	(annual % change)				
1. Retail Price Index (Tarawa) <sup>a</sup>	1.8	0.4	6.0	3.2	2.0
2. Total Liquidity (M2)	4.0	20.0	(3.9)	29.0	—
<b>D. Government Finance</b>					
	(% of GDP)				
1. Total Revenue and Grants	130.2	129.0	147.1	157.4	136.5
2. Total Expenditure and Onlending	111.4	102.6	139.5	136.0	149.9
3. Overall Fiscal Surplus/(Deficit)	18.9	26.4	7.6	21.4	(13.4)
<b>E. Balance of Payments</b>					
1. Merchandise Trade Balance (% of GDP)	(58.4)	(74.3)	(84.3)	(88.5)	(87.2)
2. Current Account Balance (% of GDP)	12.4	13.2	3.2	7.9	(18.7)
3. Merchandise Export (US\$) growth (CIF, annual % change)	54.2	(60.4)	25.0	15.6	11.5
4. Merchandise Import (US\$) growth (CIF, annual % change)	24.2	(2.7)	12.1	18.3	23.1
<b>F. External Payments Indicators</b>					
1. Official External Assets (\$ million, end of period)	405.9	399.8	340.7	344.7	351.1
- in years of imports	6.0	6.8	5.6	4.7	4.0
2. External Debt Service (% of exports of goods & services)	1.5	6.6	3.9	2.0	1.9
3. External Debt (% of GDP)	15.6	15.7	20.3	17.8	23.3
<b>G. Memorandum Items</b>					
1. GDP (current prices, million local currency)	83.5	83.1	91.2	98.0	103.2
2. Exchange Rate ( A\$ per US dollar, annual average)	1.5	1.7	1.9	1.8	1.5
3. Population (million)	0.083	0.084	0.086	0.087	0.089

— = not available, CIF = cost, insurance, freight, GDP = gross domestic product.

<sup>a</sup> Period average.

Source: Government of Kiribati, Ministry of Finance and Economic Planning; International Monetary Fund, *Selected Issues and Statistical Appendix*, May 2003 and Staff Report for the 2003 Article IV Consultations, July 2003; Asian Development Bank. 2002. *Kiribati: Monetization in an Atoll Society—Managing Economic and Social Change*, December; and staff estimates.

Table A2.3: Country Social Indicators

Item	1990	1995	Latest Year
<b>1. Demographic Indicators</b>			
Total Population ('000)	72.3	77.7	88.6 2003 <sup>1</sup>
Annual Population Growth Rate (% change)	2.7	1.5	1.6
Dependency Ratio (% of dependents to working age)	69.0 <sup>a</sup> (1991)	80.5	68.0 <sup>a</sup> (2002)
Total Fertility Rate (births per woman)	3.8 <sup>b</sup>	4.5 <sup>b</sup>	4.1 <sup>a</sup> (2002)
Average Household Size	6.6	6.5	6.7 (2000)
<b>2. Health</b>			
Life Expectancy at Birth (years)	—	60.2 <sup>c</sup>	62.8 (2000)
Male	57.7 <sup>b</sup>	58.5 <sup>c</sup>	58.2 (2000)
Female	62.8 <sup>b</sup>	64.7 <sup>c</sup>	67.3 (2000)
Population with Access to Health Services (%)	—	95.0 <sup>c</sup>	100.0 (1999)
Population per Doctor	—	7,681 <sup>d,e</sup>	3,700 (2000)
Government Expenditure on Health			
As % of Total Government Spending	14.7 (1991)	14.9	13.7 (2001)
As % of GDP	8.6 (1991)	11.2	12.7 (2001)
<b>3. Education</b>			
Adult Literacy Rate (%)	—	92.0	100.0 <sup>d</sup> (2001)
Male	—	94.0	—
Female	—	91.0	—
Combined Gross School Enrollment Ratio (% of aged 5–19 years) <sup>f</sup>	69.8 (1985)	74.5	121.3 (2000)
Male	69.6 (1985)	72.5	115.9 (2000)
Female	70.2 (1985)	76.5	127.1 (2000)
Gross Primary Enrollment (% of aged 5–14 years) <sup>f</sup>	92.5 (1985)	84.4	124.2 (2000)
Male	91.7 (1985)	83.5	121.1 (2000)
Female	93.3 (1985)	85.4	127.4 (2000)
Gross Secondary Enrollment (% of aged 15–19 years) <sup>f</sup>	26.6 (1985)	47.5	114.0 (2000)
Male	26.2 (1985)	42.7	101.7 (2000)
Female	27.1 (1985)	52.5	126.2 (2000)
Student-Teacher Ratio (no. of students per teacher)			
Primary	28.0 <sup>g</sup>	27.0 <sup>g</sup>	22.0 <sup>b</sup> (2002)
Secondary	16.0 <sup>g</sup>	14.0 <sup>g</sup>	18.0 <sup>b</sup> (2002)
Government Expenditure on Education			
As % of Total Government Spending	17.4 (1991)	19.4	20.0 (2001)
As % of GDP	10.1 (1991)	14.7	20.5 (2001)

<sup>1</sup> Asian Development Bank estimate.

— not available, GDP = gross domestic product.

Sources: Unless otherwise specified, data are from the: (i) Asian Development Bank (ADB), Discussion Paper on Assessment of Hardship and Poverty (Nov 2002), undertaken under regional technical assistance (RETA) 6002: *Consultation Workshops for Poverty Reduction Strategies in Selected Pacific Developing Member Countries (PDMCs)*; and (ii) ADB. 2002. *Kiribati: Monetization in an Atoll Society—Managing Economic and Social Change* (Dec), a Pacific Studies Series. Population figures and growth estimates were taken from the Asian Development Outlook (ADO) 2004 Pacific population database. Enrollment ratios were calculated using various census data (1985, 1995, and 2000) on the number of school-age children and data from the Ministry of Education, Training and Technology (METT) on school enrollments.

<sup>a</sup> World Health Organization (WHO), *The World Health Report* (2002, 2003).

<sup>b</sup> Secretariat of the Pacific Community (SPC), Pacific Regional Information System (PRISM), available: <http://www.spc.int/PRISM>.

<sup>c</sup> WHO, Regional Office for the Western Pacific, Country Health Profiles 2001 Revision, available: <http://wpro.who.int>.

<sup>d</sup> United Nations Development Programme (UNDP), *Pacific Human Development Report 1999*; UNDP, *Human Development Report 2003*.

<sup>e</sup> Refers to available data nearest the year indicated in the column heading.

<sup>f</sup> Enrollment ratios for 2000 are not comparable with those for earlier years due to difference in scope of primary and secondary education, with the introduction of the junior secondary school program in 1998.

<sup>g</sup> Calculated using data from METT, Digest of Education Statistics (1982–1998).

**Table A2.4: Country Poverty Indicators**

Item	1990	1995	Latest Year
<b>1. Development Progress Indices</b>			
Human Development Index (HDI)	—	0.439	0.515 (1998)
PDMC Rank (out of 12 PDMCs)	—	7	9
Human Poverty Index (HPI)	—	—	12.7 (1998)
PDMC Rank (out of 12 PDMCs)	—	—	7
Composite Vulnerability Index	—	—	5.082 (1998)
PDMC Rank (out of 7 PDMCs)	—	—	7
Gender-Related Development Index	—	—	—
Global Rank	—	—	—
<b>2. Poverty Indicators</b>			
Headcount Index (% poor of total households) <sup>a</sup>			
South Tarawa	—	—	51.0 (1996)
Outer Islands	—	—	50.0 (1996)
Poverty Severity Index (%)	—	—	—
<b>3. Inequality Indicators</b>			
Gini Coefficient	—	—	—
Household Income (% of total)			
South Tarawa <sup>b</sup>			
H25	—	—	50.0 (1996)
L75	—	—	50.0 (1996)
Income Ratio (H20/L20)			
South Tarawa	—	—	5.7 (1996)
Outer Islands	—	—	20.5 (1996)

— = not available, H25 = highest income quartile group, H20/L20 = ratio of share in total income of the highest income quintile group to the lowest income quintile group, L75 = lowest 75% income group, PDMC = Pacific developing member country.

<sup>a</sup> In a 2001 Sanitation, Public Health and Environment Improvement ) Project (SAPHE) community survey of South Tarawa, an estimated 52% of all households interviewed were reported to experience regular shortages of cash with which to meet daily needs.

<sup>b</sup> Figures refer to expenditure distribution.

Sources: Asian Development Bank, Discussion Paper on Assessment of Hardship and Poverty (Nov 2002), under regional technical assistance (RETA) 6002: *Consultation Workshops for Poverty Reduction Strategies in Selected Pacific Developing Member Countries (PDMCs)*; United Nations Development Programme, *Pacific Human Development Report* (1994, 1999).

Table A2.5: Country Environment Indicators

Item	1990	Latest Year
<b>1. Energy Efficiency of Emissions</b>		
Traditional Fuel Use (% of total energy use)	—	—
<b>2. Water Pollution</b>		
Water Bodies Exceeding Contact Recreation Standards		
Biological Oxygen Demand (BOD)	—	—
Chemical Oxygen Demand (COD)	—	—
<b>3. Air Pollution</b>		
Carbon Dioxide (CO <sub>2</sub> ) Emissions		
Total ('000 metric tons)	22.0	25.7 (1999)
Per unit of GDP (kg/PPP\$ GDP)	—	—
Sulfur Dioxide (SO <sub>2</sub> ) Emissions		
Total ('000 metric tons)	—	0.0 (1995)
<b>4. Land Use and Deforestation</b>		
Total Land Area (km <sup>2</sup> )	811.0	811.0 (2003)
Average Annual Deforestation		
Area (remaining km <sup>2</sup> )	—	280.0 (2000)
% change	—	0.0 (1990–2000)
Arable Land (% of total land)	0.0	
	(1993)	
Cropland, Permanent (% of total land)	51.0	51.0 (2000)
	(1993)	
Pastures, Permanent (% of total land)	0.0	
	(1993)	
Population Density, Rural (people per km <sup>2</sup> )	66.0	67.0 (2000)
<b>5. Biodiversity and Protected Areas</b>		
Nationally Protected Area(s)		
Area (km <sup>2</sup> )	—	267.0 (1997)
Number	—	—
Mammals (number of threatened species)	—	0 (2002)
Birds (number of threatened species)	1	4 (2002)
	(1992)	
Higher Plants (number of threatened species)	—	—
Reptiles (number of threatened species)	—	1 (2002)
Amphibians (number of threatened species)	—	—
<b>6. Urban Areas</b>		
Urban Population		
Total ('000)	25.4	36.7 (2000)
% of total population	35.1	43.5 (2000)
Per Capita Water Use (liters/day)	—	—
Wastewater Treated (%)	—	—
Solid Waste Generated per Capita (kg/day)	—	—

— = not available, GDP = gross domestic product, kg = kilogram, km<sup>2</sup> = square kilometer, PPP\$ = purchasing power parity in US dollars.

Sources: Central Intelligence Agency (CIA), *The World Factbook* (2001–2003), available: <http://cia.gov>; Secretariat of the Pacific Community (SPC), *Oceania Population 2000 & 2003*; SPC, Pacific Regional Information System (PRISM), available: <http://www.spc.int/PRISM>; South Pacific Regional Environment Programme (SPREP), *Kiribati State of the Environment Report 1994*; United Nations Statistics Division (UNSD), Millennium Indicator Database (2003), available: <http://millenniumindicators.un.org>; World Resources Institute (WRI), *Earth Trends 2003*, available: <http://earthtrends.wri.org>; World Bank, *The Little Green Data Book 2003*.

Table A2.6: Development Coordination Matrix

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<b>A. Sustainable Economic Growth</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• TA 3108 on Management and Financial Advisory Services for Restructuring the Public Utilities Board (1998)</li> <li>• TA 3786 on Strengthening Development Strategies and Supporting Poverty Reduction (2001)</li> <li>• TA 3838 on Community Development and Sustainable Participation (2002)</li> <li>• RETA on Preparing a Pacific Governance Strategy (2002)</li> </ul> <p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• TA on Local Governance (2007)</li> </ul>	<ul style="list-style-type: none"> <li>• Assistant to Departments of Customs (Institutional Strengthening) and Finance (Strengthening the Statistical Base) (AusAID)</li> <li>• Public Sector Review and Good Governance (NZAID)</li> <li>• Strengthening of Management Information System with NGOs (Canada)</li> <li>• Support to Public Sector (South Korea)</li> <li>• ILO Conference (NGOs)</li> <li>• Legal Right Training Officer (UNDP)</li> <li>• Salary of a Solicitor General (NZAID)</li> <li>• Work Scheme in NZ (NZAID)</li> </ul>
<b>B. Private Sector Development</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Supporting Land Planning and Planning for Private Sector Development in Kiritimati Island (2003)</li> </ul> <p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• TA on Training and Tourism (2005)</li> <li>• TA on Regulatory Framework for Private Sector Development (2006)</li> </ul>	<ul style="list-style-type: none"> <li>• Tree Crop Development (UK)</li> <li>• Agricultural Tools and Data Collecting (NGOs)</li> <li>• Awareness Programme on IYB and SYB (AusAID)</li> <li>• Assistance to Development Bank of Kiribati (NZAID)</li> <li>• Promotion of Consumer's Right (Canada)</li> <li>• Feasibility Study for Remaining Phosphate Deposit on Banana Island (France)</li> <li>• Provision for New Weighbridge (EU)</li> <li>• Pearl Oyster Project (AusAID)</li> <li>• Improving National Observer Coordination (SPC)</li> <li>• Fisheries Development assistance (FFA)</li> <li>• Seaweed Development Programme Phase II (EU)</li> <li>• Control of Fishing in Kiribati EEZ (NGOs)</li> <li>• Operation Costs of a Patrol Boat (AusAID)</li> <li>• Strategic Action Program on International Water for Pacific Small Island Developing States, Oceanic Component for Tuna and Fisheries (IWP)</li> </ul>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<b>C. Education</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>• RETA on Expanding the Reach of Distance Learning in the Pacific (2003)</li> </ul>	<ul style="list-style-type: none"> <li>• Scholarships, JSS development and Implementation of Kiribati Education Sector Programme (AusAID)</li> <li>• Scholarships, Teachers Development and Basic Education (NZAID)</li> <li>• Education Developments and Provisions of Pearce Crops (US)</li> <li>• Assistant to William Goward Memorial School (Japan)</li> <li>• Primary Schools Building Consolidation (France)</li> <li>• Kiribati Training Programme Phase II (EU)</li> <li>• Provision for VSOs (UK)</li> <li>• Staff Computers Training on Microsoft (WHO)</li> <li>• Education and Training Programs (AusAID)</li> <li>• Infrastructure for Marine Training Center (Germany)</li> </ul>
<b>D. Health, Nutrition, and Social Protection</b>		<ul style="list-style-type: none"> <li>• Replacement of Outer Island Health Dispensaries (EU)</li> <li>• Construction of Specialist Clinics and Out Patient Ward (Japan)</li> <li>• Health Promotion and Provision of New Dental Equipment (AusAID)</li> <li>• Medical Treatment and Initiatives (NZAID)</li> <li>• TB Control (SPC)</li> <li>• Chinese Doctors and Equipments (PRC)</li> <li>• Provision for New Dental Equipment (France)</li> <li>• Health Sector Development, Promotion of Health Environments, Communicable Diseases Control and Reproductive Health, Cooperation Programme Involving Prevention of HIV/AIDS (WHO)</li> <li>• Integrated Child Health and Development (UNICEF)</li> <li>• Reproductive Health (UNFPA)</li> </ul>
<b>E. Gender and Development</b>		<ul style="list-style-type: none"> <li>• Empowerment of Women (Canada)</li> <li>• Assistant to Women Center (Japan)</li> <li>• Construction of a Sports Complex on Betio (PRC)</li> <li>• Construction of a multipurpose court for Sacred Heart School (Canada)</li> <li>• Workshop on Convention of the Rights of the Child (UNICEF)</li> </ul>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<b>F. Transportation and Communication</b> <b>1. Telecommunication and Communication</b>  <b>2. Energy</b>  <b>3. Water Supply, Sanitation and Waste Management</b>	<p><b>Programmed</b></p> <p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Loan on Sanitation, Public Health, and Environment Improvement Project (1998)</li> <li>• TA on Water Resource Assessment and Management (2002)</li> </ul> <p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• RETA on Promotion of Effective Water Management Policies and Practices (Phase 3) (2003)</li> <li>• TA on Water Resources Development (2005)</li> <li>• Loan on Water Resource Development (2007)</li> </ul>	<ul style="list-style-type: none"> <li>• Air Transportation and Communications (NZAID)</li> <li>• Radio Communications and Road Upgrading on South Tarawa and Betio (Japan)</li> <li>• Airport Development (EU)</li> <li>• Supporting of Solar Power Development (Canada)</li> <li>• Standby Generator for Licensing Unit (Forum Secretariat)</li> <li>• National Rural Electrification (Solar) (EU)</li> <li>• Rainwater Catchments</li> <li>• Water Resources for Banaba Island (SPREP)</li> <li>• Improvement of Water System on Marakei Island (Japan)</li> </ul>
<b>G. Agriculture and Natural Resources</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• RETA on Climate Change Adaptation Program for Pacific (2003)</li> </ul>	<ul style="list-style-type: none"> <li>• Weather Watch and Environment Protection (NZAID)</li> <li>• Biodiversity Conservation Programme (SPREP)</li> <li>• Environmental Conservation Programme (Japan)</li> <li>• National Adaptation Plan of Action and Persistent Organic Pollutant (UNDP)</li> <li>• Adaptation Project (World Bank)</li> <li>• Strategic Action Program on International Water for Pacific Small Island Developing States, Coastal Component for Waste/Water (IWP)</li> </ul>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<b>H. Inclusive Social Development</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• RETA on Consultation Workshops for Poverty Reduction Strategies (2001)</li> </ul> <p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• RETA for Providing Basic Service Delivery in Remote Communities in the Pacific: Preparing a Subregional E-Government (2004)</li> <li>• TA for Outer Island Growth Centers (2004)</li> <li>• Loan for Outer Island Growth Centers (2006)</li> </ul>	<ul style="list-style-type: none"> <li>• Community Development (PRC)</li> <li>• Access to basic services and Livelihood Opportunity (UNDP)</li> <li>• Adolescent Development (UNICEF)</li> <li>• Social Protection, Decent Employment, Tripartism and Social Dialogue (ILO)</li> </ul>

AusAID = Australian Agency for International Development, EEZ = Exclusive Economic Zone, EU = European Union, FFA = Foundation of Fisheries Association's Fund, JSS = junior secondary school, ILO = International Labour Organization, IWP = International Waters Programme, IYB = Improve Your Business, NGO = nongovernment organization, NZAID = New Zealand Agency for International Development, PRC = People's Republic of China, SPC = Secretariat of the Pacific Community, SPREP = South Pacific Regional Environment Programme, SYB = Start Your Business, UNDP = United Nations Development Programme, TA = technical assistance, UNESCO = United Nations Educational, Scientific, and Cultural Organization, UNFPA = United Nations Population Fund Activities, UNICEF = United Nations Children's Fund, US = United States, VSOs = Voluntary Services Overseas, WHO = World Health Organization.

Source: Asian Development Bank Staff

**Table A2.7: Portfolio Indicators—Portfolio Amounts and Ratings**  
(public sector loans, as of 31 December 2003)

Sector	Net Loan Amount		Total		Rating <sup>a</sup>								Potential Problem <sup>b</sup>		At Risk <sup>c</sup>	
	(\$ million)	(% )	(No.)	(% )	Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		(No.)	(% )	(No.)	(% )
					(no.)	(% )	(no.)	(% )	(No.)	(% )	(No.)	(% )				
Agriculture and Natural Resources	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Energy	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Industry and Trade	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Multisector	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transportation and Communication	10.2	100.0	1	100.0	—	—	1	100.0	—	—	—	—	—	—	—	—
<b>Total</b>	<b>10.2</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>100.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

— = not available.

<sup>a</sup> One rating for implementation progress and development objectives, based on the lower rating of either.

<sup>b</sup> Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>c</sup> A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

Source: Asian Development Bank staff estimates.

**Table A2.8: Portfolio Indicators—Disbursements and Net Transfers of Resources**  
(public sector loans, as of 31 December 2003)

<b>Disbursements and Transfers</b>	<b>OCR</b>	<b>ADF</b>	<b>Total</b>
Disbursements <sup>a</sup>			
Total Funds Available for Withdrawal (\$ million)	—	10.2	10.2
Disbursed Amount (\$ million, cumulative)	—	5.7	5.7
Percentage Disbursed (disbursed amount/total available)	—	56.0	56.0
Disbursements (\$ million, latest year)	—	2.4	2.4
Disbursement Ratio (%) <sup>b</sup>	—	37.9	37.9
Net Transfer of Resources (\$ million)			
1999	—	(0.1)	(0.1)
2000	—	1.0	1.0
2001	—	1.3	1.3
2002	—	0.7	0.7
2003	—	2.3	2.3

— = not available, ADF = Asian Development Fund, OCR = ordinary capital resources

<sup>a</sup> Includes ongoing loans and loans with disbursements in 2003.

<sup>b</sup> Ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year less cancellations during the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

Source: Asian Development Bank staff estimates.

**Table A2.9: Portfolio Indicators—Evaluation Rating by Sector**  
(as of 31 January 2004)

Item	GS/HS/S		PS		US		Total	
	No.	%	No.	%	No.	%	No.	%
Agriculture & Natural Resources	0	—	0	—	0	—	0	—
Energy	1	100.0	0	0.0	0	0.0	1	100.0
Industry & Trade	0	—	0	—	0	—	0	—
Transportation & Communications	0	0.0	0	0.0	1	100.0	1	100.0
Finance	0	—	0	—	0	—	0	—
Multisector	0	—	0	—	0	—	0	—
<b>Total</b>	<b>1</b>	<b>50.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>50.0</b>	<b>2</b>	<b>100.0</b>

— = not available, GS = generally successful, HS = highly successful, No. = number, PS = partly successful, S = successful, US = unsuccessful.

Source: Operations Evaluation Department.

**Table A2.10: Portfolio Implementation Status**  
(public sector loans, as of 31 December 2003)

No.	Sector	Loan No.	Title	Net Loan Amount		Approval Date	Effective-ness Date	Closing Date		Progress (%) completed)	Cumulative Contracts/ Commit-ments (\$ million)	Cumulative Disburse-ments (\$ million)	Rating		Potential Problem <sup>a</sup>	At Risk <sup>b</sup>
				OCR (\$ mil-lion)	ADF (\$ million)			Original	Revised				IP	DO		
1	WS	1648	Sanitation, Public Health & Environment Improvement Project	-	10.2	8 Dec 98	15Sep 99	31 Dec 03	31 Dec 04	75	7.2	5.7	S	S	No	No
<b>Total</b>					<b>10.2</b>						<b>7.2</b>	<b>5.7</b>				

ADF = Asian Development Fund, DO = development objectives, IP = implementation progress, No.= number, OCR = ordinary capital resources, S = satisfactory, Seg = segment (pertaining to loans with more than one withdrawal authority), SOC= social infrastructure.

<sup>a</sup> "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>b</sup> A loan is considered "at risk" if it is rated as PS or U in either implementation progress or development objectives, or if it is a potential problem loan.

Source: Asian Development Bank staff estimates.

Table A2.11: Assistance Pipeline for Lending Products, 2005–2006

Sector Project/Program Name	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (US\$ million)				
					ADB		Gov't	Cofinancing	
					OCR	ADF			Total
<b>2005 Firm Loan</b>									
None									
<b>2006 Firm Loan</b>									
<b>Multisector</b>									
Outer Island Growth Centers	ISD	PAHQ	2006	8.0		8.0			
<b>Total</b>				<b>8.0</b>		<b>8.0</b>			

ADB = Asian Development Bank, ADF = Asian Development Fund, GD = gender and development, HD = human development, OCR = ordinary capital resources  
OTH = others, PAHQ = Pacific Operations Division, PI = poverty intervention.

Source: Project Processing Information System (PPIS).

**Table A2.12: Assistance Pipeline for Nonlending Products and Services, 2005–2006**

Year/Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding		Total (US\$)
			ADB	Others	
			Source	Amount (US\$)	
<b>2005</b>					
<b>Water Supply, Sanitation, and Waste Management</b>					
Water Resource Development	PAHQ	PP	TASF	400,000	400,000
<b>Industry and Trade</b>					
Tourism Training–Line and Phoenix Islands	PAHQ	ID	TASF	400,000	400,000
<b>Total</b>				<b>800,000</b>	<b>800,000</b>
<b>2006</b>					
<b>Finance</b>					
Regulatory Framework for Private Sector Investment	PAHQ	PP		400,000	JSF 400,000
<b>Law, Economic Management, and Public Policy</b>					
Local Governance	PAHQ	ID	TASF	400,000	400,000
<b>Total</b>				<b>800,000</b>	<b>800,000</b>

ADB = Asian Development Bank, ID = advisory technical assistance, JSF = Japan Special Funding, PAHQ = Pacific Operations Division, PARD = Pacific Department  
 PP = project preparatory technical assistance, TASF = Technical Assistance Special Fund.  
 Source: Project Processing Information System (PPIS).

### **CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES**

This appendix contains the concept papers for the following nonlending products and services.

- (i) Table A3.1: Water Resource Development in Regional Growth Centers
- (ii) Table A3.2: Tourism Training—Line and Phoenix Islands

**Table A3.1: Water Resource Development**

Last update: July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Water Supply, Sanitation, and Waste Management Subsector: Water supply and sanitation</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Sustainable economic growth</p> <p><input checked="" type="checkbox"/> Inclusive social development</p> <p><input type="checkbox"/> Governance</p> <p><input type="checkbox"/> Gender and development</p> <p><input checked="" type="checkbox"/> Environmental sustainability</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Private sector development</p>
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p><b>4. Responsible division/department:</b> PARD/PAHQ</p>
<p><b>5. Responsible ADB officer(s):</b> TBD</p>
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> One of the ADB strategies for Kiribati is to assist the Government to enhance social development by (i) ensuring access to safe water and proper sanitation, and (ii) improving living conditions and access to basic social services. ADB is at present assisting the Government in rehabilitating its existing water supply system on South Tarawa and increasing awareness of water conservation with a loan for the Sanitation, Public Health, and Environment Improvement (SAPHE) Project and its associated TAs. The SAPHE Project also aims to reduce the level of coastal and lagoon pollution through improved sewerage systems, as well as providing some protection from public encroachment onto the water reserve areas. The SAPHE Project is</p>

proceeding satisfactorily. However, when completed, the average water supply on South Tarawa will be only 30 liters per capita per day. This is well below the supply of 100 liters per day that is generally considered adequate. The 2000 Census indicates that about 44% of national population lives on South Tarawa (it was 37% in 1995) where the population densities on the most crowded islets of Tarawa are now well over 6,000 persons per square kilometer. The Government is taking new measures to discourage further urban drift from the outer islands by deconcentrating key government services (such as hospitals and secondary schools) and economic growth in selected regional growth centers (Tabiteua North, Butaritari, Beru in the Gilbert Islands, and Kiritimati in the Northern Line Islands). Further investment in new water sources for these areas will be necessary to match the growing demand of water and demand of water in the coming years. A loan for this purpose is scheduled for implementation in 2005, but this is unlikely to meet the whole national requirement.

**b. Goal and purpose:** The overall goal of the project is to reduce poverty by improving the quality and increasing the supply of fresh water in the selected growth centers. The TA will prepare an investment project to implement priority water supply and sanitation projects identified by the ongoing National Water Resources Assessment and Management that could not be covered by the proposed 2005 loan. The TA project will also assist in addressing issues of institutional capacity in the water and environment sectors and in providing essential infrastructure for the restoration of water and sanitation management services.

**c. Components and outputs:** Improved living conditions are a key anticipated outcome. In particular, the project will include an expanded and more reliable water supply system in 3–4 regional growth centers, as well as increased awareness of the importance of water savings in the users' communities. The TA will also assist in addressing issues of institutional capacity in the water and environment sectors and in providing essential infrastructure for the restoration of water and sanitation management services.

**d. Expected results and deliverables:** The resulting project is expected to increase the supply of water supply in the growth centers and improve public health through water supplies and sanitation.

**e. Social or environmental issues or concerns:** There are positive social expectations in the proposed water supply expansion/improvement. The negative social and environmental impacts are expected to be minimal. Participatory planning and community dialogue will ensure that social development needs are also addressed.

**f. Plans for disseminating results/deliverables:** Participation of the communities involved and the other main stakeholders in project preparation and implementation through meetings, workshops, and seminars will facilitate the wide dissemination of the project's results and outcomes.

**7. Proposed executing/implementing agencies:** Ministry of Public Works and Utilities

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Extensive consultations have been held under National Water Resource Assessment and Management TA. Several government and nongovernment agencies will be involved in the identification, conceptualization, and preparation of the project, including the President's Office; the ministries of Public Works and Utilities, Environment Lands and Agricultural Development; and the Foundation of the South Pacific.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSPU: 2004
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory): 2005
  - Nonlending (other than project preparatory):
  - Activities financed by JFICT or JFPR:
- c. Period and duration of assistance
  - Lending:
  - Nonlending: 2005–2006
  - Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
    - TA Special Fund: US\$400,000
    - Japan Special Fund:
    - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- c. For projects financed by
- JFICT:
  - JFPR:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSPU = country strategy and program update, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, PAHQ = Pacific Operations Division, PARD = Pacific Department, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.2 Tourism Training—Line and Phoenix Islands**

Date: March 2004

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Industry and Trade Subsector: Industry</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> PARD/SPRM</p>								
<p><b>5. Responsible ADB officer(s):</b> Kowsar Choudhury</p>								
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> Possibly the most significant engine of growth in the Line and Phoenix Islands is tourism, currently restricted to cruise liners (Fanning) and some sport fishing (Kiritimati). At present, residents of these islands benefit from providing souvenirs, acting as fishing guides, and working in the 2-star Captain Cook Hotel. Tourist numbers actually spending any time on the islands are very low (a few hundred per year). There are over 50 cruise ships docking in Kiribati waters (mainly to benefit from US regulations related to duty free sales and picking up customers from the Hawaiian islands). With the planned provision of a new port on Kiritimati, passengers aboard these vessels will be able to go ashore more easily and could spend several hours</p>								

exploring the island and buying local products. The planned sale of the Captain Cook Hotel to an international operator and upgrading Cassidy airport (with some airlines stopping en route to Honolulu) will also provide a significant boost to tourist numbers. Part of the strategic development plan will be a tourism master plan to boost tourist arrivals to several thousand per year. To service this increase in tourist numbers and to create opportunities for I-Kiribati to work on the cruise liners, the proposed TA would link up a tertiary institution (possibly in Hawaii) with educational authorities in the Line and Phoenix Islands to train local youth for employment in the tourism industry.

**b. Goal and purpose:** The objective of this TA is to create new employment horizons for young people in the Line and Phoenix Islands that will obviate the need to move to Tarawa in search of employment. The purpose of the TA is to put in place an ongoing training capacity based in the Line and Phoenix Islands that will service the tourism sector.

**c. Components and outputs:** The main components will be (i) assisting the preparation and implementation of a human resources development program for the tourism sector in the Line and Phoenix Islands, (ii) creating a linkage between an offshore tourism training institution and educational authorities in the Line and Phoenix Islands, (iii) developing the curriculum to suit I-Kiribati youth leaving junior secondary school, and (iv) establishing an ongoing relationship between tourism operators and the educational authorities that will help offset the future cost of training.

**d. Expected results and deliverables:** The TA will prepare ongoing training capacity in the Line and Phoenix Islands to turn out significant numbers of trained youth who will be able to find employment in both onshore and offshore tourism operations.

**e. Social or environmental issues or concerns:** There are no significant environmental concerns, although environmental awareness will be part of the core curriculum. The social benefits are potentially significant, especially for females who have few other employment opportunities.

**f. Plans for disseminating results/deliverables:** Meetings, workshops, and seminars together with project reports (inception, interim, final).

**7. Proposed executing/implementing agencies:** Ministry of Education, Ministry of Line and Phoenix Islands

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Ministry of Line and Phoenix Islands has been extensively consulted on the concept paper for the assistance.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSPU: 2004
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): 2005
  - Activities financed by JFICT or JFPR:
- c. Period and duration of assistance
  - Lending:
  - Nonlending: 2005–2007
  - Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds
  - TA Special Fund: US\$400,000
  - Japan Special Fund:
  - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT:
- JFPR:

If cofinancing is required indicate sources, and amount sought: Industry contribution to training costs will be sought to ensure a sustainable basis for ongoing training activities.

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSPU = country strategy and program update, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, PAHQ = Pacific Operations Division, PARD = Pacific Department, PUB = Public Utilities Board, SCSP = subregional cooperation strategy and program, SPRM = South Pacific Regional Mission, TA = technical assistance.

## ASSISTANCE PROGRAM FOR 2004

**Table A4.1: Assistance Program for Nonlending Products and Services, 2004**

Year/Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (US\$)
			ADB		Others		
			Source	Amount (US\$)	Source	Amount (US\$)	
<b>2004</b>							
<b>Multisector</b>							
Outer Island Growth Centers	PAHQ	PP	TASF	800,000			800,000
<b>Total</b>				<b>800,000</b>			<b>800,000</b>

ID = advisory technical assistance, PAHQ = Pacific Operations Division, PP = project preparatory technical assistance, TASF = technical assistance special fund  
 Source: Asian Development Bank staff estimates.

**CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES, 2004**

This appendix contains the concept papers for projected nonlending products and services for 2004.

- (i) Table A5.1: Outer Island Growth Centers

**Table A4.2: Outer Island Growth Centers**

Last Update: March 2004

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Multi Sector Subsector: Integrated rural development and integrated urban development</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> PARD/PLCO</p>								
<p><b>5. Responsible ADB officer(s):</b> Nancy Convard</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> One of the government strategies for economic development is establishing new growth poles to support broad growth throughout the country and limit the urban drift to South Tarawa. The outer islands have potential as possible growth centers. They occupy large amount of land but are only sparsely populated in comparison with the capital city Tarawa. This TA will draw on an ongoing ADB TA on land use management in Kiritimati Island. This TA will facilitate the provision of land for business development and investment in clearly defined functional zones in the outer islands.</p>								

**b. Goal and purpose:** The overall objective of the TA is to identify the most economically viable investment to enable economic growth in the outer islands. Economic growth opportunities will attract the human capital needed to support growth opportunities. The purpose of the TA is to prepare a feasibility study for high priority infrastructure and to support policies needed to create an enabling environment for investment.

**c. Components and outputs:** The TA will include (i) assessment of legal and regulatory priorities for investment including recommendations for needed changes, (ii) identification of locations for the proposed activities, (iii) preliminary and conceptual design, (iv) assessment of the need for capacity building and monitoring, (v) preparations of proposals to establish maintenance funds and cost-recovery mechanisms, (vi) training needs assessment, (vii) estimation of cost and benefits, (viii) calculation of rates of return as a basis for selecting the most urgent infrastructure sub-projects, (ix) social and environmental analysis, and (x) contribution toward growth and development.

**d. Expected results and deliverables:** The project designed by the TA will include, where needed, construction of key infrastructure, recommended institutional reforms, and establishment of maintenance funds and cost-recovery.

**e. Social or environmental issues or concerns:** The feasibility study will include a poverty and social assessment as well as environmental impact analysis of the effects of the proposed investments. Any necessary mitigation measures will be included in the project design and construction contracts.

**f. Plans for disseminating results/deliverables:** Meetings, workshops, and seminars.

**7. Proposed executing/implementing agencies:** Ministry of Communication, Transport and Tourism Development, Ministry of Finance, Ministry of Line and Phoenix Islands.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Several government and nongovernment agencies will be involved in the identification, conceptualization, and preparation of the proposed assistance, including the President's Office; ministries of Communication, Transport and Tourism Development, Internal and Social Affairs, Finance and Economic Development; and Line and Phoenix Islands.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSPU: 2004
- b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory): 2004  
Nonlending (other than project preparatory):  
Activities financed by JFICT or JFPR:
- c. Period and duration of assistance  
Lending:  
Nonlending: 2004 - 2005  
Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending  
 Ordinary capital resources:  
 Asian Development Fund:  
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- d. For nonlending  
 No resources required, other than ADB staff

- ADB's administrative budget:  
 Grant TA funds  
 TA Special Fund: US\$800,000  
 Japan Special Fund:  
 Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

e. For projects financed by

- JFICT:  
 JFPR:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSPU = country strategy and program update, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, PAHQ = Pacific Operations Division, PARD = Pacific Department, PDMC = Pacific developing member country, SCSP = subregional cooperation strategy and program, TA = technical assistance.