

ASIAN DEVELOPMENT BANK

TAR: KIR 34139

TECHNICAL ASSISTANCE

(Cofinanced by the Japan Special Fund and Australian Agency
for International Development)

TO THE

REPUBLIC OF KIRIBATI

FOR

STRENGTHENING DEVELOPMENT STRATEGIES

AND SUPPORTING POVERTY REDUCTION

December 2001

CURRENCY EQUIVALENTS

(as of 22 October 2001)

Currency Unit	–	Australian dollar
A\$1.00	=	US\$0.5084
US\$1.00	=	A\$1.9670

ABBREVIATIONS

ADB	–	Asian Development Bank
AP	–	advisory panel
AusAID	–	Australian Agency for International Development
GDP	–	gross domestic product
HRD	–	human resource development
MFEP	–	Ministry of Finance and Economic Planning
NGO	–	nongovernment organization
RERF	–	Revenue Equalization Reserve Fund
TA	–	technical assistance

NOTES

- (i) The fiscal year (FY) of the Government and its agencies ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

I. INTRODUCTION

1. To help the Government of Kiribati meet its twin objectives of supporting economic development and reducing poverty, the Asian Development Bank (ADB) included an advisory technical assistance (TA)¹ to strengthen development strategies and support poverty reduction in Kiribati's 2001 country assistance plan. A fact-finding mission visited Kiribati in March 2001 and held consultations with Government officials, representatives of nongovernment organizations, and other assistance agencies including Australian Agency for International Development (AusAID) and New Zealand Official Development Assistance. The mission reached an understanding with the Government on the objectives, scope, and implementation arrangements of the TA. The TA framework is in Appendix 1.

II. BACKGROUND AND RATIONALE

2. Located in the central Pacific Ocean, the Republic of Kiribati consists of 33 islands with a total land area of 810 square kilometers (km²) dispersed over an exclusive economic zone of 3.5 million km². Per capita gross domestic product (GDP) in 2001 is estimated at \$500. Since 1994, real GDP growth averaged around 2.7 percent per year. The annual population growth rate was 2.3 percent. As a result, the average per capita income growth was just 0.4 percent per year. It represents the lowest per capita GDP among ADB's 12 Pacific developing member countries.

3. Kiribati's economy is narrowly based, highly vulnerable to external shocks, and dominated by the public sector, which accounts for 30 percent of GDP. The domestic production base is limited, with copra, fish, and seaweed as the main cash-earning products. About 80 percent of the population operates in the informal sector, which relies on copra production and fishing. The country is heavily dependent on fishing license fees and external grants. Kiribati holds sizable national reserves that can be used to respond to external shocks. The gross national product is almost twice the size of the GDP, owing to large receipts from fishing license fees, net investment income from its Revenue Equalization Reserve Fund (RERF),² and seafarer's remittances. These factors present challenges to the Government in determining the most appropriate pace and sequencing of policy reforms in areas such as privatization, restructuring and improving the performance of the public sector, and tax and tariff reforms.

4. The problems of rapid population growth are exacerbated by the increasing number of people moving to South Tarawa because of limited opportunities on the outer island. Half of the national population of 85,000³ now live on South Tarawa. In South Tarawa, poverty is increasing, as migration into the capital continues. It is placing heavy pressure on the available land, on the water lens, and on the lagoon. At its densest, the population is now close to 3,000 people per km² in South Tarawa and reaches 6,000 people per km² in Betia, an industrial and harbor district in South Tarawa. Virtually all suitable land is used for habitation, with little left for food production. Close to 40 percent of households do not have even a single member in regular paid employment. At the same time, social investment has been insufficient, with indicators of maternal and infant mortality among the worst in the Pacific. In the outer islands,

¹ The TA first appeared in *ADB Business Opportunities* (Internet edition) on 3 April 2000.

² The RERF was established by the British colonial administration in 1956 from the proceeds of phosphate mining. In 1979, when Kiribati gained independence, the value of the fund was \$35 million. At end-2000, through reinvestment and capital appreciation, the fund had grown to \$335 million.

³ Preliminary estimate from the 2000 population census.

the population must cope with very limited employment and income earnings opportunities, a low level of social services, and infrequent or reliable transport systems.

5. Kiribati's National Development Strategy for 2001–2003, adopted in October 2000, identifies three policy targets: (i) public sector reform: implementation of output budgeting and performance-based contracts; restructuring of government ministries to focus on core functions; privatization of public enterprises, and for those remaining in the public domain, a more rigorous enforcement of commercial management and budget constraints; and prudent fiscal management; (ii) creation of an enabling environment for private sector development: increased cooperation between the public and private sectors; streamlining of investment approvals and revision of incentives to make them more market friendly; strengthening of the domestic financial system to improve resource mobilization; improvement of access to land for investment and development; and continued reform of taxes and tariffs to remove distortions; and (iii) human resource development: increased emphasis on basic education, vocational technical training, primary health care, and poverty reduction. This was the first time the Government explicitly acknowledged the existence of poverty and poverty issues in Kiribati.

6. Progress in implementing the public sector reform program and the promotion of private sector and human resources development has been slow. A major reason for the lack of progress has been the absence of broad support for the strategies among politicians, government officials, and the community at large. This stems largely from the perception that the economic situation underpinned by the RERF can provide a cushion against adverse shocks, which is essentially sound.

7. The emerging demographic situation poses one of the greatest challenges for the Government in the medium term. Increasing numbers of young people are entering the labor force each year. In the past the phosphate mine in Nauru provided employment for many. Now that the mine is nearing exhaustion, that source of employment is also drying up. To attract any form of employment-creating investment will require the establishment of an enabling environment for the private sector. Economic monitoring in Kiribati has been hampered by a weak database and irregular reporting system.

8. Economic work, including poverty analysis, and stepped-up efforts to build social consensus on reforms are necessary. The Government's ability to assess the existing situation, and identify economic and social development, constraints, and strategy options must be enhanced. This will provide a basis for developing realistic medium-term government strategies for strengthening its development programs and supporting the fight against poverty. It will be important to closely monitor progress in actual implementation and make necessary adjustments and improvements based on real experience.

III. THE TECHNICAL ASSISTANCE

A. Objective

9. The main objective of the TA is to assist Kiribati in (i) developing a comprehensive national strategy and program to achieve broad-based economic growth, with corresponding improvement of the quality of life of the people and poverty reduction in the country; and (ii) implementing the plan effectively, through intermittent expert inputs. The TA will assist the Government to

- (i) develop a plan to improve public sector delivery, support private sector development, improve human resource development, and achieve economic diversification involving (a) updating social and economic data; (b) assessing the underlying causes of poverty and developing a poverty profile; (c) identifying obstacles as well as potential opportunities for achieving broad-based growth and poverty reduction; and (d) undertaking a consultative and participatory approach in creating awareness and identifying development strategies.
- (ii) provide knowledge-sharing support and expert advice on an intermittent basis to assess performance and improve implementation of the national development program.

B. Scope

10. The TA can be divided into two distinct phases: preparation and planning, and implementation.

1. Preparation and Planning

11. The TA will help the Government undertake national poverty profiling covering South Tarawa, as well as the outer islands.⁴ The national poverty profile will include proper analyses of the valuation of household work and subsistence production, activities of youth, household income, household expenditure, causes of poverty, effectiveness of the economic management, access to basic services, and effectiveness of the safety net. It will lay the groundwork for the poverty partnership agreement between the Government and ADB.

12. The TA will then assist the Government to prepare an overview of the economy, focusing on the National Development Strategy. The TA will help update macroeconomic and growth performance; assess the major constraints to growth and poverty reduction; and examine the major sectors, policies, and regulatory environment that constrain the factor markets, including land, labor, and capital.

13. Based on this information, the TA will assist the Government to assess the need for public sector reform; constraints to private sector development; strengths and weaknesses in human resource development; and the health, education, and resource management situation. Then recommendations will be developed for the country's medium-term development, suggesting actions to encourage private sector development that reflects local concerns, and proactive measures that will help develop the subsistence economy, entrepreneurship, and productive income-generating activities.

14. This work will lead to the preparation of an economic and strategy report, which will be presented at the Consultative Group of Donors meeting, to be organized by ADB in mid-2002.

⁴ Most of the necessary data have been collected in the 2000 Population Census and the 2001 Consumer Survey carried out in South Tarawa, under Loan 1648-KIR: *Sanitation, Public Health, and Environment Improvement Project (SAPHE)*, for \$10.24 million, approved on 8 December 1998, and are available for analysis. The desk study on poverty assessment and strategies for equitable growth and poverty reduction for Kiribati prepared under TA 5907-REG: *Poverty Assessment in PDMCs* for \$400,000, approved on 28 March 2000, will also be used as a basis for this analysis. If surveys and support for data updating and processing are required, the TA will provide funds to support such activities.

2. Expert Support During Subsequent Implementation

15. This component is based on very successful experience in Tuvalu as an example of best practice.⁵ This relates to the establishment of an advisory panel (AP) and specialist support group to assist the Government to regularly monitor performance and implement the economic and social strategy in the medium term. The AP's approach will be consultative and participatory. It will involve workshops and seminars in the country with the key stakeholders. Its members will therefore be expected to develop a close, supportive, and sound working relationship with the Kiribati Government leadership as well as the other stakeholders to achieve results. To enhance feedback, understanding, and ownership, the AP will seek a range of views from the Government as well as private business and civil society groups. The AP will visit Kiribati periodically, advise the Government and other ministries and responsible groups on the performance and emerging issues relating to economic and social development, and help develop action plans. The TA will provide services of specialist consultants on a needs basis to assist the Government in addressing specific issues that require assistance in this process.

C. Cost Estimates and Financing Plan

16. The total cost of the TA is estimated to be \$680,000 equivalent, of which \$524,000 is the foreign exchange cost and \$156,000 equivalent the local currency cost. ADB will provide \$500,000 equivalent to cover \$449,000 of the foreign exchange cost, and \$51,000 equivalent of the local currency costs. The TA will be financed on a grant basis from the Japan Special Fund, funded by the Government of Japan. The Government will finance the balance of the local currency cost, equivalent to \$102,000, through the provision of office space, conference facilities, administration, and local communications. AusAID will provide parallel co-financing \$78,000 equivalent, to cover \$75,000 of the foreign exchange cost and \$3,000 equivalent of the local currency cost (para. 18). The cost estimates are shown in Appendix 2.

D. Implementation Arrangements

17. The Ministry of Finance and Economic Planning (MFEP) will be the Executing Agency. The AP will work directly with senior staff from other ministries, including the President's Office and the ministries of home affairs and rural development and environment and social development. The Government will provide at least four senior counterpart staff for each of the international consultants, as well as office space and other support and facilities.

18. AusAID will finance 2.5 person-months of an international human resource development (HRD) specialist and two international visits to Kiribati. The HRD specialist will help prepare the poverty profile analysis and the new economic and social report, which will be a joint ADB-AusAID report.

19. ADB financing of the TA will provide a total of 14.5 person-months of international consulting services: a macroeconomist (6.5 person-months), a HRD specialist (4 person-months), a microeconomist (1 person-month), and specialist support personnel (3 person-months). It will also provide a domestic economic adviser (6.5 person-months). The AP and its MFEP counterparts will identify specific areas and prepare detailed terms of reference for the specialist support needed. Phase I will require 2.5 person-months each of the macroeconomist and HRD specialist, 1 person-month each of the microeconomist and economic and poverty

⁵ The Tuvalu trust fund advisory committee has been assisting the Tuvalu Government since 1987 to achieve self-reliance and economic development.

specialist, and 2.5 person-months of an economic adviser. Phase II will require 4 person-months each of the macroeconomist, HRD specialist, and economic adviser, and 2 person-months of specialist support personnel. The HRD specialist required in phase I will be supported by AusAID (para. 16). ADB will coordinate with AusAID; to ensure availability of the AusAID consultant during the necessary time period.

20. The TA will commence in January 2002 and be implemented over 36 months, with completion expected by the end of December 2004. To make optimal use of the recommendations from the economic and social report, the AP (the macroeconomist and HRD specialist) will visit Kiribati periodically. They will each spend one month in Kiribati in the first year and two months in the second and third years, for a total of five trips lasting one month each. At the end of each intermittent visit, the AP is required to present its findings and recommendations to MFEP and the other stakeholders including representatives of the President's Office, the Cabinet, Parliament, concerned government departments, the private sector, nongovernment organizations, and civil society groups.

21. The TA will produce the following outputs: (i) poverty analysis, (ii) economic and social report, (iii) an economic and strategy country report for the CG meeting, (iv) the AP reports on the follow-up actions, and (v) workshops/seminars on equitable growth and poverty reduction strategies. The two phases (12 months and 22 months) will be separated by 2 months to enable the Government, ADB, and AusAID to review the poverty profile analysis and economic and social report, and to make preliminary recommendations on the development strategies.

22. Selection and engagement of individual consultants will follow ADB's *Guidelines on the Use of Consultants*. The Government will submit for ADB's concurrence the names of at least four candidates with suitable qualifications to act as counterparts to the international consultants. Equipment items will be purchased in accordance with ADB's *Guidelines for Procurement* and turned over to MFEP at the end of the consulting assignment. The outline terms of reference for the consultants are in Appendix 3.

IV. THE PRESIDENT'S DECISION

23. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance, on a grant basis, to the Government of the Republic of Kiribati in an amount not exceeding the equivalent of \$500,000 for the purpose of Strengthening Development Strategies and Supporting Poverty Reduction, and hereby reports such action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

DESIGN SUMMARY	PERFORMANCE INDICATORS/TARGETS	MONITORING MECHANISMS	ASSUMPTIONS AND RISKS
<p>Goal</p> <p>Foster equitable economic growth and poverty reduction.</p>	<p>Introduction of policies that address structural problems affecting the level of poverty</p>	<p>Government policies as demonstrated by budget speeches and development plans</p>	<p>Opportunities for additional employment not found</p> <p>Natural disasters</p> <p>Adverse changes in external economic conditions</p> <p>Lack of political will to make the necessary changes</p>
<p>Objectives</p> <p>Assist the Government to strengthen its national development strategies through the following:</p> <p>Develop a better understanding of the poverty profile</p> <p>Assess the underlying causes of poverty</p> <p>Identify constraints to achieve effective growth and poverty reduction</p> <p>Enhance public services delivery</p> <p>Encourage private sector activity, human resource development, and economic diversification</p> <p>Through a consultative and participatory approach, develop an equitable economic development and poverty reduction plan that meet the needs of the people</p>	<p>Use of the economic and social report in Government decisions, budgets, and development plans</p> <p>More comprehensive and accurate assessment and evaluation of poverty; including poverty profile of South Tarawa and the outer islands</p> <p>Better targeting of poverty reduction programs</p> <p>Implementation of an effective public sector reform program</p> <p>Attractive and welcoming enabling environment that actively supports and encourages private sector development</p> <p>Participatory workshops and seminars</p>	<p>National development plan</p> <p>Government decisions, development plan documents, and budget documents</p> <p>Draft poverty partnership agreement between the Government and ADB</p>	<p>Government ownership and commitment to implement policies following the poverty profile analysis, economic and social report, and input of the advisory panel</p>

(Reference in text: page 1, para. 1)

DESIGN SUMMARY	PERFORMANCE INDICATORS/TARGETS	MONITORING MECHANISMS	ASSUMPTIONS AND RISKS
<p>Outputs</p> <p>Poverty profile</p> <p>Economic and social development report</p> <p>National economic and strategy report for presentation to the Consultative Group of Donors meeting</p> <p>Advisory panel (AP) and AP reports</p> <p>Workshops/ seminars on equitable growth and poverty reduction strategies</p>	<p>Poverty profile analysis focused on national poverty profile, causes of poverty, and statistical analysis to understand the poor and the formal and informal economy at local levels, produced by May 2002</p> <p>Identified and agreed-upon poverty line</p> <p>Economic and social report with focus on poverty reduction and the three key issues identified in the national development strategies 2000–2003, produced by May 2002</p> <p>Detailed economic and social strategy for the medium term through advice and intellectual support</p> <p>The Ministry of Finance and Economic Planning (MFEP) and the other stakeholders including representatives of the President's Office, the Cabinet, Parliament, concerned government departments, the private sector, nongovernment organizations, and civil society groups well informed of TA findings and recommendations</p> <p>Increased self-reliance in MFEP</p> <p>Workshops and seminars</p>	<p>Detailed work plans</p> <p>Technical assistance (TA) midterm report</p> <p>TA final reports</p> <p>Advisory panel reports</p> <p>Workshop and seminar feedback</p> <p>Asian Development Bank (ADB) review missions</p> <p>Review of official publications</p> <p>Level of reliance on external support for line positions</p>	<p>Working with time constraints</p> <p>Poor or stereotyped analysis of policies</p> <p>Continued reliance on international consultants for line support</p> <p>Incapacity of Government to implement policies and strategies</p> <p>Poverty issue unacknowledged or addressed</p>
<p>Activities</p> <p>TA personnel to undertake work as specified in terms of reference</p> <p>Consultants</p>	<p>Inputs</p> <p>Qualified TA personnel recruited and in place as scheduled</p> <p>- Total of 21 person-months</p>	<p>Consultant's work plan</p> <p>TA midterm report</p> <p>TA final reports</p>	<p>Appropriate TA personnel available for the required period</p> <p>Tasks completed on</p>

DESIGN SUMMARY	PERFORMANCE INDICATORS/TARGETS	MONITORING MECHANISMS	ASSUMPTIONS AND RISKS
	of services	Advisory panel reports ADB review missions	time Easily accessed, comprehensive, timely, and reliable data Competent and adequate counterpart staffs and support facilities are available Good relationships among consultants and counter staffs

COST ESTIMATES AND FINANCING PLAN
(\\$)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing^a			
1. Consultants			
a. Remuneration			
International Consultants			
Macroeconomist	117,000.0	0.0	117,000.0
HRD Specialist	72,000.0	0.0	72,000.0
Microeconomist	18,000.0	0.0	18,000.0
Special Support	45,000.0	0.0	45,000.0
Domestic Consultant			
Economic Adviser	0.0	26,000.0	26,000.0
b. Per Diem	47,198.0	0.0	47,198.0
c. International Travel	75,000.0	0.0	75,000.0
d. Local Travel	0.0	10,000.0	10,000.0
e. Data Collection and Analysis	0.0	5,000.0	5,000.0
f. Report Preparation and Communication	10,000.0	0.0	10,000.0
2. Equipment ^b	6,200.0	0.0	6,200.0
3. Workshops and Seminars	0.0	10,000.0	10,000.0
4. Contingencies	58,603.0	0.0	58,603.0
Subtotal (A)	449,000.0	51,000.0	500,000.0
B. Government Financing			
1. Remuneration and Per Diem of Counterpart Staff	0.0	30,000.0	30,000.0
2. Office and Communications	0.0	10,000.0	10,000.0
3. Data Collection and Analysis	0.0	40,000.0	40,000.0
4. Local Support	0.0	10,000.0	10,000.0
5. Contingencies	0.0	12,000.0	12,000.0
Subtotal (B)	0.0	102,000.0	102,000.0
C. AusAID Financing^c			
1. Remuneration and Per Diem of HRD Specialist	50,000.0	0.0	50,000.0
2. International Travel	10,000.0	0.0	10,000.0
3. Local Travel	0.0	3,000.0	3,000.0
4. Office and Communications	2,000.0	0.0	2,000.0
5. Contingencies	13,000.0	0.0	13,000.0
Subtotal (C)	75,000.0	3,000.0	78,000.0
Total	524,000.0	156,000.0	680,000.0

AusAID = Australian Agency for International Development, HRD = human resource development.

^a Financed from the Japan Special Fund funded by the Government of Japan.

^b Equipment will include one personal computer (\$2,000), one printer (\$1,000), one satellite phone (\$1,500), one fax machine (\$500), software (\$1,000), and consumables (\$500). Prices are inclusive of 50 percent markup due to transportation costs in Tarawa.

^c AusAID contribution is based on Asian Development Bank's staff estimates.

Source: Staff estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Preparatory and Planning

1. Macroeconomist (Economic and Strategy Development Study Team Leader)

1. The tasks of the macroeconomist will include the following:

- (i) Review and analyze significant overall trends in the country's macroeconomic development, specifically referring to macroeconomic aggregates.
- (ii) Review and comment on the Revenue Equalization Reserve Fund (RERF) and the impact of changes in management strategies and the structure of the investment portfolio.
- (iii) Assess the Government's monetary policy, macroeconomic management, fiscal performance, and budgeting framework, including revenue-raising performance and expenditure patterns; and recommend measures to improve the efficiency of policy to deliver preferred outcomes.
- (iv) In conjunction with the microeconomist, assess the Government's trade, investment, taxation, and competition policies and the effectiveness of the Government's public sector reform programs; and advise on strategies to improve these aspects of the economy.
- (v) Review the impact of the Government's policies on the equity of growth, and the incidence and severity of poverty.
- (vi) In close consultation with the Government, prepare policy recommendations that could form the basis of a strategic plan for the Government.
- (vii) Organize workshops and seminars involving the Government, private sector, nongovernment organizations (NGOs), and civil society groups to seek the views of all stakeholders.
- (viii) Submit an inception report outlining the detailed work plan and the final report to the Government and the Asian Development Bank (ADB), within one week of the start of the study, and a midterm report that describes the progress of the TA implementation and summarizes the findings to the Government and ADB at the end of the fieldwork.
- (ix) Before leaving Kiribati, finalize the draft report and, in conjunction with the study team members, present the draft to the Government, the President's Office, the Cabinet, Parliament, the private sector, NGOs, and civil society groups at a wrap-up meeting; and be at ADB headquarters for about two weeks to finalize the report.

2. HRD Specialist (Member of the Poverty Profile Analysis Team and the Economic and Strategy Development Study Team)

(Reference in text: page 5, para. 22)

2. The tasks of the human resource development (HRD) specialist as member of the poverty profile analysis team will include the following:

- (i) Assist the team leader to review and analyze the valuation of household work and subsistence production; activities of youth; source, patterns, and amounts of household income; patterns of household expenditure; causes of poverty; effectiveness of economic management; adequacy of access to basic services; and efficiency and effectiveness of safety net provision.
- (ii) Assist the team leader to prepare and present the final report to a closed workshop of the Government, private sector, NGOs, and civil society groups.

3. As member of the economic and strategy development study team, the specialist will undertake the following:

- (i) Review the current education and health policies and practices of the Government to determine the nature and effectiveness of the education and health care being received by I-Kiribati.
- (ii) Review the human resource development and social welfare strategies and practices of the Government, and advise on their relevance for the support of poverty reduction.
- (iii) Review and analyze the structure and performance of public services, the trends of social and environmental indicators, and the skill structure of the Kiribati workforce; and suggest improvements.
- (iv) In conjunction with the microeconomist, analyze the labor market in Kiribati, including a review of wage rates, employment conditions, the nature of work, and the frequency of employment; and advise on the constraints to and opportunities for offshore employment of I-Kiribati.
- (v) Make an overall analysis of the social sector, including investment, cultural practices, and social service delivery mechanisms; and suggest policy directions.
- (vi) In close consultation with the Government, prepare policy recommendations that could form the basis of a strategic plan for the Government; and complete all analyses.
- (vii) Assist the team leader in consolidating the final assessment, including preparation and presentation of findings and recommendations at a wrap-up meeting.

3. Microeconomist (Member of the Economic and Strategy Development Study Team)

4. The tasks of the microeconomist will include the following:

- (i) Review the constraints on and opportunities for private sector and enterprise development, natural resource development, and infrastructure and services

development; and advise on policies and strategies to improve their effectiveness and efficiency.

- (ii) Review and comment on the private sector policies and practices in so far as they affect the nature and extent of employment opportunities available.
- (iii) Review the operations of the Government-owned commercial enterprises and comment on their viability and the extent to which they inhibit the growth of a competitive private sector.
- (iv) Assess the Government's lands and environment policy and disparities between rural and urban areas in terms of incomes, employment, and other economic opportunities; advise on and suggest policies to promote equitable development in the rural areas and outer islands.
- (v) In conjunction with the HRD specialist, analyze the labor market in Kiribati including a review of wage rates, employment conditions, the nature of work, and the frequency of employment; and comment on the constraints on and opportunities for offshore employment of I-Kiribati.
- (vi) In conjunction with the macroeconomist, assess the Government's trade, investment, taxation, and competition policies, and the effectiveness of the Government's public sector reform programs; and advise on strategies to improve these aspects of the economy.
- (vii) In close consultation with the Government, prepare policy recommendations that could form the basis of a strategic plan for the Government; and complete all analyses.
- (ix) Assist the team leader in consolidating the final assessment, including preparation and presentation of findings and recommendations at a wrap-up meeting.

4. Poverty and Economic Specialist–Poverty Profile Analysis Team Leader

5. The poverty and economic specialist will have substantial experience in the practical aspects of poverty assessment in developing countries. The tasks of the poverty and economic specialist will include the following:

- (i) Generate (as necessary), update (as necessary), assemble, and analyze the data to derive poverty profiles with poverty measures; economic, social demographic, and environmental vulnerability indicators; measures of inequality; and data on the poor.
- (ii) With the assistance of the HRD specialist, review and analyze the valuation of household work and subsistence production; activities of youth; source, patterns, and amounts of household income; patterns of household expenditure; causes of poverty; effectiveness of economic management; adequacy of access to basic services; and efficiency and effectiveness of safety net provision.

- (iii) Prepare a statistical-economical analysis of the data from the 2000 population census.
- (iv) Prepare a statistical analysis of the data from the sanitation, public health, and environment improvement project consumer survey and differentiate the data to determine the households on South Tarawa that have inadequate supplies of potable water, lack access to safe sanitation disposal systems, and have inadequate cash income to meet food and/or other essential needs.
- (v) Aggregate the 2000 population census data by island and municipal area, and differentiate the data to identify individuals and families that are poor and disadvantaged.
- (vi) As necessary, guide and support the Ministry of Environment and Social Development in the conduct of statistical surveys; preparation of questionnaires; and compilation, analysis, and reporting of the results of its planned surveys.
- (vii) With the help of the HRD specialist and the economic adviser, prepare the final report consolidating findings, data set, and analyses from the study, and present the final report to a closed workshop of the Government, private sector, NGO officials, and civil society groups.

5. Economic Adviser

6. The tasks of the economic adviser will include the following:

- (i) Provide necessary reports and information to the teams.
- (ii) Help manage the technical assistance (TA), including the organization of meetings, seminars, and workshops.
- (iii) Assist the teams and the advisory panel (AP) in analyzing the data, updating Kiribati's economic and socioeconomic profiles, and drafting report sections.
- (iv) Prepare briefing notes on the economy and other relevant issues for the AP immediately prior to their missions to Kiribati.
- (v) As necessary, provide support for country programming missions.
- (vi) Undertake specific activities assigned by the team leaders.

B. Expert Support During Subsequent Implementation

1. Macroeconomist

7. As member of the AP, the macroeconomist will undertake the following:

- (i) Advise on the framework for discussion and act as a resource person at a round-table or community consultation process.

- (ii) Maintain a watching brief over the Kiribati economy, with particular concern for the impact of international events on the economy and fiscal and monetary policies.
- (iii) Periodically visit Kiribati to advise the Government, the President's Office, the Cabinet, Parliament, the private sector, NGOs, and the leadership of Kiribati on matters relating to the macroeconomic policy, fiscal policy, monetary policy, and macroeconomic management of the economy; including sector reform, economic structural reforms, and sector strategies and priorities that will strengthen the Kiribati economy and support poverty reduction.
- (iv) Provide regular AP reports.

2. HRD Specialist

8. As member of the AP, the HRD specialist will undertake the following:

- (i) Advise on the framework for discussion and act as a resource person at a round-table or community consultation process.
- (ii) Maintain a watching brief over the Kiribati economy, with particular concern for the impact of Government policies on job creation, education, health care, and community and social welfare.
- (iii) Periodically visit Kiribati to advise the Government, the President's Office, the Cabinet, Parliament, the private sector, NGOs, and the leadership of Kiribati on matters relating to human resource development, education development, health care, and community and social welfare; including sector reform, economic structural reforms, and sectoral strategies and priorities that will strengthen the Kiribati economy and support poverty reduction.
- (iv) Provide regular AP reports.

3. Specialists Support

9. The terms of reference for these specialists will be determined on the basis of requirements during TA implementation.

4. Economic Adviser

10. The adviser will undertake specific activities requested by the members of the AP.

11. The AP reports will be submitted to ADB and the Government within a week after each periodic visit, giving detailed notes on the above topics, including findings, comments, advice given, and agreements reached with the Government, the President's Office, the Cabinet, Parliament, the private sector, NGOs, and the leadership of Kiribati. The reports will also summarize the experience and suggest the direction of activities for the AP for the next intermittent visit.