

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. Kiribati depends heavily on donors and external grants. Development partner grants to the Government of Kiribati averaged more than 35% of gross domestic product during 2011–2015.<sup>1</sup> Development partner finance has thus played a vital role in sustaining and expanding services to the community and public infrastructure. The proposed additional financing grant of \$9.0 million is equivalent to 5.1% of Kiribati’s gross output in 2016.

2. Key development partners are the Asian Development Bank (ADB); Government of Australia; the European Union; the International Monetary Fund, whose involvement includes support through the Pacific Financial Technical Assistance Centre; Government of Japan; Government of New Zealand; Taipei,China; the United Nations; and the World Bank Group.

3. Assistance from these development partners in the urban transport sector has not been significant so far. Most of it has come from Government of Japan and Taipei,China in projects aimed at upgrading roads around the Betio port, maintaining causeways and roads on the outer islands (e.g., Matabou Tebuange and Nan Teibo), and maintaining roads in South Tarawa. Moreover, coordination between these two bilateral partners has been limited. The table below details recent, ongoing, and future urban transport projects in Kiribati funded by development partners.

#### Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
<b>Transport, and Information and Communication Technology</b>			
Government of Japan	Reconstruction of Betio Dai Nippon Causeway	2017–2019	35.80
	Port improvement Wharf development Road development	2006–2009	5.00
	Betio Port Expansion Project	2011–2014	31.00
Asian Development Bank	Road Rehabilitation Project	2011–2016	14.40
Government of New Zealand	Sustainable Towns Project	2010–2012	4.65
Government of Australia	Road Rehabilitation Project	2011–2013	12.79
Pacific Region Infrastructure Facility	Sustainable Towns Project	2011–2013	4.80
Taipei,China	Bonriki Airport upgrading	2011–2012	14.00
	Maintaining causeways, roads, and bridges	2011–2012	1.79

<sup>1</sup> International Monetary Fund. 2015. *Kiribati: 2015 Article IV Consultation. Press Release and Staff Report. IMF Country Report No. 15/207*. Washington, DC.

<b>Development Partner</b>	<b>Project Name</b>	<b>Duration</b>	<b>Amount (\$ million)</b>
World Bank Group	Road Rehabilitation Project	2011–2013	26.97
	Kiribati Aviation Investment Project	2012–2016	26.70
	Telecommunications and ICT Development Project	2012–2016	5.10

Source: Asian Development Bank.

## **B. Institutional Arrangements and Processes for Development Coordination**

4. External assistance is managed through the National Economic Planning Office of the Ministry of Finance and Economic Development. The infrastructure program is being managed by the Kiribati Fiduciary Services Unit within the Ministry of Finance and Economic Development that has improved aid coordination. However, because of the unit's limited capacity and burgeoning systems, it is difficult for Kiribati to lead good donor behavior or alignment with national systems in accordance with the Paris Declaration and Accra Principles.

5. Despite the significant number of development partners and the heavy reliance on development assistance, formal coordination mechanisms in Kiribati vary in quality. Prior to 2010, development partners had sought to coordinate their activities through an annual roundtable meeting geared toward the implementation of the country's national development plan. Although the meetings provided an opportunity to assess progress in implementing the plan and identify potential new areas for cooperation, in practice they consisted largely of the government's presentation of its development needs.

6. In 2010 the government initiated the start of biennial development partners' roundtable meetings in Kiribati. The first meeting in March 2010 proved to be well organized and focused, with participation by both development partners and the government. Development coordination occurs during project review missions (particularly with the World Bank, as well as the High Commissions in Tarawa of the Government of Australia and the Government of New Zealand). Informal development partner meetings also take place on an as-needed basis, mostly with development partners based in Suva, Fiji.

7. Both ADB's Pacific Subregional Office in Suva and ADB missions meet regularly with key government bodies, including the Ministry of Finance and Economic Development. ADB also regularly engages with all major bilateral and multilateral donors (including the governments of Australia and New Zealand, the European Union, the International Monetary Fund, and the World Bank) to examine potential areas for cooperation and deal with common concerns, particularly in the area of public financial management.

8. Collaborative arrangements for the joint implementation of the Road Rehabilitation Project were agreed upon by the government, ADB, and the World Bank. These include the joint development of a resettlement framework and environmental management plan, and the procurement methodology for the jointly financed civil works contract.

9. As outlined in ADB's country business operations plan, 2017–2019 for Kiribati, ADB will seek opportunities to support the government's leadership of policy, programming, and implementation issues.<sup>2</sup> ADB also continues to look for opportunities to undertake joint activities

<sup>2</sup> ADB. 2016. *Country Operations Business Plan: Kiribati, 2017–2019*. Manila.

and build on existing cooperative relationships and complementary activities. ADB seeks to promote donor coordination by meeting with donors regularly and sharing information and analyses. A development partners' agreement to improve aid effectiveness in Kiribati, which builds on the Paris Declaration, has been discussed among partners and with the government, and ADB will seek opportunities to promote its development.

### **C. Achievements and Issues**

10. Since partner involvement in the urban transport sector is limited and only a decade old, the trend in collaboration and coordination is still unclear, and opportunities to share experiences are few. Close coordination will be needed in all future urban transport projects funded by ADB and the World Bank to optimize benefits and minimize duplication of efforts, particularly in such common areas as institutional strengthening, capacity building, financial management, and management of operation and maintenance.

11. ADB and the World Bank have rich experience in the road and urban transport sectors in the Pacific. They will apply lessons learned to Kiribati.

### **D. Summary and Recommendations**

12. During the implementation of the Road Rehabilitation Project, ADB and the government have continued to coordinate and consult with other development partners such as the Government of Japan.

13. ADB and development partners should use the biennial development partners' roundtable meetings to support the government by consolidating and coordinating their efforts. More regular sector-based coordination meetings may be advantageous, and ADB will seek to encourage such meetings under the leadership of the government.