

## DEVELOPMENT COORDINATION

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

1. Kiribati depends heavily on donors and external grants. Development partner grants to the Government of Kiribati averaged more than 34% 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 \$2.4 is equivalent to 1.1% of Kiribati’s gross output in 2015.

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

3. Their assistance in the urban transport sector has not been significant so far. Most of it has come from 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 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.<sup>2</sup>

**Major Development Partners**

Sector or Theme	Development Partner	Project Name	Duration	Amount (\$ million)
Transport, and information and communication technology	Japan	Port improvement	2006–2009	5.00
		Wharf development		
	ADB	Road development	2011–2014	31.00
		Betio Port Expansion Project		
	Government of New Zealand	Road Rehabilitation Project	2011–2016	12.00
		Sustainable Towns Project		
	Pacific Regional Infrastructure Facility	Road Rehabilitation Project	2010–2012	4.65
		Sustainable Towns Project		
Taipei, China	Road Rehabilitation Project	2011–2013	12.79	
	Sustainable Towns Project			
Taipei, China	Bonriki Airport upgrading	2011–2013	4.80	
	Maintaining causeways, roads, and bridges			
			2011–2012	14.00
			2011–2012	1.79

<sup>1</sup> International Monetary Fund. 2015. *Kiribati: 2015 Article IV Consultation*. Staff Report. Country Report. Washington, DC.

<sup>2</sup> Pacific Regional Infrastructure Facility. 2015. *Kiribati Infrastructure Sector Coordination Support*. Report. Sydney.

Sector or Theme	Development Partner	Project Name	Duration	Amount (\$ million)
	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

ADB = Asian Development Bank, ICT = information and communication technology.

Source: Asian Development Bank assessment.

## B. Institution Arrangements and Processes for Development Coordination

4. External assistance is managed through the National Economic Planning Office within the Ministry of Finance and Economic Development, although this management has not progressed to proactive aid coordination. Because of its limited capacity and poorly developed 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. Until recently, development partners had sought to coordinate their activities through an annual roundtable meeting geared toward the implementation of the Kiribati Development Plan 2008–2011. 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. A recent shift resulted in the start of biennial development partners' roundtable meetings, of which the first, in March 2010, proved to be well organized and focused, with high-level participation by both development partners and the government. Development coordination does occur during missions (particularly with bilateral partners that have an in-country presence), and through dialogues and the sharing of documentation and concepts. Informal development partner meetings also take place on a needs 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. ADB also regularly engages with all major bilateral and multilateral donors (including the governments of Australia and New Zealand, and the European Union, International Monetary Fund, and World Bank) to examine potential areas for cooperation and deal with common concerns, particularly in the area of public financial management. Until 2012, these meetings showed little government leadership.

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, 2016–2018 for Kiribati, ADB will seek opportunities to support the government's leadership of policy, programming, and

implementation issues.<sup>3</sup> ADB also continues to look for opportunities to undertake joint activities 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 operations and maintenance.

11. ADB and the World Bank bring the advantage of a depth of experience across the Pacific in the road and urban transport sectors. These lessons will also be applied to Kiribati.

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

12. During the implementation of the road Rehabilitation Project, ADB and the government continues to coordinate and consult with other development partners such as Japan.

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

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<sup>3</sup> ADB. 2015. *Country Operations Business Plan: Kiribati, 2016–2018*. Manila.