

Reitaki

Joint Report on the
Kiribati-Australia Partnership for Development
Annual Talks 2011

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1. INTRODUCTION

The *Kiribati-Australia Partnership for Development* (the Partnership) was signed in January 2009. Both governments agreed the priority areas for Australian aid are human resources development and improving economic and public financial governance and economic growth prospects. In addition, the Partnership supports other sectors such as climate change adaptation, infrastructure development, health and ending violence against women.

A guiding principle of the Partnership is that both governments have mutual responsibilities towards achieving the agreed development goals set out in the Partnership. An important element of the Partnership is the annual joint review of progress, whereby both governments review progress made over the preceding year, examine challenges faced and confirm priorities to focus on over the next year and beyond. The joint review culminates in the annual Partnership for Development Talks (the Partnership Talks) involving senior officials from both governments.

The second annual Partnership for Development Talks was held in Tarawa on 28 June 2011 between the Government of Kiribati (GoK) (all central and line ministries) and Government of Australia (Australian Agency for International Development [AusAID] and Department of Foreign Affairs and Trade).

This report summarises the Partnership Talks held in 2011, including pre-Talk discussions and analysis contained in the Context, Progress and Issues Paper. The report has been jointly prepared by the two governments, with the support of an independent facilitator.

2. REVIEW OF PROGRESS

This section examines progress made towards the Partnership's three priority outcome areas and other areas of importance. It also details the discussions held at, and outcomes emerging from, the Partnership Talks.

In 2010–11, Australian official development assistance to Kiribati was \$28.3 million, compared to \$22 million the previous financial year. This increase is mainly due to front-loading Australia's total contribution to the Kiribati (climate change) Adaptation Program Phase III (\$5.1 million) and increasing funding to infrastructure projects which will continue over the coming years.

Table 1: Overview of Australian aid budget to Kiribati, 2010–11

Partnership for development	\$ million	Key programs
Priority outcome areas		
Outcome 1: Improved standards in basic education	3.8	<ul style="list-style-type: none"> Kiribati Education Improvement Program (KEIP) School and Centre for Disabled Children, South Tarawa
Outcome 2: Workforce skills development	7.6	<ul style="list-style-type: none"> Technical and Vocational Education and Training (TVET) Sector Strengthening Program (TVETSSP) Kiribati Australia Nursing Initiative (KANI) Australia Development Scholarships
Outcome 3: Improved growth and economic management	2.1	<ul style="list-style-type: none"> Asian Development Bank (ADB) Economic Management and Public Sector Reform Support to the Ministry of Finance and Economic Development (MFED) with Population Census, Kiribati Development Plan (KDP) 2012–15 Formulation
Other areas		
Climate change	5.7	<ul style="list-style-type: none"> World Bank Kiribati Adaptation Program (KAP) Phase 3 Support to the National Summit on Climate Change

Partnership for development	\$ million	Key programs
Infrastructure	8.6	<ul style="list-style-type: none"> ADB – World Bank Road Rehabilitation Project in South Tarawa World Bank information and communication technology project
Health and Ending violence against women	0.5	<ul style="list-style-type: none"> Support to the Secretariat of the Pacific Community (SPC) and Ministry of Internal and Social Affairs (MISA) in preparing National Action Plan for Ending Violence against Women Support to the Ministry of Health and Medical Services (MHMS) for health strategic planning, procuring a satellite and design works for upgrades at Kiribati School of Nursing and Betio Maternity Ward
Total	28.3	

PRIORITY OUTCOME 1: IMPROVED STANDARDS IN BASIC EDUCATION

Joint commitment: Support efforts to achieve improved standards in basic education (both access and quality)

The first priority outcome area of the Partnership focuses on improving the standard of basic education across 115 primary and junior secondary schools in Kiribati, which should lead to higher enrolment rates and improved learning outcomes, and support GoK's vision of enhancing economic opportunities for its people. The Partnership also directly addresses the issue of donor coordination and support to GoK leadership. Perhaps more than in any other sector, it is this issue, rather than funding or technical know-how, that will lead to real improvement in development outcomes.

Progress towards the three agreed partnership targets for this priority outcome is set out in Table 2. Progress towards Target 1—increased enrolment rates for both boys and girls at all levels of the education system—is not progressing in the direction both governments would like. There are improvements in literacy and numeracy for most school-age groups (Target 2), but levels are low. The Kiribati Education Management Information System functions well and annual digests of data are prepared, however the Ministry of Education remains concerned over data accuracy (particularly from the Outer Islands) (Target 3).

The main vehicle for implementing Australia's aid and contributing towards these Partnership targets is through KEIP, a 10-year, multi-donor program that started in August 2010, after a lengthy design process. KEIP is currently in Phase 1, and Phase 2 will run from 2012 to 2015.

Table 2: Progress towards Partnership Targets in basic education, by percentage

	Baseline (%)	Latest (%)	Target (%)	Assessment
Target 1: Increased net enrolment rates for both boys and girls at all levels of the education system				
Primary school	93 (2008)	85 (2010)	96 by 2013	Off track
Junior secondary school	68 (2008)	65 (2010)	90 by 2013	
Target 2: Improvement in the literacy (English and Kiribati) and numeracy skills of school-age children				
Grade 4 English literacy	29 (2007)	31 (2009)	48 by 2013	On track
Grade 4 Kiribati literacy	53 (2007)	62 (2009)	70 by 2013	
Grade 4 Numeracy	27 (2007)	35 (2009)	38 by 2013	
Grade 6 English literacy	14 (2007)	33 (2009)	45 by 2013	
Grade 6 Kiribati literacy	50 (2007)	56 (2009)	60 by 2013	
Grade 6 Numeracy	18 (2007)	16 (2009)	22 by 2013	
Target 3: Verification and analysis of Kiribati Education Management Information System data reported annually to key stakeholders (government, teachers, civil society, development partners)				
	2009 digest published ✓	2010 digest published ✓	2013 digest to be published	Partly on track

At the Partnership Talks, both governments acknowledged that KEIP had just started and so its influence on Partnership targets was understandably limited. However, by 2013, both governments

expect to see an improvement in school enrolment, attendance and retention rates, as well improvements in learning outcomes.

AusAID commended the significant work undertaken over this past year by the Ministry of Education in finalising the design of KEIP and starting implementation.

Both governments expressed concern over the current situation in the basic education system, and agreed it is important to understand all the reasons for children not enrolling in school, or having difficulty attending regularly. GoK noted its concerns about gender equality, with boys far less likely to proceed to higher education than girls; and indicated that it is reviewing its consolidated schools policy.

In light of this, both governments agreed that KEIP should undertake a thorough analysis of the reasons for low enrolment and retention rates of girls and boys, and ensure the design of KEIP Phase 2 includes activities and programs to address these issues.

Both governments agreed on the importance of having accurate data to monitor education outcomes and provide the basis for policy and planning. Both also agreed that this should continue to be a priority area of assistance through KEIP.

In the second half of 2011, GoK advised it will prepare its next Education Sector Strategic Plan (ESSP) for 2012 to 2015. GoK stated this is critical to enable it to determine its priorities for the education sector as whole, including in basic education. The plan will then feed into the next KDP, and KEIP Phase 2 should support the implementation of these priorities.

In 2012, both governments should consider whether to revise the partnership targets under this priority outcome to align with the new ESSP targets and reflect milestones under KEIP Phase 2.

Outcomes from the 2011 Partnership Talks

- KEIP to undertake analysis into reasons for low enrolment, attendance and retention rates, and to use analysis results to inform the design of KEIP Phase 2.
- KEIP to support GoK to improve its education information management systems.
- GoK to prepare ESSP 2012–15. AusAID to consider supporting GoK in these efforts.
- Both governments to consider revising partnership targets and indicators so they are in line with new targets developed through the ESSP 2012–15 and the KDP 2012–15.

PRIORITY OUTCOME 2: WORKFORCE SKILLS DEVELOPMENT

Joint commitment: Provide opportunities for people to develop their workforce skills in areas of industry demand both domestically and abroad

The second priority outcome area of the Partnership assists GoK to increase the number of I-Kiribati with internationally recognised technical and vocational skills in areas of industry demand, domestically and abroad. The intention is to decrease youth unemployment and increase public and private sector productivity in Kiribati.

Progress towards the four agreed partnership targets for this priority outcome is set out in Table 3. The main programs are: TVETSSP, the Kiribati Australia Nursing Initiative and the Australian Development Scholarship program. Outputs under the four targets are partly on track to being met. Limited data prevents the monitoring of the targets themselves.

Increasing the proportion of youth completing TVET courses (Target 1) is progressing as expected. Through the TVETSSP, the Partnership focuses on strengthening the Kiribati Institute of Technology (KIT), while other development partners support the Marine Training Centre and Fisheries Training Centre. The TVETSSP supports upgrading KIT courses to international standards and improving teacher standards. Student enrolments have increased from 185 in 2010 to 265 in 2011 as a result.

Kiribati recognises that proficiency in English is crucial for graduates from all disciplines to be competitive in international labour markets (Target 2). KIT will move towards an English-only teaching environment with support from TVETSSP. Other technical institutions in Kiribati are also making changes, including the Marine Training Centre, which has extended its seafarers' training course to 18 months to incorporate six months of intensive English. Under KANI, students (upon graduating) take a 10-week intensive International English Language Testing System (IELTS) preparation course to assist them to achieve IELTS level 7, a requirement for employment in Australia and New Zealand. Improving English language is also a priority under KEIP, with activities being undertaken to improve the quality of English language teachers and curriculum.

Low completion rates for scholarship awardees, although improving, are a concern for both governments (Target 3). There is limited information on what happens to graduates, so the effectiveness of these scholarships is not known. Both governments agree that the priority is to improve support to students, finalise work on student tracer studies and improve the Kiribati Education Management System Scholar database.

Progression from studies into employment for I-Kiribati graduates—either in Kiribati or abroad—remains a key priority for GoK and is an area the government would like to see become a greater Partnership focus (Target 4).

Table 3: Progress towards Partnership Targets in Workforce Skills Development

	Milestone indicator	Baseline	Latest	Target	Assessment
Target 1: Increasing each year the proportion of youth, aged between 16-24 years at time of enrolment, completing TVET courses, which are themselves, or articulate to, internationally recognised qualifications.					
TVETSSP	Full-time enrolments at KIT increased by 120 students in 2012 intake	185 students (2010)	269 (2011), of which 33% are female	305 by 2012	Partly on-track
	New full-time international standard courses across a range of industry areas started at KIT	2 out of 5 full-time courses meet Australian standards (2010)	- All full-time courses have been upgraded to meet Australian standards (2011) - No new courses have been developed		
	The proportion of KIT lecturers who have international Certificate III qualifications in their teaching field increased	19% (2010)	Next assessment in September 2011	75% by 2012	
	Apprenticeship and trade testing systems reviewed and approved by the Kiribati Apprenticeship Board for implementation in 2011		- No significant progress, but short-term advisory assistance is scheduled for September 2011 - Terms of reference for the Apprenticeship Board pending GoK approval		

	Milestone indicator	Baseline	Latest	Target	Assessment
KANI	Students enrolled in Australian diplomas in Nursing and Community Welfare obtain qualification	82 students enrolled in Australian Nursing degrees and Community Welfare diplomas	- 63% of KANI students have already achieved their degree / diplomas - A further 30% of KANI students expected to receive their degree / diploma by July 2012	90% of students obtain qualification	
Target 2: Increasing the proportion of post-secondary graduates proficient in English, to an IELTS level appropriate to vocation					
TVETSSP	All KIT lecturers proficient in English at IELTS level 7	0 out of 11 staff are at IELTS level 7 (2010)	- 4 out of 21 staff are at International Second Language Proficiency Rating 4 and 4+ (2011) - 20 KIT staff enrolled in Certificate in Spoken and Written English (Certificate IV)		Partly on track
	90 full-time students completing KIT Vocational Preparatory Course which includes training in English for Specific Purposes		- 100 first-year KIT students enrolled - 260 KIT students enrolled in the new Certificate in Spoken and Written English (Certificate I and II)		
KANI	Students completing Diplomas of Nursing and Community Welfare, and Bachelor Nursing obtain an equivalent IELTS score of 7		- no information available regarding IELTS levels of KANI graduates		
Target 3: Increasing completion rates for I-Kiribati studying at tertiary institutions					
	Proportion of KANI students enrolled in Bachelor of Nursing graduate		91% of students still enrolled and first cohort of students will graduate in end 2011	70–100%	On track
	Increased proportion of other Australian scholarship awardees complete their tertiary studies	- For ARDS: 61% completion rate between 2000–07 - For ADS: 85% completion rate since 2000	Completion rate for ARDS averaged at 86% between 2006 and 2010		
Target 4: Increasing the number of I-Kiribati workers accessing employment opportunities abroad					
	Comprehensive labour migration strategy identified and approved		MLHRD is continuing work on the labour migration strategy under the TVETSSP		Off track

At the Partnership Talks, GoK reiterated the importance of having pathways to employment, domestically and abroad and how the Partnership can support these areas. GoK's Secretary to Cabinet expressed the need for the government to develop a stronger understanding of its own labour market to match labour supply with demand—domestically and abroad. A database, TVET policy and labour migration strategy would support meeting these needs.

GoK noted it is keen to examine labour migration opportunities in other sectors, such as international peacekeeping, building on Kiribati's experiences in the Regional Assistance Mission to Solomon Islands, and it was agreed this would be further discussed during the Security Partnership Talks in July 2011.

AusAID outlined the rationale behind the slow start to the Pacific Seasonal Workers Program following from the global economic crisis and the drought in Australia. Recent improvements to program outcomes were noted in addition to the importance of tapping into the unskilled labour

market and addressing outer islands' needs. AusAID is committed to advocating more strongly on the issue of access to Australia's labour markets to other government departments.

AusAID commended the MLHRD on the strong start to the TVETSSP, including progress to date in expanding student enrolments from 185 to 269 between 2010 and 2011, and upgrading existing courses to international standards. Both governments agreed the next priority is to ensure students graduate with Australian qualifications as this increases their chance of obtaining visas to work overseas. The Secretary to Labour asked for details of AusAID support on renovations at KIT. AusAID advised it would consider the proposal and costings from GoK for the renovations when they are finalised.

For all in-service scholarship programs, the Secretary of the Public Service Office advised it is reviewing policies to ensure transparent selection processes, while considering equity issues raised by AusAID. AusAID noted the importance of the need for data on tertiary education and asked that conducting tracer studies and improving Kiribati Education Management Information System to monitor tertiary education (university and TVET) be priorities.

The MLHRD advised it is still in discussions with the MISA on the development of a Youth Employment Policy, which the International Labour Organization is coordinating. AusAID articulated it hoped to support the ministry in this area, as expectations have been established among the communities where the program has started. AusAID advised that any broader support to this area would be contingent on broader GoK support to private sector development, acknowledging existing priorities of Public Financial Management (PFM) and state-owned enterprise (SOE).

GoK asked AusAID to fast track its proposed support to the Kiribati School of Nursing. AusAID advised that this is being progressed, with the World Health Organization (WHO) proposal now being considered by AusAID, MHMS and MLHRD. Both parties commented on the costs of the KANI scholarships program and the need to review outcomes under the pilot program. GoK's Foreign Affairs Secretary advised that investments might represent better value for money if focused on strengthening local institutions.

Outcomes from the 2011 Partnership Talks

- Labour mobility is managed by many parts of the Australian Government and AusAID will continue to advocate on behalf of Kiribati in the Australian Government context.
- Both governments agreed to examine options for KIT students to graduate with Australian qualifications (formal auspicing arrangements or qualifications framework).
- GoK to undertake costing of infrastructure-related expansion and rehabilitation at KIT for the Government of Australia to consider joint financing.
- GoK (PSO, Ministry of Education) will focus in 2011 on finalising work on scholarship student tracer studies and improving the Kiribati Education Management System Scholar database.
- Both governments agreed to review KANI and improve its long-term viability. GoK (MHMS), AusAID and WHO to start program to upgrade the Kiribati School of Nursing.

PRIORITY OUTCOME 3: IMPROVED GROWTH AND ECONOMIC MANAGEMENT

Joint commitment: Strengthen economic management in support of mutually agreed GoK-led economic reforms.

The third priority outcome area of the Partnership focuses on building a stronger and more resilient Kiribati economy, and improving economic governance, primarily through strengthening Kiribati's revenue base and better budget management, and improving efficiency and effectiveness of public expenditure to achieve social and economic outcomes. Progress towards the four agreed partnership targets for this priority outcome is set out in Table 4, with targets 1, 2 and 4 relatively on track and target 3 not able to be easily measured.

Based on GoK's 2011 Budget and the International Monetary Fund's Article IV Consultation (2011), GoK has succeeded reducing the recurrent budget deficit for 2010 (Target 1), and ensuring the Medium Term Fiscal Strategy targets lower deficits, as a proportion of gross domestic product, over the period to 2013. If the fiscal strategy targets are met, general public expenditure will also continue to decline as a proportion of GDP.

There has been an improvement in revenue from fishing licenses in recent years, and GoK has reported that revenue for 2010 was substantially higher than budgeted (Target 2). These improvements have, in part, been attributed to the reforms introduced through the performance-linked aid (PLA) initiative with the Ministry of Fisheries and Marine Resources Development. The PLA initiative is viewed very positively by the ministry.

It is difficult to assess if there has been improvement in the effectiveness and efficiency of GoK's expenditure program in promoting development (Target 3). However significant efforts are underway to improve the performance of SOEs. In addition, in 2011 the MFED finalised a PFM Reform Plan and successfully coordinated support from the ADB and Pacific Financial Technical Assistance Centre to support the implementation of key reforms.

The contribution of the private sector to the economy remained the same over the past year at around 45 per cent of gross domestic product (Target 4). AusAID support to this target has been indirect and progressed through SOE reform and under the priority outcomes for basic education and workforce skills development. In addition, AusAID is providing funding for infrastructure projects (roads; information and communication technology development; energy; water and sanitation) which will improve productivity for the private sector and may provide opportunities for private sector involvement in delivering and maintaining these infrastructure services.

Table 4: Progress towards Priority Outcome 3 targets

	Baseline	Latest	Target	Assessment
Target 1: Decreased gap between GoK current expenditure and (non-external grant) revenue				
meaning that GoK unsustainable budget deficits of recent years are to be reduced, starting with the 2011 budget				
Budget deficit (% of GDP)	12.6% (2009)	8.0% (2010)	Not identified	On track
Target 2: Increased and sustainable revenue flows to Kiribati				
by ensuring returns on Kiribati's fisheries and marine resources are maximised and continue to help stabilise the budget				
Total revenues (excluding external grants)	\$69.6 million (2009)	\$81 million (2010)	Not identified	On track
- Of which fisheries revenues	\$29.5 million (2009)	\$41.7 million (2010)	Not identified	
Target 3: Improve the efficiency and effectiveness of public expenditures in promoting the development of Kiribati				
by improving the quality of financial management systems and by ensuring expenditure programs are focused on the provision of public goods and addressing inequality				
GoK has, in response to the findings of the 2010 Public Expenditure and Financial Accountability assessment, and with the support of donors: prioritised reform actions; endorsed a roadmap for implementation; and begun implementing reform actions	- Public Expenditure and Financial Accountability assessment undertaken	- PFM Reform Plan developed and endorsed by Cabinet (June 2011) - Medium Term Fiscal Strategy reflected for first time in 2011 Budget	Not identified	Difficult to measure

	Baseline	Latest	Target	Assessment
GoK with ADB (and funding from AusAID) developed a public enterprise portfolio performance improvement strategy which has been endorsed by Cabinet		- Cabinet agreement to reform eight SOEs. Of these, one has been sold (Kiribati Supply Company Limited). - Cabinet endorsed the Telecommunications Act in April 2011	Not identified	
Target 4: Decline in general public expenditure as a percentage of GDP to be achieved over the medium and longer terms by policies promoting private sector development and robust economic growth				
Public expenditure as % of total gross domestic product	55% (2009)	54.8% (2010)	Not identified	Partly on track

At the Partnership Talks, GoK (MFED) advised on the efforts taken over the past year. This includes: a review of the Revenue Equalisation Reserve Fund and debt sustainability analysis; introduction of the medium term fiscal strategy; continued efforts to reform SOE; and, most recently, the development of the PFM Reform Plan and the Taxation IT Plan. The Secretary of Finance noted that the Ministry is at the stage where these plans need to be implemented, and this requires support from development partners.

The Government of Australia congratulated GoK on its leadership and accomplishments, and commended the government on its investment into strategic planning noting that ‘as bureaucrats we appreciate that plans don’t grow on trees and are an important pre-condition for progress’.

The Government of Australia noted that this priority outcome area is very important and underpins performance across the Partnership. Australia also advised that AusAID is the lead donor in basic education and workforce skills development, but that international financial institutions are much better equipped to provide direct support to GoK under this priority outcome area (with AusAID providing financial support as necessary).

GoK requested AusAID to continue to mobilise assistance from the international and regional financial institutions to implement its PFM reform plan and other economic reform priorities. AusAID agreed to this. Both governments also agreed to investigate options for improving donor coordination and support for GoK’s economic reform priorities which could be through establishing a Consolidated Economic Reform Program, using the PFM Plan as the basis but broadening it to cover other reform areas as needed.

On fisheries, GoK (MFRD) informed that the PLA initiative was very beneficial and expressed the desire for it to continue. The Government of Australia explained the rationale behind temporarily putting PLA initiatives on hold in Kiribati, and explained there has been an agency-wide change in policy stipulating that each country must undertake due diligence (assessment of national systems) before providing forms of budget support. The Government of Australia reiterated it would like to see PLA continue in Kiribati and, indeed, expanded into other sectors such as basic education and workforce skills development.

The Government of Australia noted its will continue to support the fisheries sector, with work being informed by the Institutional Strengthening Review being prepared. GoK noted that it is pleased the Forum Fisheries Agency is undertaking this review and indicated its desire for the review to look at the direct activities requiring support on the ground. Both governments noted the importance of the revenues earned from fisheries to GoK and the dual challenges of sustainable harvesting of Kiribati’s fish and maximising the revenue earned from its fisheries resources.

Outcomes from the 2011 Partnership Talks

- GoK, in close consultation with AusAID, is to consider opportunities for establishing a Consolidated Economic Reform Program (in the context of existing donor engagement on a number of specific issues such as PFM).
- Government of Australia to continue to mobilise support from international and regional financial institutions to GoK, and GoK to ensure this support is effective in meeting Partnership targets.
- AusAID to work with other Australian Government departments and GoK to use the Forum Fisheries Agency Institutional Strengthening Review to inform the direction of Australian assistance to this sector.

SUPPORT FOR OTHER SECTORS

In addition to the partnership's priority outcomes, AusAID provides support to other sectors in Kiribati: adapting to climate change, improving health, eliminating gender-based violence, and developing infrastructure. In 2010–11, this accounted for more than 50 per cent of Australia's bilateral assistance to Kiribati and will remain a significant part of its support. Unlike in the priority outcome areas, there are no joint targets for these sectors. Most of Australia's support is channelled through regional and multilateral organisations, which presents opportunities and challenges for development effectiveness.

Climate change adaptation

The majority of Australia's support to climate change adaptation in Kiribati is through the World Bank-led KAP. There have been issues with the design, and with differences emerging between the World Bank and GoK priorities.

GoK acknowledged and appreciates Australia's support to Kiribati in climate change adaptation. Nonetheless, GoK remains frustrated at the inability to directly access promised international climate change financing. Improvements to PFM and development of a Joint Action Plan on Climate Change Adaptation and Disaster Risk Management should help to address this.

Australia has front-loaded its total contribution to KAP Phase III. There is a need to identify new programs in Kiribati that AusAID can support in addition to KAP. In the short-term, this is likely to be through other regional and multilateral organisations, and in the medium to longer-term channelled directly to GoK. Regardless of the delivery method, Australian aid should help support the implementation of the Joint Action Plan on Climate Change Adaptation and Disaster Risk Management.

GoK noted Australia's concerns about vandalism of infrastructure, and agreed to increase the focus on community engagement.

Outcomes from the 2011 Partnership Talks

- GoK to develop the Joint Action Plan on Climate Change Adaptation and Disaster Risk Management, and to integrate climate change into the next KDP 2012–15.
- Government of Australia to provide future assistance to Kiribati to support implementation of this Joint Action Plan.
- GoK (through KAP III) to improve community engagement processes to improve community ownership of climate change infrastructure and prevent vandalism.

Health

Australia's support to the health sector is relatively small, and is channelled through regional and international specialist health organisations; namely, Secretariat of the Pacific Community and WHO. Australia supports two programs that work with MHMS: the Tuberculosis Epidemic Control Program (implemented by Secretariat of the Pacific Community) and the Non Communicable Disease program (implemented by the Secretariat and WHO). In addition to these programs, the Government of Australia has provided direct support to the MHMS to buy a satellite dish and undertake design works to rehabilitate the Kiribati School of Nursing and the Betio Maternity Ward.

At the Partnership Talks, both governments agreed that Partnership priorities in the health sector (short to medium term) are to continue—with existing programs and the start of the WHO-supported program to improve teaching standards at the Kiribati School of Nursing. This will provide benefits to Kiribati's health sector and may also improve long-term viability of the KANI program. Broader and comprehensive support to the health sector, for instance to mother and child health, will be considered in the medium to longer term and aligned with the needs identified in the next Health Sector Strategic Plan, currently being developed.

Outcomes from the 2011 Partnership Talks

- Both governments agreed that the priority for 2011–12 is to finalise and start implementation of the program to upgrade the Kiribati School of Nursing.

Eliminating gender-based violence

Kiribati has among the highest rates of domestic violence in the Pacific, affecting 68 per cent of women between 15 to 49 years of age. In 2010 AusAID worked with the Women's Development Unit in the MISA to start implementing recommendations from the SPC study on gender-based violence and child abuse. This involved the development of a Policy and National Action Plan to End Violence against Women, which was endorsed by Cabinet in April 2011. As well, AusAID funded some early interventions by MISA to help women at risk. This included establishing the SAFENET hotline and providing training for the judiciary, police and health and social welfare workers.

At the Partnership Talks, the Government of Australia congratulated GoK on preparing and endorsing the National Action Plan to End Violence against Women. Australia noted that helping Pacific island countries address domestic violence is a priority for its aid program in the Pacific, and would like this topic to become a standing agenda at future Talks.

Both governments agreed that the priority for 2011–12 is to start implementing the recently endorsed national action plan. Australia noted it will look to United Nations Women to play a lead role in supporting MISA in this and that AusAID could fund programs developed under the plan. GoK (MISA) noted that efforts to address domestic violence need to be designed in a culturally appropriate way. GoK also stated it would be keen to examine opportunities with Australia for strengthening development through sport in Kiribati.

Outcomes from the 2011 Partnership Talks

- Both governments agreed the priority for 2011–12 is to start implementation of the recently endorsed National Action Plan to End Violence against Women.

Infrastructure

Improving infrastructure services is a priority of GoK as it supports economic growth and broader social outcomes, and improves public sector capacity. In recent years, GoK has committed to an ambitious agenda of improving road infrastructure, airports, telecommunications, energy, and water and sanitation. These infrastructure projects are being supported by the World Bank and the ADB, as well as a number of bilateral donors (New Zealand and Taiwan), through grant and loan financing. Most projects are in early implementation or design phase.

While not a priority outcome area of the Partnership, AusAID has agreed to contribute to funding all of these projects, except the airport redevelopments. Infrastructure is a relatively new sector of support for AusAID in Kiribati. To date, AusAID has delegated responsibility for these programs to its partners, consistent with the principles of ‘lead donor’ outlined in the Cairns Compact.

At the Partnership Talks it was agreed AusAID should increase its engagement with GoK and donor partners in the water and sanitation sector, relative to its support for other sectors, given the cross-over with the Kiribati Adaption Program and overall importance of the sector to improving health outcomes and the environment in South Tarawa.

Outcomes from the 2011 Partnership Talks

- Both governments agreed that AusAID should increase its engagement with GOK and donor partners in the water and sanitation sector

3. CROSSCUTTING THEMES

This section highlights the important and often recurrent crosscutting themes emerging from reports, pre-talk discussions and the Partnership Talks.

KEEPING THE PARTNERSHIP FOR DEVELOPMENT TIGHTLY FOCUSED

GoK confirmed that the three priority outcome areas are basic education, workforce skills development, and economic management and growth. These are all important for Kiribati’s long-term prosperity and remain the right ones for the Partnership to focus on.

Both governments acknowledged that the Partnership has expanded into new areas since it was established in 2009. While support to these areas is regarded positively by both governments, it was agreed that efforts should focus on improving the existing impact of programs—many of which have just started—and not on expanding into new areas. Particularly from GoK’s side, there was a strong sentiment that the Partnership still needs to prove itself, and not risk its overall effectiveness by spreading itself too thin.

Outcomes from the 2011 Partnership Talks

- Both governments agreed that there should be no new priority outcome areas or other sectors added to the Partnership in the short-term.

IMPROVING DEVELOPMENT EFFECTIVENESS BY SUPPORTING GOK STRATEGIC PLANNING AND IMPLEMENTATION CAPACITY

Improving development effectiveness was a crosscutting theme at this year's Partnership Talks. The need to maximise the efficiency and effectiveness of aid flows to Kiribati is irrefutable. Even though Kiribati enjoys high levels of aid per capita, compared to many other countries in the Pacific, the pace and scale of development is not enough.

For Kiribati to improve development outcomes in the long term, it needs to have more autonomy over all of its development resources and have the capacity to manage these for development outcomes.

Yet the donor paradigm is typically still one of stand-alone, separately-managed, projects and programs with—in some key sectors such as health—clearly heavily fragmented development assistance. While projects always aim to strengthen GoK capacity, if there is no genuine attempt to use GoK institutions and systems to deliver the project and achieve results, there is a risk that capacity development will become a side activity not receiving the emphasis it requires. This is not to say that the current model is completely hands-off for GoK—it is not. The project-based approach preoccupies already-thin GoK resources with multiple program oversight responsibilities.

A structural shift from implementing aid through stand-alone projects to a more integrated program-based approach using GoK systems, coupled with other ways of delivering—such as PLA—is required. To do this, three things need to be focused on:

- developing coherent sector strategies that define 'what success looks like and costs';
- strengthening institutional capacity to deliver development results, which includes improving PFM and monitoring and evaluation systems; and
- donors committing to working through GoK institutions and systems and therefore 'strengthen by doing'.

The Government of Australia reiterated its commitment to increase the share of aid directly managed by GoK (currently estimated at 7 per cent) and explained this will be subject to conducting an assessment of national systems. One main objective under KEIP and the TVETSSP is to transition from having managing contractors manage the implementation of programs to GoK having direct implementation responsibilities. This is being achieved in a phased approach, and could be a model to be replicated by other line ministries with other donors.

GoK has placed high priority on improving PFM systems. In the lead-up to the Partnership Talks, discussions were held on 'when is enough, good enough' with respect to PFM reforms; whether AusAID is clear on this; and what the standards are.

Outcomes from the 2011 Partnership Talks

- Government of Australia reiterated its commitment to increase share the amount of its official development assistance directly managed by GoK (above 7 per cent), subject to:
 - Government of Australia to work with GoK in conducting an assessment of national systems
 - GoK to continue to lead on PFM reforms and improving monitoring and evaluation data.
- GoK and Government of Australia agree to strengthen capacity of Ministry of Education and MLHRD particularly in context of designing and implementing next phases of KEIP and TVETSSP.

DEVELOPING NEW PERFORMANCE-LINKED AID INITIATIVES

The Government of Australia informed it is committed to expanding the use of PLA to support Partnership implementation. Australia advised that the PLA initiative, implemented with the Ministry of Fisheries and Marine Resources Development, had successfully completed and that new PLA initiatives in fisheries would be informed by broader sector analysis and planning currently underway by the ministry with support from the Forum Fisheries Agency.

GoK welcomed this update, and advised that its priority is to first improve its PFM and monitoring and evaluation systems, otherwise ‘the money can come in but if we’re not able to account for it, and monitor it, there will be more problems for us’. It was agreed that no new PLA initiatives would be developed in the immediate term, until after the assessment of national systems has been conducted and improvements made in improving PFM and monitoring and evaluation systems.

Outcomes from the 2011 Partnership Talks

- Both governments agreed that no new PLA initiatives will be developed in the immediate term.

AUSAID’S ROLE WHERE MULTILATERAL ORGANISATIONS LEAD ON IMPLEMENTATION

In 2010–11, more than half of the Australian aid budget to Kiribati was delivered through regional and multilateral organisations. In pre-Talk discussions and at the Partnership Talks, GoK expressed concerns about the effectiveness of some of the programs delivered this way, noting they are often characterised by short-term, ‘fly-in fly out’ technical advisors. The GoK pointed out that the challenges associated with this approach related in part to delivery by organisations that do not have an in-country presence, which hampers good communication with GoK and its oversight of programs.

The Government of Australia explained that it leads on education and workforce skills development, but that AusAID does not have the technical or implementation capacity to support GoK effectively in other sectors (economic governance, climate change, infrastructure, health and gender). In the longer term it is therefore better for Kiribati to have more development partners working effectively in-country, than it would be to just rely on AusAID.

The Government of Australia emphasised that, as the donor to regional and multilateral organisations, it exerts significant influence over their behaviour, regularly playing the role of quality broker. Australia pointed out that GoK needs to be upfront and inform AusAID what issues need to be looked at. For its part GoK acknowledged it needs to learn to ‘play better’ with regional and multilateral organisations, and welcomed AusAID’s role as ‘quality broker’.

Outcomes from the 2011 Partnership Talks

- AusAID agreed to inform GoK on upcoming meetings between AusAID and regional and multilateral organisations to see if there is anything GoK would like AusAID to raise.

REVISITING THE PARTNERSHIP TARGETS TO ALIGN BEHIND KDP 2012–15

In the second half of 2011 and in early 2012, GoK will prepare the KDP for 2012–15. The KDP will be informed by more detailed sector strategic plans, currently being prepared by line ministries. This presents an opportunity to review the Partnership’s development objectives and targets.

The decision to revise the Partnership targets and implementation strategies should be made on a sector-by-sector basis, where necessary. Any proposed revisions could be presented at the 2012 Partnership Talks for endorsement. Both governments also agreed to investigate the possibility of holding next year’s Partnership Talks outside of South Tarawa.

Outcomes from the 2011 Partnership Talks

- Both governments agreed to consider revising the Partnership Targets behind newly developed Sector Strategic Plans and/or KDP 2012–15.
- Both governments agreed to consider holding next year’s Partnership Talks outside of South Tarawa.