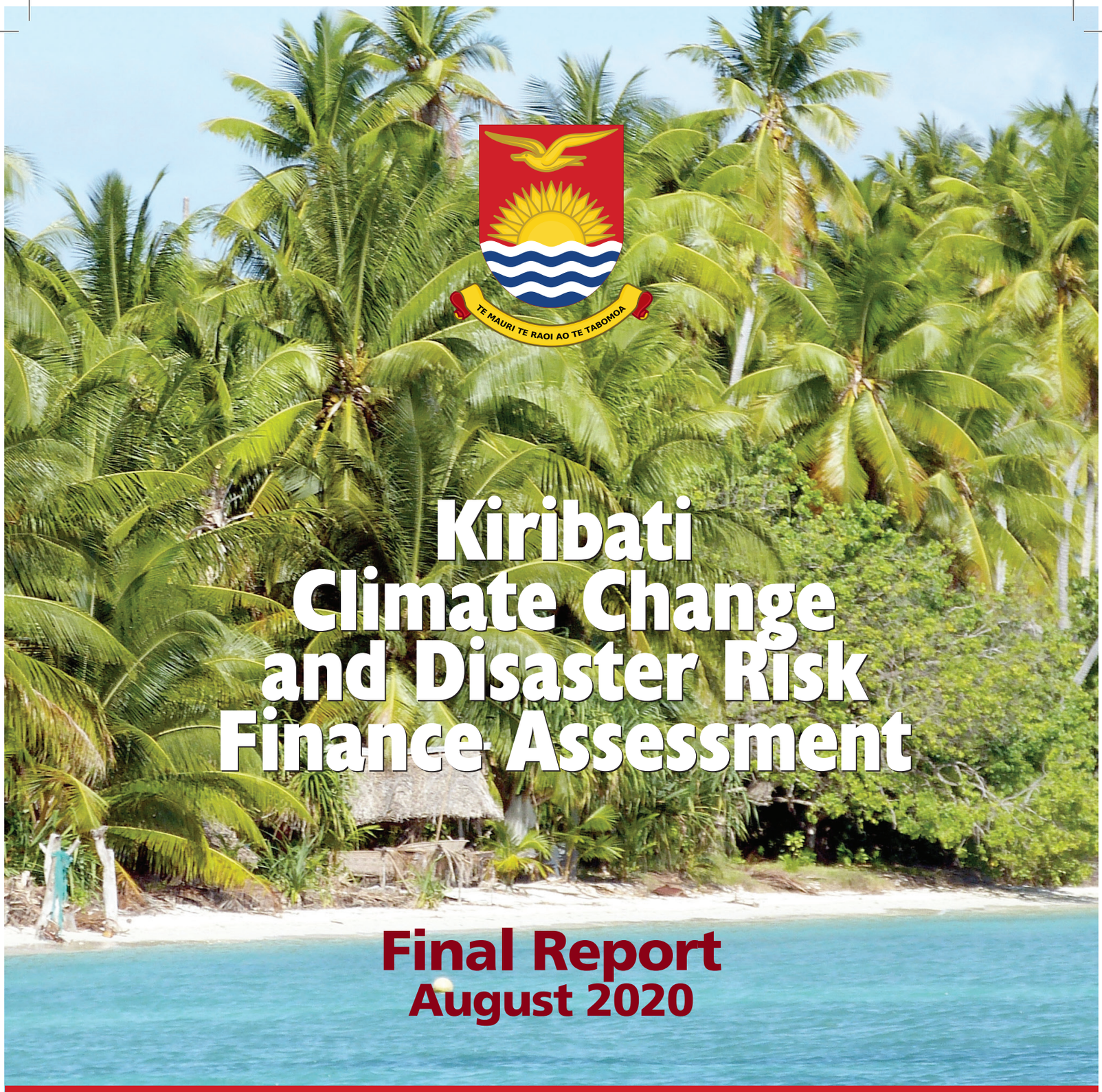


# Kiribati Climate Change and Disaster Risk Finance Assessment

## Final Report
## August 2020

Pacific Community
Communauté du Pacifique

PACIFIC ISLANDS FORUM SECRETARIAT

USAID
FROM THE AMERICAN PEOPLE

Australian Aid

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ADB

**Prepared by Deutsche Gesellschaft für Internationale Zusammenarbeit, the Pacific Community, Pacific Islands Forum Secretariat and the Asian Development Bank**


# Kiribati Climate Change and Disaster Risk Finance Assessment

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# Contents

# List of Abbreviations

| | |
|---|---|
| ACP | African, Caribbean and Pacific Group of States |
| ADB | Asian Development Bank |
| ADRA | Adventist Development and Relief Agency |
| AF | Adaptation Fund |
| AMAK | Aia Mwaea Ainen Kiribati |
| BaU | Business as Usual |
| BSRP | Building Safety and Resilience in the Pacific |
| BUR | Biennial Update Report |
| C-CAP | Coastal Community Adaptation Project |
| CC | Climate Change |
| CCA | Climate Change Adaptation |
| CCCPIR | Coping with Climate Change in the Pacific Islands Region |
| CCDRM | Climate Change and Disaster Risk Management |
| CCM | Climate Change Mitigation |
| CCU | Climate Change Unit |
| CDSP | Community Development and Sustainable Participation |
| CEDAW | Convention on the Elimination of All Forms of Discrimination Against Women |
| CFD | Climate Finance Division |
| CFRP | Climate Finance Readiness for Pacific |
| CIF | Climate Investment Fund (administered by the World Bank) |
| COFOG | Classification of Function of Government |
| COP | Conference of the Parties |
| COP23 | 23rd annual Conference of the Parties to 1992 United Nations Framework Convention on Climate Change |
| CPEIR | Climate Public Expenditure and Institutional Review |
| CPO | Central Procurement Officer |
| CPU | Central Procurement Unit |
| CROP | Council of Regional Organisations of the Pacific |
| CSO | Civil Society Organisation |
| CTB | Central Tender Board |
| DBK | Development Bank of Kiribati |
| DCC | Development Coordinating Committee |
| DCP | Development Cooperation Policy |
| DFAT | Department of Foreign Affairs and Trade (Australia) |
| DPF | Development Partners Forum |
| DRR | Disaster Risk Reduction |
| DRM | Disaster Risk Management |
| DSA | Debt Sustainability Analysis |
| ESGBV | Eliminating Sexual and Gender Based Violence |
| EU | European Union |

| | |
|---|---|
| FEMM | Forum Economic Ministers Meeting |
| FFA | Forum Fisheries Agency |
| FMIS | Financial Management and Information System |
| FRDP | Framework for Resilient Development in the Pacific |
| FSPK | Foundation for the Peoples of the South Pacific Kiribati |
| FSU | Fiduciary Services Unit |
| FTC | Fisheries Training Centre |
| GBV | Gender-Based Violence |
| GCCA | Global Climate Change Alliance+ |
| GCF | Green Climate Fund |
| GEF | Global Environment Facility |
| GESI | Gender Equality and Social Inclusion Strategy |
| GFS | Government Financial Statistics |
| GHG | Green House Gases |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit |
| GSI | Gender and Social Inclusion |
| ICT | Information and Communications Technology |
| IFAD | International Fund for Agricultural Development |
| IISD | International Institute for Sustainable Development |
| IMF | International Monetary Fund |
| INDC | Intended Nationally Determined Contribution |
| INGO | International Non-Governmental Organisation |
| IPSAS | International Public Sector Accounting Standards |
| ISACC | Institutional Strengthening in Pacific Islands Countries to Adapt to Climate Change |
| J-PRISM | Japanese Technical Cooperation Project for Promotion of Regional Initiative on Solid Waste Management |
| JICA | Japan International Cooperation Agency |
| KANGO | Kiribati Association of Non-Governmental Organisation |
| KCCP | Kiribati Climate Change Policy |
| KDP | Kiribati Development Plan 2016-2019 |
| KILGA | Kiribati Local Government Association |
| KiriCAN | Kiribati Climate Action Network |
| KIVA | Kiribati National Integrated Vulnerability Assessment |
| KJIP | Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management 2014-2023 |
| KNEG | Kiribati National Expert Group on Climate Change and Disaster Risk Management |
| KPA | Key Priority Areas |
| KPC | Kiribati Protestant Church |
| KTC | Kiribati Teachers College |
| KV20 | Kiribati 20 Year Vision 2016-2036 |
| LDC | Least Developed Country |
| LDS | The Church of Jesus Christ of Latter-day Saints |
| M&E | Monitoring and Evaluation |

| | |
|---|---|
| MDGs | Millennium Development Goals |
| MELAD | Ministry of Environment, Lands and Agricultural Development |
| MEHR | Ministry of Employment and Human Resource |
| MFAI | Ministry of Foreign Affairs and Immigration |
| MFED | Ministry of Finance and Economic Development |
| MFMRD | Ministry of Fisheries & Marine Resources Development |
| MHMS | Ministry of Health and Medical Services |
| MIA | Ministry of Internal Affairs |
| MIE | Multilateral Implementing Entities |
| MISE | Ministry of Infrastructure and Sustainable Energy |
| MoE | Ministry of Education |
| MPWU | Ministry of Public Works and Utilities |
| MTBF | Medium-Term Budgeting Framework |
| MTEF | Medium-Term Public Expenditure Framework |
| MWYSA | Ministry of Women, Youth and Social Affairs |
| NAB | National Advisory Board on Climate Change and Disaster Risk Reduction |
| NAP | National Adaptation Plan |
| NAPA | National Adaptation Programme of Action |
| NCCAP | National Climate Change Action Plan |
| NDA | National Designated Authority |
| NDC | Nationally Determined Contribution |
| NDRMC | National Disaster Risk Management Council |
| NDRMO | National Disaster Risk Management Office |
| NDRMP | National Disaster Risk Management Plan |
| NEPO | National Economic Planning Office |
| NGO | Non-Government Organisation |
| NIE | National Implementing Entity |
| NZMFAT | New Zealand Ministry of Foreign Affairs and Trade |
| OB | Office of Te Beretitenti (Office of the President) |
| ODA | Official Development Assistance |
| PA | Public Account |
| PAC | Public Accounts Committee |
| PACAM | Pacific-American Climate Fund |
| PACC | Pacific Adaptation to Climate Change |
| PACCSAAP | Pacific - Australia Climate Change Science and Adaptation Planning Project |
| PACE-SD | Pacific Centre for Environment and Sustainable Development |
| PACTAM | Pacific Technical Assistance Mechanism |
| PCCFAF | Pacific Climate Change Finance Assessment Framework |
| PCRAFI | Pacific Catastrophe Risk Assessment and Financing Initiative |
| PEFA | Public Expenditure and Financial Accountability |
| PFM | Public Finance Management |
| PFTAC | Pacific Financial Technical Assistance Centre |

| | |
|---|---|
| PIANGO | Pacific Islands Association of Non-Government Organisation |
| PIC | Pacific Island Country |
| PIFS | Pacific Islands Forum Secretariat |
| PIGGAREP | Pacific Islands Green House Gas Abatement through Renewable Energy Project |
| PPA | Public Procurement Act |
| PPP | Public-Private Partnership |
| PSO | Public Service Office |
| RERF | Revenue Equalization Reserve Fund |
| RIE | Regional Implementing Entity |
| ROC | Republic of China |
| RRRT | Regional Rights Resource Team |
| SAMOA | SIDS Accelerated Modalities of Action |
| SDGs | Sustainable Development Goals |
| SIDS | Small Island Developing States |
| SOE | State-Owned Enterprises |
| SPA | Staff Performance Appraisal |
| SPC | The Pacific Community |
| SPREP | Secretariat of the Pacific Regional Environment Programme |
| TA | Technical Assistance |
| TC | Tropical Cyclone |
| TK | Traditional Knowledge |
| TOR | Terms of Reference |
| TUC | Teinainano Urban Council |
| UN | United Nations |
| UN Women | United Nations Women |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UNICEF | United Nations Children's Fund |
| USAID | United States Agency for International Development |
| USP | University of the South Pacific |
| V20 | Vulnerable Twenty Group |
| VWC | Village Water Committee |
| WASH | Water, Sanitation and Hygiene |
| WDD | Women's Development Department |
| WEDO | Women's Environment & Development Organisation |
| WEE | Women's Economic Empowerment |
| WOI | Whole of Island |

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# Acknowledgements

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- Donor representatives of the New Zealand High Commission, Australian High Commission, Republic of China/ Taiwan, United Nations Joint Presence Office, and Global Green Growth Institute.
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1 Pacific Islands Forum Secretariat (PIFS), United States Agency for International Development (USAID)/ South Pacific Community ((/SPC) Institutional Strengthening of Pacific Islands Countries to Adapt to Climate Change (ISACC) Project, USAID Climate Ready Project, Department of Foreign Affairs and Trade Australia (DFAT)/)//GIZ Climate Finance Readiness of the Pacific (CFRP) Project, and the Asian Development Bank (ADB).).

# Foreword

Kiribati is one of the most vulnerable countries in the world to the effects of climate change and natural disasters due to its geographic and socio-economic situation—low-lying atolls, isolated location, small land area separated by vast oceans, high population concentration, and high costs of providing basic services. Sea-level rise and worsening natural disasters such as drought and weather extremes pose significant and direct threats to sectors and resources central to human and national development and the provision of basic human needs, especially fisheries and other natural marine resources, which are already being affected by the rise in temperature and ocean acidification, and climate-sensitive sectors such as rain-fed agriculture.

To improve the country's resilience to climate change impacts, the Government will continue to implement and build on existing policy measures towards building adaptive and mitigation capacity, particularly of the most at-risk people. To support the Government's effort, an ambitious Kiribati 20-year Vision 2016-2036 (KV20) and a first-ever National Climate Change Policy were launched in 2018, complementing the Kiribati Development Plan (KDP). Kiribati also ratified the Paris Agreement on Climate Change in 2016 and submitted its nationally determined contribution (NDC) commitment to the United Nations Framework Convention on Climate Change. In addition, Government will mainstream climate change adaptation and mitigation by applying strategies that fully integrate climate change concerns into relevant programmes.

Technical capacity and human resources to successfully mainstream climate change adaptation and mitigation measures will be improved. Government will enhance its capability to access and use existing climate finance mechanisms and has undertaken institutional reforms to strengthen national systems and processes for this purpose. For example, a new Climate Finance Division was established and resourced within the Ministry of Finance and Economic Development (MFED) to help the country access key multilateral climate funds, such as the Green Climate Fund (GCF), Adaptation Fund (AF) and Climate Investment Funds (CIF). Kiribati has already accessed USD28.6 million in GCF funds for the South Tarawa Water Supply Project and USD585,935 as a readiness grant.

MFED, on behalf of the Government of Kiribati, welcomes this assessment and its timeliness to support the work of the new Climate Finance Division and to inform the upcoming consultations under the GCF readiness programme to develop Kiribati's country programme. The recommendations in this report will also boost the coordination role of the Kiribati National Expert Group (KNEG) on Climate Change and Disaster Risk Management, clarify roles and responsibilities of the respective agencies, and inform national policy decisions.

I would like to convey my appreciation to the assessment team and key partners, and the national stakeholders who took part in the consultations.

I am pleased to present this report and its recommendations, which will support improved and direct access to international climate finance, as well as enhance donor confidence in the use of national institutions and systems.

Honourable Dr Teuea Toatu
Vice President of Kiribati and Minister of Finance and Economic Development


KIRIBATI

# Executive Summary

Funding to support developing countries taking action on climate change and responding to reduce exposure to disaster risk is projected to dramatically increase in the coming years. However, this increase in opportunities is being matched by an equally dramatic increase in complexity for access. The range of sources, each with their own set of rules and regulations, is often difficult to navigate, confusing and requires significant investment of a country's limited resources to access and manage.

The purpose of the national climate change and disaster risk finance assessment is to assist the Government of Kiribati to make informed decisions on measures to improve access to, and management of, climate change and disaster risk resources. It has been undertaken in response to a request from the Government of Kiribati, through the Ministry of Finance and Economic Development (MFED).

This report is informed through the review of readily available information on the policies, budgets, institutions, approved projects and approaches of Kiribati and key development partners, as well as face-to-face consultations with Government officials, civil society organisations, private sector, donors and faith-based groups. It draws together a variety of previous studies, including policy reviews and analysis, focusing on specific sector or thematic issues.

The Pacific Climate Change Finance Assessment Framework (PCCFAF) provided the overarching framework for this assessment. The cross-cutting nature of climate change and resilience requires a whole-of-Government national response, which can bring together efforts that focus on specific sectors or issues and enable a renewed look at the effectiveness of overall development efforts. The PCCFAF assesses a country's ability and readiness to access and manage climate change and disaster risk finance against seven interrelated pillars: (1) Policies and Plans; (2) Funding Sources; (3) Public Finance Management and Expenditure; (4) Institutions; (5) Human Capacity; (6) Gender and Social Inclusion; and (7) Development Effectiveness.

The importance of addressing climate change and disaster risk to build resilience has been recognised in the country's Kiribati 20-year Vision 2016-2036 (KV20), Kiribati Development Plan 2016-2019 (KDP), Kiribati Joint Implementation Plan (KJIP) for Climate Change and Disaster Risk Management and the National Climate Change Policy. However, climate change and disaster risk management (CCDRM) are yet to be fully integrated into national, sectoral or thematic strategies and associated Government systems and processes. Review of the institutional structure and arrangement to support the delivery of Kiribati's CCDRM programme indicated that the flow of information and funding opportunities between key line ministries and with non-state actors was limited. Several parts of Government had insufficient capacity to undertake their CCDRM financing responsibilities. There were also issues regarding clarity of roles and responsibilities with respect to climate change.

Key recommendations to improve Kiribati's access to, and management of, climate change and disaster risk finance are summarised below.

## Policies and Planning Analysis

1. Develop a Monitoring and Evaluation (M&E) framework and process for the revised KJIP, ensuring streamlined reporting on indicators and objectives in alignment with the Kiribati Climate Change Policy (KCCP), the KDP and the KV20.

2. Consider the development of national mainstreaming guidelines or sector-specific checklists that will support sectors, Line Ministries and Island Councils to identify entry points for mainstreaming CCDRM across the different "building blocks".

3. Identify options (through possible project proposals) for institutional strengthening of sub-national entities, such as Island Councils, including processes to update Island Council Strategic Plans to reflect national and local CCDRM priorities.

4. Include a National Implementing Entity Accreditation Strategy as a component of the Climate Finance Division (CFD) Strategic Framework/ Country programme to assist in advancing direct access options for Kiribati to the GCF.

5. Utilise the Action Plan from this Climate Change and Disaster Risk Finance Assessment, as well as actions identified within the revised Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management 2014-2023 (KJIP) as the basis for a National Climate Finance Roadmap, to guide progress towards identified climate finance outcomes.

6. Seek support from partners/ relevant projects to undertake detailed analysis of the existing Kiribati National Integrated Vulnerability Assessment (KIVA) data, to ensure it can be effectively utilised as an effective CCDRM decision-making and planning tool. Incorporate capacity building for Office of Te Beretitenti (Office of the President) (OB), CFD and National Statistics Office staff.

7. Consider the establishment of a Traditional Knowledge (TK) working group as part of the KNEG to understand how TK may be used to support CCDRM awareness raising at a local level and how TK could be appropriately harnessed to support more locally contextual adaptation and risk reduction programme and planning processes.

## Funding Source Analysis

1. Review the Fiduciary Services Unit (FSU) scope and mandate with the intentional view to expand and entrench its function within the functions of the Government budget and planning system, and Treasury management functions.

2. The Treasury and Budget division, in collaboration with the National Economic Planning Office to draft procedural guidelines to regulate the flow of financial information between Government, donors and commercial banks in relation to:
   a. Verification of point of payment and receipt;
   b. Regularity and timeliness of bank reconciliation;
   c. Accuracy of bank balance and; and
   d. Data requirements of Budget and Planning and Statistics Divisions.

3. Budget formulation guideline for Ministries to include CCDRM vetting requirements like:
   a. Climate Change Adaptation (CCA), Climate Change Mitigation (CCM), Disaster Risk Reduction (DRR), DRM features;
   b. Recurrent cost implications of above, to be borne by Government (or currently being borne by the Government);
   c. Medium term estimates of maintenance costs of CCDRM projects / programmes; and
   d. To what extent any budget proposal addresses KJIP strategies.

4. The Climate Finance Division to share timely information on funding opportunities related to the GCF, Adaptation Fund and Climate Investment Fund with other Line Ministries, NGOs, private sector and community/faith-based groupings.

# Public Finance Management (PFM) and Expenditure Analysis

## Public Finance Management

1. Develop a PFM Roadmap, inclusive of climate finance considerations, to support the Government's desire to seek direct access accreditation and improved access to international climate change and disaster risk finance. The roadmap could incorporate issues, including:
    - Development of a medium-term budget framework to improve the coordination of budget planning and formulation and to better align CCDRM priorities to the budget distribution;
    - Development of a Treasury operational manual and instructions to guide the work of checking, voting processes, bank and account reconciliation and reporting;
    - Improvement of the chart of accounts coding to allow the integration of national priorities to budget distributions and to strengthen financial management and reporting;
    - Development of a proper asset and liability management, including project management framework and strategy to guide the management of non-financial and financial assets;
    - Strengthening of internal control by improving the Internal Audit processes to advance audit planning and risk management; and,
    - Establishment of an independent appeals body to review and respond to procurement complaints.

2. Conduct training (workshops/seminars, etc.) on the importance of PFM for all Government Ministries and Parliament for better understanding of the importance of PFM reforms in facilitating Kiribati's accessibility to, and management of, CCDRM finance, as well as safeguarding the nation's limited resources.

3. Invite donors to provide targeted support to improve Kiribati's PFM system and build local human capacity and modernise the current financial management infrastructure system.

4. Use the budget preparation period as an opportunity to assess the performance of Line Ministries in utilising and managing budget allocations.

## Budget Expenditure

1. Strengthen coordination and engagement with donors to ensure CCDRM funding is channelled through the national system (budget), and managed and disbursed using Kiribati's financial systems. The Government of Kiribati will need to continue to strengthen its PFM systems to gain donor confidence in utilising country systems.

2. Review the structure of the recurrent budget and consider generating a dedicated climate change budget code to facilitate the ease of tracking expenditure. This will require some capacity building, but Line Ministries can play a role in providing the technical weighting using the PCCFAF weighting methodology as a guide/ baseline.

3. The Government should use the Joint Budget Support matrix as an opportunity to strengthen the partnerships with other donors, especially those channelling their support outside of the country system, to improve coordination and delivery of development assistance in line with national priorities.

4. Strengthen the capacity of MFED (human resources and infrastructure capabilities) in the following divisions: Planning and Budgeting, Internal Audit, Procurement and Treasury to facilitate Kiribati's direct access to the GCF and Adaptation Fund, as well as formulating realistic budgets that lessen the need for supplementary budget formulation and drawing down resources from the Revenue Equalization Reserve Fund (RERF) for deficit financing.

5. Encourage donors and development partners to provide clear and timely reports on support provided to Kiribati, including specific information on CCDRM.

## Institutional Analysis

1. Consider expanding the role of the CFD:
   - In the medium term to also act as the coordination point for climate change-related funding from bilateral partners.
   - In the long term to become the focal point for all CCDRM financing, to assist in streamlining coordination and reporting.

2. Ensure dedicated representation from OB, CFD, MELAD and MISE at the KNEG meetings, to enable effective coordination and collaboration across these key agencies.

3. Formalise the membership, goals and objectives of the KNEG and KJIP Secretariat through the development of a Terms of Reference (TOR) for these mechanisms. This should also help to re-emphasise the importance of the KNEG for effective coordination across all stakeholders.

4. Consider additional functions for the KNEG, including a mechanism to capture all CCDRM project and programme information and the role of working groups to progress priority issues (e.g. TK, Gender and Social Inclusion (GSI) and climate finance as possible working group options).

5. Develop a national CCDRM capacity development programme, focusing on priority areas of need in terms of technical knowledge, project and financial management strengthening across whole of Government, in the context of accessing and managing more finance for larger–scale CCDRM projects and programmes.

6 Work with partners on prioritising capacity building and institutional strengthening for sub-national institutions, including faith-based organisations and local Non-Government Organisations (NGOs) and Civil Society Organisations (CSOs).

## Human Capacity Analysis

1. Boost the capacity of the CFD-MFED. Currently, the Division has a Director, Climate Finance Programme Officer and Communications Officer. New positions that could be considered are Senior Climate Finance Officer-Multilateral and Senior Climate Finance Officer-Bilateral.

2. Consider establishing a dedicated Climate Change Coordination and Planning Officer within the Climate Change Unit in the Office of the President. This will strengthen OB's role related to coordination and policy advice, and allow them to undertake the reporting requirements to the United Nations Framework Convention on Climate Change (UNFCCC) (national communications, Biennial Update Reports (BURs), etc.), noting the recent shifting of the focal point to OB.

3. MFED, through CFD, coordinate climate finance training to Line Ministries and training on funding opportunities/ project development to the GCF, Adaptation Fund and Climate Investment Fund to NGOs and the private sector.

## Gender & Social Inclusion Analysis

1. Incorporate the recommendations from the 2017 Global National Adaptation Plan (NAP) Network report, *Strengthening Gender Considerations in Kiribati's National Adaptation Plan Process*, including the M&E framework discussed in Section 2 in the next KJIP.

2. Ensure draft GSI policies address issues of CCDRM as they specifically relate to women and girls, youth and people with disabilities, and that the revision and development of a new policy in CCDRM integrates GSI issues in a whole-of- Government approach, in line with the mainstreaming approach to climate change (as discussed in Section 2).

3. Undertake initiatives within the KNEG to strengthen GSI and increase linkages between MWYSA, OB, MFED and MELAD including the development of a KNEG GSI plan; establishing a gender quota and ensuring agencies including Aia Mwaea Airen Kiribati (AMAK) and Te Toa Matoa are core members of KNEG as per the Terms of Reference; and establishing a GSI working group under the auspices of the KNEG

4. Identify MWYSA as the UNFCCC gender focal point and include MWYSA in Conference of the Parties (COP) delegation. Support strengthening of GSI across all staff in MWYSA, OB, MFED, MELAD and the wider KNEG members, focusing on the core GSI requirements of the global climate funds.

5. Request interim funding from donors to support the employment of a national GSI adviser to be based in MWYSA, to work across the ministries and coordinate gender mainstreaming in CCDRM work with dual reporting requirements to MFED. Consider follow-on funding from future GCF readiness grant applications and subsequent commitments integrated into core Government funding.

6. MWYSA to establish gender focal points in each Ministry with managers accountable for their performance and overseen by a cross-Government steering group. These personnel should be provided gender-mainstreaming training, with a specific session targeting an understanding of GSI issues in CCDRM and strategies to address these issues throughout policy and programming processes. Donors be requested to provide funding and expertise for the training and the Government of Kiribati commit to funding a process for establishing the focal points in line with the new women's policy.

7. AMAK, Foundation for the Peoples of the South Pacific Kiribati (FSPK), Kiribati Climate Action Network (KiriCAN) and Te Toa Matoa provide examples involving participatory and inclusive processes of village consultation, analysis of the specific issues women and marginalised groups face and the collection of sex and age disaggregated data that can be replicated and up-scaled in future CCDRM planning and programming and KIVA processes.

8. Draw from available guidelines on GSI in CC from GCF, SPC, United Nations (UN) Women, ADB and the World Bank as core materials for the GSI Adviser in CC and for the KNEG GSI working group to develop the gender sensitivity indicator/measure/toolkit as identified in the KJIP.

9. Government commit core resources to GSI issues in CCDRM and donors be requested to provide international expertise to capacity build the new national GSI Officer and key staff in other Ministries.

## Development Effectiveness Analysis

1. MFED, in collaboration with OB, to consider convening an annual or biennial National Climate Finance Forum that will feed into the biennial Development Partners' Forum.

2. Government to pursue donor support for a centralised M&E system and technical capacity.

3. Consider updating the Development Cooperation Policy to reflect the KV20 and KCCP, as well as updating the M&E framework for the KDP and KV20 to reflect the latest developments such as the new KCCP, creation of the Climate Finance Division, the enactment of the Paris Agreement and Rulebook and so forth.

4. Recognising the role of climate change and disaster risk finance as a means of implementation of the Sustainable Development Goals (SDGs) and national development aspirations, consider having CCDRM finance as an agenda item in the Development Partners' Forum and the meeting of the Development Coordinating Committee.

5. Donors are to consider establishing a donor-to-donor coordination mechanism for resilient development/ climate and disaster risk financing.

## Conclusion

The Government of Kiribati has taken significant steps to address CCDRM over recent years, across all dimensions of climate change and disaster risk financing. This was exemplified with the range of policies and plans developed to address CCDRM challenges, amended institutional arrangements to facilitate decision making and efficient implementation of programmes, and success in accessing millions of dollars (including US$28.6 million from the Green Climate Fund) to deliver on-ground support to vulnerable communities. Kiribati has also played a significant role in global climate change discussions and has been the second Pacific Island Country to undergo efforts to improve development effectiveness through the Forum Compact Peer Review in April 2010. Despite this progress, more work is still required to meet Kiribati's CCDRM needs and to fulfil its Nationally Determined Contributions to the UNFCCC under the Paris Agreement on Climate Change. The Action Plan presented on the next page provides a guide to implementing the recommendations presented in this report and summarised above. It provides an indication of the timeframe, outputs, roles and responsibilities for implementation of the recommendations under each pillar of the PCCFAF. This action plan serves as a guide to assist the Government of Kiribati, donors, and development partners, to improve Kiribati's access to, and management of, climate change and disaster risk finance.

# Kiribati Climate Change and Disaster Risk Finance Assessment – Action Plan

| Recommendations | Relevant PCCFAF Pillar | Priority | 2020 | | | 2021 | | | | 2022 | | | Indicative Outputs | Lead Agency | Potential Partners |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Specific Initiatives** | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| **Policies and Planning Analysis** | | | | | | | | | | | | | | | |
| 1. Develop an M&E framework and process for the revised KJIP, ensuring streamlined reporting on indicators and objectives in alignment with the KCCP, the KDP and the KV20. | PP, GSI, DE | High | | | | | | | | | | | M&E framework & communications plan in place. | Climate Change Unit (CCU)-OB | USAID ISACC Project, USAID Climate Ready, European Union (EU) Global Climate Change Alliance (GCCA+), GIZ |
| 2. Consider the development of national mainstreaming guidelines or sector-specific checklists that will support sectors, Line Ministries and island councils to identify entry points for mainstreaming CCDRM across the different "building blocks". | PP, I, GSI | High | | | | | | | | | | | National mainstreaming guideline developed | OB, with support from MWYSA, MFED, MELAD and other Line Ministries | USAID ISACC Project, USAID Climate Ready, ADB, SPREP, GIZ, DFAT, United Nations Development Programme (UNDP) |
| 3. Identify options (through possible project proposals) for institutional strengthening of sub-national entities, such as Island Councils, including processes to update Island Council Strategic Plans to reflect national and local CCDRM priorities. | PP, I, GSI | Medium | | | | | | | | | | | Options or proposal developed | Ministry of Internal Affairs (MIA) together with CFD-MFED | USAID ISACC Project, USAID Climate Ready, SPREP, UNDP |

2 PP – Policy and Planning; I – Institutions; FS – Funding Sources; PFME – Public Financial Management and Expenditure; GSI – Gender and Social Inclusion; HC – Human Capacity; DE – Development Effectiveness. These are indicative timelines and subject to budget availability and allocations from respective agencies

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| 4. Include a National Implementing Entity Accreditation Strategy as a component of the CFD Strategic Framework/ Country programme to assist in advancing direct access options for Kiribati to the GCF. | PP, I | Medium | | | | | | | | | | | National Implementing Entity (NIE) accreditation strategy in place | CFD-MFED | PIFS, GCF, SPREP, SPC, USAID ISACC Project, USAID Climate Ready |
| 5. Utilise this Climate Change and Disaster Risk Finance Assessment, as well as the revised KJIP as the basis for a National Climate Finance Roadmap, to guide progress towards identified climate finance outcomes. | PP, FS, PFME | High | | | | | | | | | | | Climate Finance Roadmap developed | CFD-MFED | PIFS |
| 6. Seek support from partners/ relevant projects to undertake detailed analysis of the existing KIVA data, to ensure it can be effectively utilised as an effective CCDRM decision-making and planning tool. Incorporate capacity building for OB, CFD and national statistics office staff. | PP | Medium | | | | | | | | | | | External support received to analyse KIVA data | CCU-OB | USAID ISACC Project, SPREP, SPC |

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| **Specific Initiatives** | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| 7. Consider the establishment of a Traditional Knowledge (TK) working group as part of the KNEG to understand how TK may be used to support CCDRM awareness raising at a local level and how TK could be appropriately harnessed to support more locally contextual adaptation and risk reduction programmes and planning processes. | I, GSI | Low | | | | | | | | | | | Traditional Knowledge Working Group of the KNEG supported. | OB and MIA | Does not require external support |
| **Funding Source Analysis** | | | | | | | | | | | | | | | |
| 1. Review the scope and mandate of the Fiduciary Services Unit (FSU) with the intention to expand and entrench its function within the Government budget and planning system. | FS, PFME | Medium | | | | | | | | | | | FSU scope reviewed | MFED | Does not require external support |
| 2. Draft procedural guidelines to regulate the flow of financial information between Government, donors and commercial banks. | FS, PFME | Medium | | | | | | | | | | | Clarification of the role of the Budget and National Planning Division | MFED | Does not require external support |

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| **Specific Initiatives** | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| 3. Develop Budget formulation guideline for Ministries to include CCDRM vetting requirements like: (a) CCA, CCM, DRR, DRM features; (b) recurrent cost implications of above, to be borne by Government; (c) medium-term estimates of maintenance costs of CCDRM projects/ programmes; and (d) to what extent any budget proposal addresses KJIP strategies. | PFME, FS | Medium | | | | | | | | | | | Budget formulation guideline to include CCDRM vetting | MFED and OB | DFAT/ GIZ CFRP Project, PIFS |
| 4. Climate Finance Division (CFD) to share timely information on funding opportunities from the GCF, Adaptation Fund and Climate Investment Fund with other Line Ministries, NGOs, private sector and community/ faith-based groupings. | FS | High | | | | | | | | | | | Timely dissemination of funding opportunities | CFD-MFED | Does not require external support |
| **Public Finance Management & Expenditure Analysis** | | | | | | | | | | | | | | | |
| 1. Develop a PFM Roadmap inclusive of climate finance considerations to support the Government's desire to seek direct access accreditation and improved access to international climate change and disaster risk finance. | PFME, FS | Medium | | | | | | | | | | | PFM Roadmap developed | MFED | International Monetary Fund (IMF) PFTAC |

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| **Specific Initiatives** | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| 2. Conduct training (workshops/ seminars) on the importance of PFM for all Government Ministries and Parliament to enhance understanding of the importance of PFM reforms in facilitating Kiribati's accessibility to, and management of, CCDRM finance, as well as safeguarding the nation's limited resources. | PFME | High | | | | | | | | | | | Training workshops conducted | CFD-MFED | DFAT/ GIZ CFRP Project, PIFS, EU, ADB, World Bank, PFTAC |
| 3. Invite donors to provide targeted support to improve Kiribati's PFM system and build local human capacity and modernise the current financial management infrastructure system. | PFME, DE | High | | | | | | | | | | | Donor support provided on PFM strengthening | MFED and Ministry of Foreign Affairs and Immigration (MFAI) | DFAT/ GIZ CFRP Project, PIFS, EU, ADB, World Bank, PFTAC |
| 4. Use the budget preparation period as an opportunity to assess the performance of Line Ministries in utilising and managing budget allocations. | PFME | Low | | | | | | | | | | | Performance of Line Ministries assessed | MFED | Does not require external support |
| 5. Strengthen coordination and engagement with donors to ensure CCDRM funding is channelled through the national system (budget), and managed and disbursed using Kiribati's financial systems. | PFME, DE | High | | | | | | | | | | | Engagement with donors strengthened to ensure CCDRM is channelled through national systems | MFED | Does not require external support |

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| 6. Review the structure of the recurrent budget and consider generating a dedicated climate change budget code to facilitate the ease of tracking of expenditure | PFME, FS | High | | | | | | | | | | | Creation of a climate change budget code | MFED Budget Division | IMF PFTAC, DFAT/ GIZ CFRP Project, ADB, World Bank |
| 7. Use the Joint Budget Support matrix as an opportunity to strengthen the partnerships with other donors, especially those channelling their support outside of the country system, to improve coordination and delivery of development assistance in line with national priorities. | PFME, DE | Low | | | | | | | | | | | Other donors encouraged to adopt or join similar arrangement like the Joint Budget Support Matrix. | MFED & MFAI | Does not require external support |
| 8. Strengthen the capacity of MFED (human resources and infrastructure capabilities) in the following divisions: Planning and Budgeting, Internal Audit, Procurement and Treasury to facilitate Kiribati's direct access to the GCF and Adaptation Fund, as well as formulating realistic budgets that lessen the need for supplementary budget formulation and drawing down resources from the RERF for deficit financing. | HC | High | | | | | | | | | | | Human capacity of key divisions within MFED strengthened. | PSO PSO & MFED | DFAT, New Zealand, ADB, World Bank, UNDP, GCF |
| 9. Encourage donors and development partners to provide clear and timely reports on support provided to Kiribati, including specific information on CCDRM. | DE | Medium | | | | | | | | | | | Clear development assistance reports provided in a timely manner. | MFED & MFAI | Does not require external support |

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| **Institutional Analysis** | | | | | | | | | | | | | | | |
| 1. Consider expanding the role of the CFD in the medium term to also act as the coordination point for climate change-related funding from bilateral partners. In the long term to become the focal point for all CCDRM financing, to assist in streamlining coordination and reporting. | I | Medium | | | | | | | | | | | Role and mandate of CFD-MFED expanded to also focus on bilateral climate finance. Also to be focal point for all global climate funds. | MFED, working with OB, MELAD, Development Coordinating Committee (DCC) & Cabinet | Does not require external support |
| 2. Ensure dedicated representation from OB, CFD, MELAD and MISE at the KNEG meetings, to enable effective coordination and collaboration across these key agencies. | I | High | | | | | | | | | | | Dedicated representation of key ministries at KNEG meetings | OB | Does not require external support |
| 3. Formalise the membership, goals and objectives of the KNEG and KJIP Secretariat through the development of a Terms of Reference for these mechanisms. | I, PP | High | | | | | | | | | | | TOR for KNEG developed | OB in consultation with KNEG members | Does not require external support |

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| **Specific Initiatives** | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| 4. Consider additional functions for the KNEG, including a mechanism to capture all CCDRM project and programme information and the role of working groups to progress priority issues (e.g. TK, GSI and climate finance as possible working group options). | I | Medium | | | | | | | | | | | Working groups supported under KNEG | OB in consultation with KNEG members | Does not require external support |
| 5. Develop a national CCDRM Capacity development programme, focusing on priority areas of need in terms of technical knowledge, project and financial management strengthening across whole-of -Government, in the context of accessing and managing more finances for larger–scale CCDRM projects and programmes. | HC | Low | | | | | | | | | | | National CCDRM Capacity Development Programme developed | CFD-MFED, CCU-OB, PSO & MEHR | Does not require external support |
| 6. Work with partners on prioritising capacity building and institutional strengthening for subnational institutions, including faith-based organisations and local NGOs and CSOs. | I, HC | Medium | | | | | | | | | | | Capacity building for sub-national and non-state actors | PSO, MIA, MFAI, MWYSA and MFED | USAID ISACC Project, EU GCCA+, UNDP, Taiwan /ROC |
| **Human Capacity Analysis** | | | | | | | | | | | | | | | |
| 1. Boost the capacity of the CFD-MFED. New positions that could be considered are Senior Climate Finance Officer-Multilateral and Senior Climate Officer-Bilateral. | HC | High | | | | | | | | | | | Additional capacity for CFD supported | MFED, PSO and MFAI | GCF, DFAT, Pacific Technical Assistance Mechanism (PACTAM), New Zealand |

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| **Specific Initiatives** | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| 2. Consider establishing a dedicated Climate Change Coordination and Planning Officer within the Climate Change Unit in the Office of the President. This will strengthen OB's role related to coordination and policy advice, and allow them to undertake the reporting requirements to the United Nations Framework Convention on Climate Change (UNFCCC) (national communications, Biennial Update Reports (BURs), etc.), noting the recent shifting of the focal point to OB. | HC | Medium | | | | | | | | | | | Additional human capacity budgeted for or funded by external partners | PSO | DFAT, New Zealand, EU, GCF |
| 3. MFED, through CFD, coordinate climate finance training to Line Ministries and training on funding opportunities/ project development to the GCF, Adaptation Fund and Climate Investment Fund to NGOs and the private sector. | HC | High | | | | | | | | | | | Training on climate finance undertaken for Line Ministries and other stakeholders | CFD-MFED | PIFS, DFAT/ GIZ CFRP Project |
| **Gender and Social Inclusion Analysis** | | | | | | | | | | | | | | | |
| 1. Incorporate the recommendations from the 2017 Global NAP Network report Strengthening Gender Considerations in Kiribati's National Adaptation Plan Process in the next KJIP. | GSI, PP | Medium | | | | | | | | | | | Recommendations of 2017 Global NAP report incorporated in next KJIP | MWYSA & OB | Does not require external support |

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| **Specific Initiatives** | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| 2. Ensure draft GSI policies address issues of CCDRM as they specifically relate to women and girls, youth and people with disabilities, and that the revision and development of new policy in CCDRM integrates GSI issues in a whole-of- Government approach. | GSI, PP | Medium | | | | | | | | | | | GSI policies address CCDRM and review of CCDRM policies to incorporate GSI aspects | MWYSA | Does not require external support |
| 3. Strengthen GSI within KNEG through development of GSI guidelines, KNEG quota and core member agencies and establishment of GSI working group | PP, I, GSI | High | | | | | | | | | | | GSI plan developed; gender quota included in KENG ToR; GSI working group established | MWYSA, OB and KNEG | SPC, GIZ, ADB, UNDP |
| 4. Identify MWYSA as the UNFCCC gender focal point and include MWYSA in COP delegations. Support through provision of GSI training provided to staff of MWYSA, OB, MFED and MELAD | GSI | High | | | | | | | | | | | MWYSA selected as gender focal point to UNFCCC. GSI training delivered | MWYSA and MEFD | ADB, SPC, UNDP, GIZ |
| 5. Request interim funding from donors to support the employment of a national GSI adviser to be based in MWYSA, to work across the ministries and coordinate gender mainstreaming in CCDRM work, with dual reporting requirements to MFED. | GSI, HC | High | | | | | | | | | | | GSI Adviser funded by external partners | MWYSA | ADB, World Bank, DFAT, EU |

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| **Specific Initiatives** | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| 6. MWYSA to establish gender focal points in each Ministry with managers accountable for their performance and overseen by a cross-Government steering group. | GSI, HC | High | | | | | | | | | | | Gender focal point established in key Ministries | MWYSA working with Line Ministries | Does not require external support |
| 7. AMAK, FSPK, KiriCAN and Te Toa Matoa provide examples involving participatory and inclusive processes of village consultation, analysis of the specific issues women and marginalised groups face and the collection of sex and age disaggregated data that can be replicated and up-scaled in future CCDRM planning and programming and KIVA processes. | GSI | Low | | | | | | | | | | | Replication of success stories in future CCDRM planning and KIVA processes | MWYSA-NGO Division | Does not require external support |
| 8. Draw from available guidelines on GSI in CC from GCF, SPC, UN Women, ADB and the World Bank as core materials for the GSI Adviser in CC and for the KNEG GSI working group to develop the gender sensitivity indicator/ measure/ toolkit as identified in the KJIP. | GSI, PP | Medium | | | | | | | | | | | Gender sensitivity toolkit identified in KJIP developed | MWYSA and OB in consultation with KNEG members | ADB, DFAT, EU |
| 9. Government commit core resources to GSI issues in CCDRM and donors be requested to provide international expertise to capacity build the new national GSI Officer and key staff in other Ministries. | GSI, HC | High | | | | | | | | | | | Budget allocated for GSI national capacity development | MWYSA and MFED | Does not require external support |

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| **Development Effectiveness** | | | | | | | | | | | | | | | |
| 2. MFED, in collaboration with OB, to consider convening an annual or biennial National Climate Finance Forum that will feed into the biennial Development Partners' Forum. | DE | High | | | | | | | | | | | Climate Finance Forum convened | MFED and OB | USAID/ SPC ISACC Project, PIFS, DFAT/ GIZ CFRP Project |
| 3. Government is to seek donor support for a centralised M&E system and technical capacity. | I, DE | Medium | | | | | | | | | | | Centralised M&E system supported | MFED | ADB, UNDP, DFAT/ GIZ CFRP Project, USAID ISACC Project |
| 5. Consider updating the Development Cooperation Policy to reflect the KV20, as well as reviewing the M&E framework for the KDP and KV20 to reflect the latest developments such as the new KCCP, creation of the Climate Finance Division, the enactment of the Paris Agreement and Rulebook etc. | PP | Medium | | | | | | | | | | | Development Cooperation Policy updated | MFED- National Economic Planning Office (NEPO) | PIFS |
| 7. Recognising the role of climate and disaster risk finance as a means of implementation of the SDGs and national development aspirations, consider having CCDRM finance as an agenda item in the Development Partners' Forum and the meeting of the Development Coordinating Committee. | DE | Medium | | | | | | | | | | | CCDRM agenda in DCC and Development Partners Forum (DPF) meetings | OB and MFED | Does not require external support |
| 8. Donors are to consider establishing a donor-to-donor coordination mechanism for resilient development/ climate and disaster risk financing. | DE | Medium | | | | | | | | | | | Donor-to-donor coordination mechanism established | MFAI, OB and MFED | Does not require external support |

# 1 Introduction

## 1.1 Why is This Assessment Important for Kiribati?

The Republic of Kiribati is an active participant and a strong advocator for climate change in regional and international negotiations and forums. The Government is committed to meeting its international obligations, as well as obtaining finance for national climate change adaptation and mitigation. Though its commitments are commendable, it is crucial for Kiribati to increase and expand targeted funding to enable action on current and future adverse effects of climate change and disasters.

In doing so, Kiribati has prioritised climate change and disaster risk management by mainstreaming through different sectors under the Kiribati Development Plan 2016-2019, the Kiribati 20-Year Vision 2016-2036 (KV20) and the National Climate Change Policy. To support the implementation of the KDP, KV20 and Climate Change Policy, there is a demand for timely access to funding, capacity building and supplementation, and improved institutional coordination and public financial management systems. Currently, the Government is engaging with a range of donors and development partners, as well as with other national stakeholders to progress national priorities related to resilient development.

This review was conducted to identify the positive initiatives undertaken and missed opportunities that could be considered to complement the implementation of Kiribati's resilient development aspiration. The review assessed on-going climate change and disaster risk finance actions that will support national efforts:

i. To identify the range of bilateral and multilateral funds that are currently available to, and accessed by, Kiribati, highlighting in particular missed opportunities or challenges faced.

ii. To provide options on GCF and Adaptation Fund accreditation for Kiribati, including identifying potential entities in Kiribati that could be nominated for National Implementing Entity (NIE) accreditation to the Green Climate Fund and Adaptation Fund, based on an assessment of capacity requirements for an effective NIE.

iii. To provide Kiribati with a practical assessment of the feasibility of applying options (specific initiatives and instruments) to improve access to, and management of climate change and disaster risk finance, including consideration of the associated risks and benefits, considering as appropriate, the specific capacities and needs of Kiribati and the potential for combinations of various national and regional approaches.

iv. To provide Kiribati and its major development partners with well supported and actionable recommendation on the steps required to best support the increased ability of Kiribati to effectively and sustainably manage and utilize both existing and emerging climate change resources, including the Green Climate Fund, Adaptation Fund and other sources of climate financing, and thus effectively respond to climate change and disaster risk reduction.

v. To provide information and wider understanding that will inform discussions and decisions at the national and regional level in relation to improving and streamlining the access to climate change and disaster risk finance.

vi. To suggest means of strengthening the newly established Climate Finance Division within the Ministry of Finance and Economic Development.

## 1.2 Scope of this Assessment

The Kiribati Climate Change and Disaster Risk Finance Assessment was guided by the Pacific Climate Change Finance Assessment Framework (PCCFAF), which assesses national efforts against seven key pillars: (1) policies and plans, (2) funding sources, (3) public financial management and expenditure, (4) institutions, (5) human capacity, (6) gender and social inclusion and (7) development effectiveness.

The assessment adopts the definitions summarised below and takes a broad perspective in identifying and extracting CCDRM-related assistance from data sources that are publicly available (see Box 1 below).

Consultations were undertaken with stakeholders at the national level in Tarawa. Kiribati is the tenth Pacific Island Country to undergo a climate change and disaster risk finance assessment. The PCCFAF has already been completed in Nauru (2012), Republic of the Marshall Islands (2014), Tonga (2015), Solomon Islands (2016), Palau (2017), Vanuatu (2017) and Federated States of Micronesia (2018). A complementary framework led by UNDP known as the Climate Public Expenditure and Institutional Review (CPEIR) was undertaken for Samoa (2012), Vanuatu (2013) and Fiji (2014).

**Climate Change Mitigation:** Efforts to reduce the levels of greenhouse gases (GHG) in the atmosphere, either by limiting the sources or by enhancing the sinks. Examples include using fossil fuels more efficiently, switching to renewable energy sources, such as solar energy and hydro-power, and expanding forests and other sinks to remove greater amounts of carbon dioxide from the atmosphere.

**Climate Change Adaptation:** Making changes in order to reduce the vulnerability of a community, society or system to the negative effects of climate change or make the most of potential positive effects. It includes building skills and knowledge, as well as making practical changes such as strengthening coastal infrastructure, adjusting farming systems, and improving water management.

**Disaster Risk Management:** The systematic management of organisations, resources, skills and abilities to reduce disaster risk and alleviate the impacts of hazards and related disasters.

**Disaster Risk Reduction:** The development and application of measures to reduce the likelihood and possible consequences of potential disasters.

**Climate Change and Disaster Risk Finance:** All financial flows (bilateral, multilateral, private and domestic budget) for climate change adaptation and mitigation and disaster risk reduction and disaster risk management.

*Box 1. Definitions adopted by the Assessment (Source: www.pacificclimatechange.net/glossary)*

## 1.3 How Information was Collected and Analysed

The Kiribati assessment was based on two key sources:

1. Review of available information on policies, plans, reports, budgets, studies, programmes, projects, national statements and submissions and approaches of the Republic of Kiribati and key development partners.
2. Face-to-face, collection of primary data resulted from consultations with Government officials, bilateral and multilateral development partners, education institutions, private sector, and civil society actors (NGOs, faith-based groups).

A joint assessment team, comprising the Pacific Islands Forum Secretariat (PIFS), USAID/ SPC Institutional Strengthening of Pacific Islands Countries to Adapt to Climate Change (ISACC) Project, USAID Climate Ready Project, DFAT/ GIZ Climate Finance Readiness for the Pacific (CFRP) Project, and the Asian Development Bank, undertook missions to Kiribati in late April and July 2018 to consult and gather information. The full assessment was undertaken from 26 April to 4 May 2018. Information collected was coded, analysed and specific reports were developed by key partners on each aspect of the assessment. A follow up mission to present and validate the preliminary findings was conducted from 16 to 20 July 2018, where a national workshop was convened on 17 July to gather feedback on the preliminary findings. A full list of consulted stakeholders is presented in Appendix 1.

For the Funding Sources Analysis (Section 3) and Budget Expenditure Analysis (Section 4), a weighting methodology has been applied to classify projects/expenditure items by their climate change and disaster risk management 'relevance'. For example, if a project/expenditure item is classified as 'High Relevance', 80% of the total project budget/expenditure item will be counted. For 'Medium Relevance', 50% of the total project budget/expenditure item will be counted. For 'Low Relevance', 25% of the total project budget/expenditure item will be counted. For 'Marginal Relevance', 5% of the total project budget/expenditure item will be counted. This has been consistently applied in assessments completed in other countries and is important for

comparability of data. It is reflecting on the experience in previous projects and it acts as a proximity to analysing such complex data. The initial classification was done by the assessment team, and further verification by the Government of Kiribati officials. Table 1 below is a summary of the weighting methodology and examples of activities and their corresponding classification. Appendix 2 contains a detailed outline of the CCDRM weighted methodology and assumptions.

**Example of Classification – High Relevance**

| High Relevance (~80%) | Rationale | Clear primary objective of delivering specific outcomes that improve climate resilience or contibute to mitigation, DRR and DRM |
|---|---|---|
| | Examples | • Energy mitigation (e.g. renewables, energy efficiency)<br>• Disaster risk reduction and disaster management capacity<br>• The additional costs of changing the design of a programme to improve climate resilience (e.g. extra costs of climate proofing infrastructure, beyond routine maintenance or rehabilitation)<br>• Anything that responds to recent drought, cyclone or flooding, because it will have added benefits for future extreme events<br>• Relocating villages to give protection against cyclones/sea-level<br>• Healthcare for climate sensitive diseases<br>• Building institutional capacity to plan and manage climate change, including early warning and monitoring<br>• Raising awareness about climate change<br>• Anything meeting the criteria of climate change funds (e.g. GEF,PPCR) |

**Example of Classification – Medium Relevance**

| Medium Relevance (~50%) | Rationale | Either secondary objectives related to building climate resilience or contributing to mitigation, or mixed programmes with a range of activities that are not easily separated but include at least some that promote climate resilience or mitigation |
|---|---|---|
| | Examples | • Forestry and agroforestry that is motivated primarily by economic or conservation objectives, because this will have some mitigation effect<br>• Water storage, water efficiency and irrigation that is motivated primarily by improved livelihoods because this will also provide protection against drought<br>• Bio-diversity and conservation, unless explicitly aimed at increasing resilience of ecosystems to climate change (or mitigation)<br>• Eco-tourism, because it encourages communities to put a value of ecosystems and raises awareness of the impact of climate change<br>• Livelihood and social protection programmes, motivated by poverty reduction, but building household reserves and assets and reducing vulnerability. This will include programmes to promote economic growth, including vocational training, financial services and the maintenance and improvement of economic infrastructure, such as roads and railways |

**Example of Classification – Low and Marginal Relevance**

| Low Relevance (~25%) | Rationale | Activities that display attributes where indirect adaptation and mitigation benefits may arise |
|---|---|---|
| | Examples | • Water quality, unless the improvements in water quality aim to reduce problems from extreme rainfall events, in which case the relevance would be high<br>• General livelihoods, motivated by poverty reduction, but building household reserves and assets and reducing vulnerability in areas of low climate change vulnerability<br>• General planning capacity, either at national or local level, unless it is explicitly linked to climate change, in which case it would be high<br>• Livelihood and social protection programmes, motivated by poverty reduction, but building household reserves and assets and reducing vulnerability. This will include programmes to promote economic growth, including vocational training, financial services and the maintenance and improvement of economic infrastructure, such as roads and railways |
| **Marginal Relevance (~5%)** | Rationale | Activities that have only very indirect and theoretical links to climate resilience |
| | Examples | • Short term programmes (including humanitarian relief) |

*Table 1. Summary of the Weighting Methodology and Examples of Activities with their Corresponding Classification*

## 1.4 Principles of Ownership and Inclusive Participation

This review would not be effective without the support of the Republic of Kiribati and their inclusive participation and ownership of the processes undertaken, which are critical aspects of the report. This was facilitated through national consultations, focus group discussions and interviews. The contributions of various stakeholders from Government, non-governmental organisations, private sector, training institutes, and development partners are to be commended. Adequate opportunity was allowed for stakeholders to review and provide comments on the draft report before its finalisation.

It is important to underscore that this assessment recognises the KV20 and the KDP as the overarching platforms that this joint effort is founded on. The assessment did not start from scratch. Most of the findings are reaffirmations of initiatives the Government and partners are already doing or planning. This exercise will not only facilitate improved and direct access to climate change and disaster risk finance but will improve donor confidence to channel their support through national systems and strategically with the Government of Kiribati to achieve resilient and sustainable development goals.

## 1.5 Limitations

Due to the limited timeframe available to undertake in-country consultations, difficulties in gaining timely access to data and copies of appropriate policies and competing priorities which did not allow for staff in some key agencies to engage and meet the assessment team. Some of the original objectives of the Assessment were not fully progressed. One example is the identification of potential national implementing entities to the Green

Climate Fund. The assessment team was not able to meet with the two potential entities that have expressed interest. Instead, the recommendation in the report is to develop the necessary guideline and templates that will facilitate such process and improved engagement with the Ministry of Finance and Economic Development, as the GCF National Designated Authority. Some of the outstanding outputs that this report may have not been able to address have been included in the Action Plan for further follow up and support by CROP agencies and development partners. The assessment team acknowledged that some contents may become obsolete when the report is finally cleared for publication since the assessment was conducted 24 months prior to the approval.

## 1.6 Structure of this Report

The chapters of this Report are structured according to the seven pillars of the PCCFAF; policies and plans, funding sources, public financial management and budget expenditure, institutions, human capacity, gender and social inclusion, and development effectiveness. The opportunities for improvement are interlinked and thus relevant across the different chapters.

Each chapter begins with key messages followed by relevant recommendations. A summary of the opportunities for improvement is included as an Action Plan in the Executive Summary. A general conclusion is at the end of the report, in Section 9.

# 2 Policies and Planning Analysis

**Key Messages:**

- Kiribati has made significant progress in establishing the enabling policy environment for CCDRM at the national level, including the integration of Climate Change and Disaster Risk Management.
- Climate change is recognised within the KV20 as an overarching development challenge and a constraint to achieving Kiribati's desired development outcomes. The KV20 reiterates the need to mainstream climate change adaptation and mitigation into all programmes.
- To date, there has been a lack of review or progress reports produced against the KJIP action matrix. With the revised KJIP being finalised, the development of an M&E framework and Communication Plan should be considered as a key supporting key-supporting component of the KJIP.
- Kiribati has launched a first-ever National Climate Change Policy in mid-2018, which exists as a higher-level strategic policy document that sits above the KJIP.
- Given recent developments, the NDRMP 2012 would benefit from a review to ensure it is still providing the necessary policy guidance on disaster risk management in Kiribati.
- The Climate Finance Division, with support from the OB, should consider the development of a National Climate Finance Roadmap.

## 2.1 International Commitments for CCDRM

Kiribati is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC) and ratified the Paris Agreement in 2016. Kiribati submitted its Second Communication to the UNFCCC in 2013 and, in 2015, submitted its Intended Nationally Determined Contribution (INDC). This INDC is a significantly detailed document and includes an in-depth section on adaptation priorities for Kiribati. Through their INDC (which has now become NDC – nationally determined contribution – after the ratification of the Paris Agreement), Kiribati has committed to a reduction of emissions by 13.7% by 2025 and 12.8% by 2030, compared to a Business as Usual (BaU) projection. Current (2014) greenhouse gas emissions from Kiribati are approximately 63,000 metric tonnes of equivalent carbon dioxide emissions/year (tCO2e/year). This is extremely small: representing approximately just 0.0002% of the global emissions. These commitments are based on its status as a Small Island Developing State (SIDS) and Least Developed Country (LDC) with limited resourcing. Conditional with international assistance, Kiribati may also contribute a further 48.8% reduction in greenhouse gas emissions by 2025; and 49% reduction in greenhouse gas emissions by 2030, compared to the BaU projection. However, given that Kiribati has some of the lowest GHG emissions in the world and very little fossil fuel use, Kiribati is much more focused on adapting to the impacts of climate change.

The adaptation component of the INDC builds on Kiribati's numerous national adaptation-focused policies, including the 2007 National Adaptation Programme of Action (NAPA) and the more recent Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management (KJIP). Given its vulnerability to the impacts of climate change, the INDC stresses that immediate and holistic adaptation is necessary for the people of Kiribati.

Kiribati endorsed the Sendai Framework for Disaster Risk Reduction 2015-2030 in 2015 and has aligned its current national development priorities with the 2030 Agenda for Sustainable Development.

At the regional level, Kiribati has endorsed the Framework for Resilient Development in the Pacific (FRDP), which advocates for an integrated approach to address climate change and disaster risk, where possible. Furthermore, Kiribati aligns its national policies with the SIDS Accelerated Modalities of Action (SAMOA) Pathway, which sets modalities of action on a range of issues for SIDS, including climate change, sustainable energy and disaster risk reduction.

## 2.2 National Development Priorities

The above mentioned international and regional commitments are reflected at the national level in the Kiribati Development Plan 2016-2019 (KDP) and the Kiribati 20-Year Vision 2016-2036 (KV20), which outline Kiribati's sustainable development priorities, including climate change as a cross-cutting theme. An overview of Kiribati's national CCDRM policy landscape is presented in Figure 1.

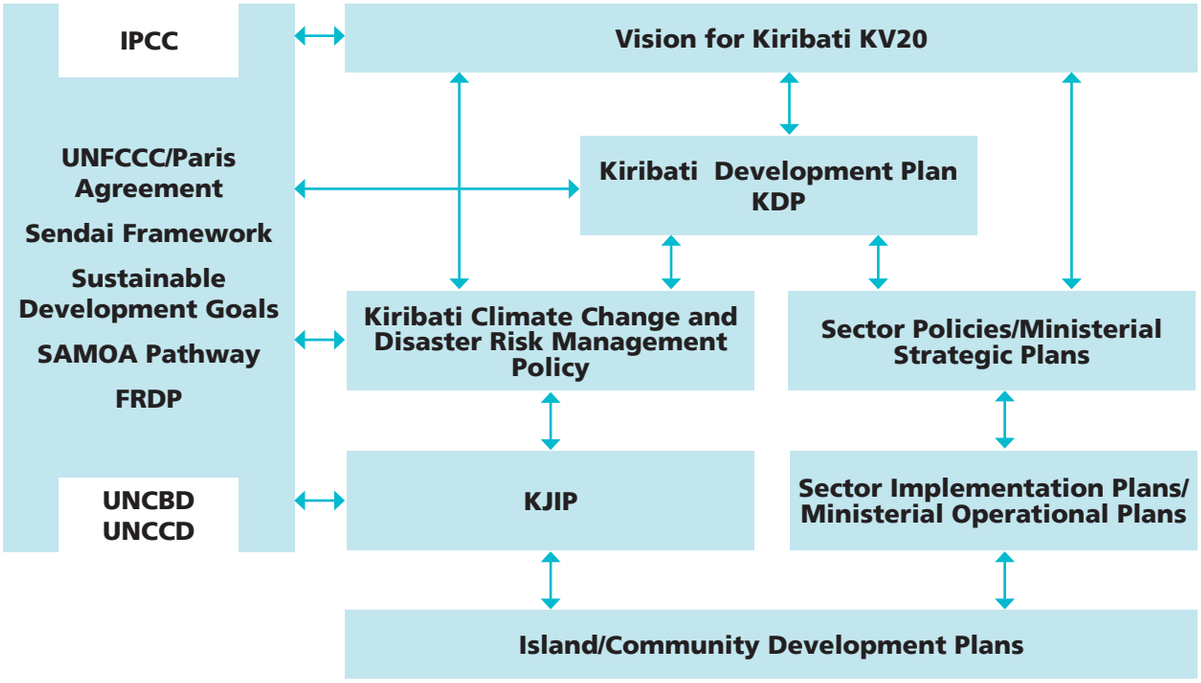


*Figure 1. Kiribati National CCDRM Policy Landscape (taken from KCCP 2018)*

### 2.2.1 Kiribati 20-Year Vision 2016-2036

The Kiribati 20-Year Vision 2016-2036, known as the KV20, is the overarching 20-year development "blueprint" for Kiribati and is to be utilised in guiding all national policies and plans. The vision of the KV20 is "for Kiribati to become a wealthy, healthy and peaceful nation with the people at the centre of it all". It is based on four key development pillars; *wealth, peace and security, infrastructure, and governance*. Each of these pillars is to be achieved through a focus on developing natural capital, human capital and cultural capital.

Climate change is recognised within the KV20 as an overarching development challenge and a constraint to achieving Kiribati's desired development outcomes. It is also included as a crosscutting issue within pillar four on governance, again recognising the challenges climate change presents to SIDS and LDCs such as Kiribati in achieving sustainable development outcomes. The KV20 reiterates the need to mainstream climate change

adaptation and mitigation into all programmes. It is also important to note that the emphasis on developing cultural capital within the plan is specifically about safeguarding and reviving traditional skills and knowledge. This is touched on further in Section 2.6.

The KV20 Implementation Matrix forms the basis for monitoring of the plan and, of particular note, includes baseline measures and indicators over the 20-year timeframe. Monitoring and Evaluation (M&E) of the plan is the responsibility of MFED and reviews are scheduled for 5 years and 10 years, with an evaluation review at the 20-year mark. There are no specific strategies or key performance indicators within the implementation matrix that directly relate to CCDRM. However, broader indicators linked to governance could be supported through related climate change and disaster risk activities and programmes.

### 2.2.2 Kiribati Development Plan 2016-2019

The Kiribati Development Plan 2016-2019 (KDP) is a three-year focused development plan that stipulates shorter-term development priority areas. It identifies six key priority areas for the timeframe 2016-2019, including Human Resources Development, Economic Growth and Poverty Reduction, Health, Environment, Governance and Infrastructure. All stakeholders, including development partners, private sector, civil society and faith-based organisations are expected to align their projects and programmes with the KDP, during the allocated timeframe. Overlapping areas of priority are evident with the KV20, detailed in the previous section.

Climate change is identified as a major long-term challenge within the Environment KPA and is specifically addressed within Goal 4, which is "To facilitate sustainable development through approaches that protect biodiversity and support the reduction of environmental degradation, as well as adapting to and mitigating the effects of climate change".

Three key strategies are detailed that directly relate to climate change and disaster risk, including:

- Reduce the vulnerabilities to the impacts of climate change and disaster risks through more programmes designed to mitigate against climate change and more programmes implemented to assist with the adaptation to climate change;
- Increased measures for the adaptation and mitigation of the effects of climate change, including 'soft' methods, such as the planting of more mangroves, and,
- Investigation of technical solutions to overcome the problems of urban growth and people affected by climate change.

Additional strategies focus on food security and sustainable fisheries, linked to climate change issues. Key Performance Indicators have also been identified, to link with each of the strategies stipulated. However, these indicators do not include specific quantification and could be strengthened in the next review. These are shown in Box 2.

**Key Performance Indicators:**

1. Programs for the mitigation of climate change and adaptation to climate change increased.
2. Number of mangrove plantings increased.
3. Crop production, diversity and livestock numbers increased.
4. A new Food and Nutrition Security Policy finalised in 2016.
5. A new Biosecurity Act introduced.
6. Strengthened survey and planning capacity, and improvements in GIS and Data management systems.
7. The number of crop production technologies including hydroponics developed.
8. Number of community agreements developed and signed for the establishment of conservation areas.
9. Stock of fisheries maintain.
10. Number of landfill sites improved.
11. Amount of bulky scrap metal collected.
12. Urban development policy established.

*Box 2. Key Performance Indicators of Environment Pillar, KDP*

The KDP makes direct mention of the KJIP (discussed further below) and emphasises traditional knowledge and practice and the importance of this for informing policy and programme development. With the KDP due for renewal in 2019, it is expected that the focus on CCDRM issues and priorities be maintained within the proceeding plan.

## 2.3 National CCDRM Policies and Plans

### 2.3.1 National Climate Change Policy

The National Climate Change Policy is a newly developed policy launched in mid-2018 at the Kiribati Development Partners Forum. It is the national document that incorporates all issues related to national climate institutional arrangements, climate vulnerability, mitigation, adaptation and climate financing issues and needs. It exists as a higher-level strategic policy document that sits above the KJIP (detailed in the next section). The KJIP forms the detailed action plan component of the policy. The policy has been developed to "strategically guide and support decision-making processes and sets direction for enhanced coordination and scaled up implementation of CCA, mitigation and DRR". Again, this links directly to the regional FRDP.

The Kiribati Climate Change Policy (KCCP) includes ten focus areas and several key objectives detailed within each of these. The ten identified national priorities are i) coastal protection and infrastructure, ii) food security, iii) water security, iv) energy security, v) environmental sustainability and resilience, vi) health security, vii) disaster risk management, viii) unavoidable climate change impacts, ix) capacity building and education, and x) climate finance. Traditional knowledge, as an enabling component of long-term resilience of i-Kiribati, is included as one of the guiding principles of the policy.

The policy does not include any specific actions, indicators or costings, as these are key components of the KJIP. The policy replaces the National Framework for CC and CCA and links to existing national development policies and plans, and sector policies, as detailed in Figure 1.

### 2.3.2 Kiribati Joint Implementation Plan 2014-2023

The KJIP sets out a holistic approach to integrate climate change and disaster risks into all sectors. It builds on the 2007 NAPA and the 2013 National Framework for Climate Change and Climate Change Adaptation. It also exists as Kiribati's National Adaptation Plan (NAP). Similar to the FRDP at the regional level, the main rationale for this approach is that a systematic and integrated plan where tangible actions are identified will maximise the efficiency and effectiveness of existing capacities and resources as well as ensuring new initiatives are well targeted and have maximum impact. In addition, the development of this plan was a key vehicle for integration of climate change and disaster risks into all sectors, thus promoting a holistic approach that involves the cooperation of Government, civil society and the private sector. A recent review of the KJIP was undertaken, to ensure it is up to date and reflective of any recent changes. The KJIP also complements the National Disaster Risk Management Plan (2012), detailed further below.

The KJIP exists as a detailed action plan on CCDRM, which outlines the climate change and disaster risk context for Kiribati, identifies 12 major strategies (outlined in Figure 2 below) and presents a detailed action matrix, includes indicators and indicative costings for identified actions. This enables it to also be used as an investment plan, in the context of climate financing.

| | |
|---|---|
| 1 | Strengthening good governance, policies, strategies and legislation |
| 2 | Improving knowledge and information generation, management and sharing |
| 3 | Strengthening and greening the private sector, including small-scale business |
| 4 | Increasing water and food security with integrated and sector-specific approaches and promoting healthy and resilient ecosystems |
| 5 | Strengthening health-service delivery to address climate change impacts |
| 6 | Promoting sound and reliable infrastructure development and land management |
| 7 | Delivering appropriate education. training and awareness programmes |
| 8 | Increasing effectiveness and efficiency early warnings and disaster and emergency effectiveness |
| 9 | Promoting the use of sustainable renewable sources of energy and energy efficiency |
| 10 | Strengthening capacity to access finance, monitor expenditures and maintain strong partnerships |
| 11 | Maintaining the sovereign, and unique identity of Kiribati |
| 12 | Enhancing the participation and resilience of vulnerable groups |

*Figure 2. KJIP Strategies*

To date, there has been a lack of review or progress reports produced against the KJIP action matrix. With the revised KJIP being finalised, the development of an M&E framework and Communication Plan should be considered as a key supporting component of the KJIP. This would ensure that progress is being measured and would be an important process in the context of climate financing priorities and understanding what has been progressed already and what the major outstanding priority CCDRM actions. Any M&E framework should also take into consideration existing indicators within the KDP and other related sectoral plans and where linkages exist through to the KV20. Streamlining national reporting mechanisms (especially through ensuring consistency of crosscutting issues such as climate change in all national and sectoral policies and plans) are imperative for SIDS, to reduce the reporting burden and maximise time and resources. This will also make it easier for the institutions mandated to coordinate and report on national progress towards these policy objectives. This streamlining has also been a focus of the recent review of the KJIP.

### 2.3.3 National Disaster Risk Management Plan 2012

The National Disaster Risk Management Plan 2012 (NDRMP) is Kiribati's national hazard management and response plan. It is enabled by the National Disaster Management Act of 1993 (revised 2012) and links with the disaster risk management components of the KJIP, KCCP and the overarching KDP and KV20. It undertakes an all-hazards approach, including traditional natural hazards, such as drought and tsunami, along with broader hazards creating potential risks for the people of Kiribati. It replaces and builds on previous policies, including the Draft National Disaster Management Plan 1995 and the Draft National Disaster Plan 2010. The focus is on Disaster Risk Management, as well as Disaster Risk Reduction and providing the mechanisms to mainstream this into all Government planning and budgeting. It also details the role of all stakeholders, from communities, to civil society to private sector and all sectors of Government.

The NDRMP is described as "a 'living document' ensuring currency, accuracy and relevance at all times, eliminating the need to conduct major reviews". Given the impact of Tropical Cyclone Pam on Kiribati in 2015 and the global updates within the Sendai Framework, as well as the increased focus on integration of CC and DRM, a review of the NDRMP should be considered, to ensure it is still providing the necessary policy guidance, given recent developments in this area and strengthen linkages to new and revised national policy documents.

## 2.4 Mainstreaming CCDRM into Sectoral Policies and Plans

The need to mainstream CCDRM across all Government sectors is a continuous theme throughout the national development plan and policies detailed above. This recognises CCDRM as crosscutting and of national significance with the need for a multi-sectoral, multi-agency approach for addressing these issues in achieving sustainable development outcomes for Kiribati. Specifically, the KCCP details in its guiding principles:

"Mainstreaming climate change and disaster risk reduction into development planning, policies, strategies, sector plans, and decision-making and budgeting processes on both national and local levels."

Similarly, the KJIP details as Result (Output) 1.1 within Strategy 1:
"All policies, strategies, Sector Operational Plans, Ministry Annual Work Plans, Ministerial Plans of Operations, project proposals and monitoring and evaluation systems enable the proactive and inclusive reduction of climate change and disaster risks."

And Result (Output) 1.2:
"Appropriate national and sector legislation is providing an enabling environment to enforce climate and disaster risk reduction."

The table in Appendix 3 provides a snapshot of the many sectoral policies within Kiribati and how these are currently tracking in the mainstreaming of CC or DRR. It is evident that good progress has been made in this regard. Sectors that may need further support include Education and Tourism. However, while the education sector has progressed, such as the inclusion of climate change issues in the curriculum and as part of their teacher training, this work could be strengthened through further inclusion of CCDRM issues within the strategic plan of the Ministry. Similarly, while the health sector has a specific National CC and Health Action Plan, this should also be integrated into the overall Ministry Strategy. No updates or review of the NCCHAP have been undertaken since its development in 2011.

While progress has been achieved, it is recommended that any sectorial policy updates or reviews going forward consider more specific inclusion of CCDRM-related activities and indicators, aligning with the revised KJIP and the objectives of the KCCP. For example, any planned updates to the Water Resources Sector Policy from 2008 should consider this in its review. Furthermore, given that mainstreaming is a priority focus in national policies, the development of mainstreaming guidelines may also provide the necessary support to ensure these crosscutting issues are being effectively mainstreamed. As evident in Figure 3, mainstreaming is much more than making reference to climate change within a policy. It also needs to be reflected in financial processes, institutional arrangements and through political will within all sectors. Inclusion of gender within these mainstreaming guidelines should also be considered, given the focus on Gender and Social Inclusion (GSI) by multilateral and bilateral partners (see further analysis in Section 7).

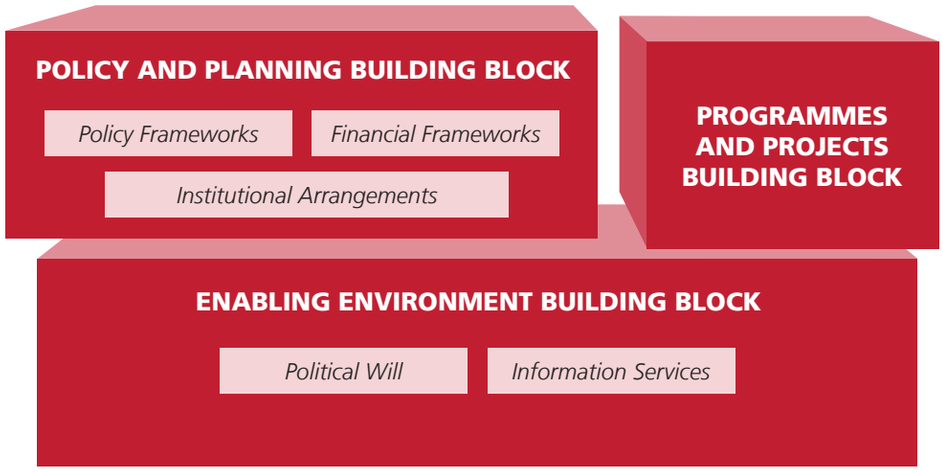


*Figure 3. Building Blocks for Climate Change Mainstreaming (Source: IISD)*

One of the biggest gaps currently faced is the integration of relevant objectives, strategies and costed actions into sector operational plans, ministerial plans of operations and budgeting, necessary to strengthen this process of mainstreaming. Section 4 on PFM and Expenditure provides additional detail from a budget process perspective, on how this may be achieved. This recommendation has also been made by the Whole of Island (WOI) evaluation team and is supported directly by the objectives in the KCCP and the KJIP, as outlined above.

Similarly, while mainstreaming CCDRM across sectors (horizontal integration) is important, vertical integration is also necessary to facilitate community and local Government, or outer-island and national Government engagement. As such, ensuring these issues are also reflected within Island Council Strategic Plans, as existing planning documents, is also necessary. This has been a key focus of the revised KJIP, in terms of ensuring strategic linkages between adaptation planning at the national and island level. The assessment team did not receive copies of any Island Council plans to review, so it is difficult to say the extent this is currently being achieved. The Ministry of Internal Affairs plays a key role in this regard, as local governance is the mandate of this agency. The Institutional Analysis in Section 5 also discusses institutional strengthening for agencies, such as MIA. No strategic plan for this Ministry was reviewed as part of the assessment; however, it would be recommended that CCDRM issues be incorporated, as they relate to the governance and development priorities of outer islands.

The Kiribati Local Government Association (KILGA) is a local NGO currently providing technical assistance in reviewing and developing outer islands development plans. The KILGA Strategic Plan 2016-2020 was reviewed and sustainable development and the issue of climate change vulnerability for outer islands are included as guiding principles of this strategy. The KILGA Plan highlights the main functions of local councils as relating to "Agriculture, Livestock, Fisheries, Buildings, Town or Village Planning, Education, Forestry, Trees, Land, Relief of famine, Drought, Markets, Public Health, Public Order, Peace and Safety, Communications, Public Utilities, Trade and Industry and Miscellaneous Matters". As such, incorporating specific CCDRM-related actions and strategies is essential in the context of the work of the local councils. The KILGA Strategic Plan has identified a key activity of "updating the CC adaptation and mitigation strategy"; however, this is not then reflected in the action plan of the document (which includes timelines, costs and indicators). A copy of this adaptation and mitigation strategy was also not received for review.

In the context of climate finance, the KILGA Strategic Plan also indicates a priority focus on funding streams that are easy to access and acquit, along with capacity development in project and financial management.

While this is evidence of some initial progress at the local island level, additional support for KILGA, MIA and local councils in mainstreaming CCDRM issues is also needed. Given the interest to roll out the WOI approach throughout Kiribati, consideration of how institutional strengthening of local councils could be supported would be recommended. This could be developed as a project proposal to a bilateral or multilateral partner for sub-national institutional strengthening, also incorporating capacity development in GSI.

## 2.5 Climate Finance Planning

The Government has put a high priority on improving access to and management of climate change finance. For the Government of Kiribati, this strategic thinking is being specifically prepared for 2020 and beyond, when there is likely to be an increase in the mobilisation of funds at the international level. The prioritisation of climate change financing as a focus area for Government is a consistent message in the KDP, the KJIP and the new KCCP. As a SIDS and LDC, external support for both adaptation and mitigation activities within Kiribati is imperative for achieving its sustainable development objectives and specific adaptation and mitigation goals, as defined in the national policies and plans stipulated above.

As shown in Section 3 on Funding Sources, bilateral partners currently provide the bulk of support for CCDRM-related activities in Kiribati and thus a focus on strengthening strategic relations with multilateral funds is well placed. In 2016, Cabinet approved the establishment of the Climate Finance Division (CFD) within MFED. The primary role of the CFD is to support the country to engage and access climate change finance from multiple multilateral sources, either directly or through partnerships with entities that are accredited to the multilateral fund(s). At this stage, the CFD is mandated to specifically engage with the GCF, AF and CIF. A number of larger-scale project proposals are in various stages of development, in consultation with these funds. Further information on the institutional role of the CFD is presented in Section 5.

To assist in guiding this work, the development of a Strategic Framework/Country Programme for engagement with the three multilateral funds is due to be concluded in 2019. This should build upon existing policies and plans, including the revised KJIP. It should also ensure that peripheral sectors, such as education and tourism, are actively included. Furthermore, the GSI analysis in Section 7 identifies that this Country Programme should also include a strong element on gender equity and social inclusion issues. It is also recommended that an accompanying component of this Country Plan should be a National Implementing Entity Accreditation Strategy. Based on the priorities identified within the Country Plan, the NIE Accreditation Strategy would then align to these priorities with potential national entities that would be well placed to deliver on the priorities. A process for entities to self-nominate, along with selection criteria based on the NIE Accreditation Strategy, should also be outlined.

Finally, the Government of Kiribati may wish to also consider the development of a National Climate Finance Roadmap. The Action Plan from this current Climate Change and Disaster Risk Finance Assessment should form the basis of the proposed roadmap. However, it should also incorporate activities and identified actions from the revised KJIP and the work plan developed for GCF readiness support. This would ensure that each of these areas of support is aligned and gaps in support can easily be identified. The Roadmap would provide a guiding document for the work needed to be undertaken in the lead up to 2020 and beyond, identifying necessary actions and supporting partners and agencies. It would also be the basis for the Government to track progress against identified priority actions.

## 2.6 Evidence-Based Decision Making

An important work recently supported by partners has been the development of the Kiribati Integrated Vulnerability Assessment (KIVA) and its associated database. Working with the National Statistics Office, this database now brings together all data from vulnerability assessments undertaken in Kiribati, to date. Nevertheless, there is currently a lack of capacity to effectively analyse the collected data. Support for this, as well as capacity building of OB, CFD and statistics staff is needed, to ensure this database can be effectively as the basis for sound policy and programme decision-making going forward. This is also pertinent in the context of the development of multi-sectorial proposals for multilateral climate funds, such as the GCF.

Finally, an emphasis on Traditional Knowledge (TK) – both the preservation of this and its contribution to sustainable resource management and policy and planning processes - is also a common theme across the national and CCDRM policies within Kiribati. However, the Whole of Island (WOI) evaluation identified some key challenges in both the sharing and utilisation of this knowledge. It is recommended that a TK Working Group be established as part of the KNEG, which could focus on this issue in more depth. The KNEG includes representatives from Government, non-government organisations and the private sector and provides technical advice on CCDRM initiatives. Therefore, forming the TK Working Group will be important given the context and potential challenges, looking into how to best preserve TK in relation to environmental and disaster risk reduction practices, but also how TK can be utilised in Kiribati to (a) increase local awareness of CCDRM (and other environmental) issues, and (b) support more locally contextual adaptation and risk reduction programmes and planning processes. This working group should be comprised of relevant KNEG members including representatives from community-based organisations, faith-based organisations and others working at the local and community level.

## 2.7 Recommendations

1. Develop an M&E framework and process for the revised KJIP, ensuring streamlined reporting on indicators and objectives in alignment with the KCCP, the KDP and the KV20.

2. Consider the development of national mainstreaming guidelines or sector-specific checklists that will support sectors, Line Ministries and Island Councils to identify entry points for mainstreaming CCDRM across the different "building blocks" and incorporating Gender and Social Inclusion components.

3. Identify options (through possible project proposals) for institutional strengthening of sub-national entities, including Island Councils, including processes to update Island Council Strategic Plans to reflect national and local CCDRM priorities.

4. Include a National Implementing Entity Accreditation Strategy as a component of the CFD Strategic Framework/ Country programme to assist in advancing direct access options for Kiribati to the GCF.

5. Utilise the Action Plan from the Climate Change and Disaster Risk Finance Assessment, as well as actions identified within the revised KJIP and the work plan for the GCF Readiness funding, as the basis for a National Climate Finance Roadmap, to identify priority actions and guide progress towards identified climate finance outcomes.

6. Seek support from partners/relevant projects to undertake detailed analysis of the existing KIVA data, to ensure it can be utilised as an effective CCDRM decision-making and planning tool. Incorporate capacity building for OB, CFD and national statistics office staff.

7. Consider the establishment of a TK working group as part of the KNEG to understand how TK may be used to support CCDRM awareness-raising at a local level and how TK could be appropriately harnessed to support more locally contextual adaptation and risk reduction programmes and planning processes.

# 3 Funding Source Analysis

**Key messages:**

- Kiribati accessed about AU$76.5. million in the past eight years (2011-2018) for CCDRM activities. This does not include the recently approved Green Climate Fund for the South Tarawa Water Supply Project worth US$58.08 million. With the GCF funding, total CCDRM amount accessed by Kiribati between 2011 and 2018 will increase to AU$106.9 million. Of the total amount accessed, 33% was from bilateral sources and 67% from multilateral sources.
- Unlike most other PICs, about 80% of the total CCDRM funding accessed by Kiribati were reflected in the national budget, and 20% was off-budget.
- Key donors for CCDRM in Kiribati are the GCF, ADB, World Bank, Australia, European Union, New Zealand, UNDP, ROC/Taiwan, Japan, United States of America, and Germany.
- Most of the funding accessed had been for adaptation (46.4%), followed by mitigation (35.4%), disaster risk reduction (11%), and disaster risk management (7.2%).
- Top six beneficiary sectors are water and sanitation (40%), energy (19%), transport infrastructure (12%), conservation and biodiversity (8%), enabling environment (7%) and agriculture and food security (5%).

## 3.1 Why this is Important

Despite strong political commitment and leadership on climate change advocacy, some challenges remain in terms of Kiribati's access to additional external funding sources to address the increasing risk caused by climate change and disasters. The complexity of the global funding architecture presents a huge challenge for Kiribati, in addition to managing its relationship with traditional sources of external assistance.

The International Monetary Fund (IMF) 2017 assessment of Kiribati noted that a change of the climate cycle could imply large uncertainties for fishing revenue. Access to additional external finance is, therefore, crucial for Kiribati, given the long-term (substantial) financing required to address the country's lagging infrastructure development and the significant cost of climate change adaptation. The IMF also highlighted that Government needs to prioritise the strengthening of its capacity to manage external funds earmarked to address climate change and disaster risks [3].

It is, therefore, fundamentally important that climate change-prone Small Island Developing States (SIDS) like Kiribati work towards achieving optimal outcomes from all external sources, including committed and potential global climate funds, in addition to their domestically sourced funds.

## 3.2 External Sources of Funding for Kiribati

Overall, Australia is the biggest bilateral donor to Kiribati, followed by New Zealand, Taiwan/ROC and Japan. These donors also contribute assistance indirectly to Kiribati through global, multilateral and regional funding mechanisms.

The focus of Australia's intervention in its current programming cycle is on economic reform, education and health[4]. New Zealand's scope includes fisheries, economic governance, health, maritime safety, labour

3 IMF. Kiribati Article IV Consultations. 2017

4 DFAT Aid Investment Plan 2015/16 – 2018/19

mobility and urban development [5]. Taiwan focuses predominantly on transport, agriculture and community infrastructure, while Japan focuses in the energy, transport and fisheries sectors. Bilateral donors model their support through: programmes, such as small-scale or grassroots grants through their resident missions; or larger scale infrastructure grants, and technical cooperation implemented by their respective implementing agencies, or through regional programmes executed by multilateral agencies like ADB and regional bodies like SPREP, SPC, Forum Fisheries Agency (FFA) and PIFS.

The Asian Development Bank (ADB), World Bank (WB), European Union (EU), and UNDP are the principal multilateral sources of funding to Kiribati. Their interventions are guided by their respective country partnership strategies with Kiribati and through regional programmes. Their areas of focus cover a wider scope beyond CCDRM, according to their comparative advantages and preferred modalities. The ADB, UNDP and WB are all accredited multilateral implementing entities (MIEs) of the GCF and Adaptation Fund.

The three major regional organisations that undertake work in climate change financing are Pacific Island Forum Secretariat (PIFS), the Secretariat of the Pacific Regional Environment Programme (SPREP), and the Pacific Community (SPC.). These organisations are not strictly sources of funding. They do, however, play an important conduit role in advising and facilitating global climate change finance to Kiribati from (usually) bilateral and multilateral sources. SPREP has Regional Implementing Entity (RIE) status for the GCF and Adaptation Fund and had implemented the UNDP and DFAT-funded Pacific Adaptation to Climate Change (PACC) Project and Pacific Islands Green House Gas Abatement through Renewable Energy Project (PIGGAREP). SPC implemented the EU's Global Climate Change Alliance (covering both climate change, disaster risk management and capacity building) and has recently obtained Regional Implementing Entity status to the GCF. SPC, PIFS and SPREP are readiness delivery partners for the GCF.

External sources of funding are a major component of budget financing for the Government, averaging 40% of total revenue and 90% of development expenditure in the last four years[6]. It is, therefore, critical that donors work towards improving the integration of the modality and execution of externally sourced interventions into Government's budget system and its implementation machinery.

## 3.3 How Much Funding was accessed by Kiribati for CCDRM?

This section looks at all existing principal sources of external funding for CCDRM in Kiribati and using the PCCFAF-weighted methodology discussed in Section 1.3 and Table 1 provides an estimation of how much of the overall funding flowing from existing sources in the past eight years would have been directly and indirectly tied to CCDRM-related activities. It should be noted that the data used in this chapter is drawn exclusively from external sources available, and does not use Government's own budget data on donor flows and its sources as per Chapter 4.

The assessment collated information for the years 2011-2018 for all projects that were considered to have been directly (fully) or to some extent (using the PCCFAF assessment's weighted index) addressing CCDRM issues. It captures the estimated value of each project identified through the various sources, as being completed (or implemented to some extent) within the eight-year (2011-2018) timeframe. The methodology exclusively uses donor/external sources, so it basically captures what was programmed by donors and presumed to have been accessed by Kiribati in the 8-year timeframe. Each project value was then ascribed the CCDRM-weighted index assessed as appropriate, given the project's objectives and description of activities (see Table 1).

5 https://www.mfat.govt.nz/en/aid-and-development/our-work-in-the-pacific/kiribati/

6 IMF. Kiribati Article IV Consultations. 2017.

Profile features were also added to the matrix of projects based on information collated and the weighting applied. The primary objective of the analysis was to identify the variety of funding sources Government has accessed to address its CCDRM objectives and the approximate amount of these sources that directly or indirectly address CCDRM. It also seeks to identify the extent to which this assistance is captured in the Government's public financial system. Appendix 4 contains the detailed list of projects/ programmes assessed and profiled as highlighted above.

It is noted that in some areas Government's budget documents show significant differences in value compared to donor sources used predominantly in this section. This section uses mostly data collected from donor sources, and from executing and implementing agencies that were/are directly engaged at the project level[7]. This is a pertinent issue, which very much relates to on-going PFM reform initiatives, i.e. to help improve the coordination of Government and donor information during budget formulation and execution.

In total, Kiribati is estimated to have accessed about AU$76.5 million in the eight years (2011-2018) for CCDRM purposes directly and indirectly. Of this amount, bilateral sources comprised 33% or AU$25.5 million and multilateral sources account for 67% or AU$51.0 million. About 80% or AU$61.2 million of the totals was reflected in their budget system, and 20% or AU$15.3 million was not reflected at all in the national budget (see Figure 4 below).

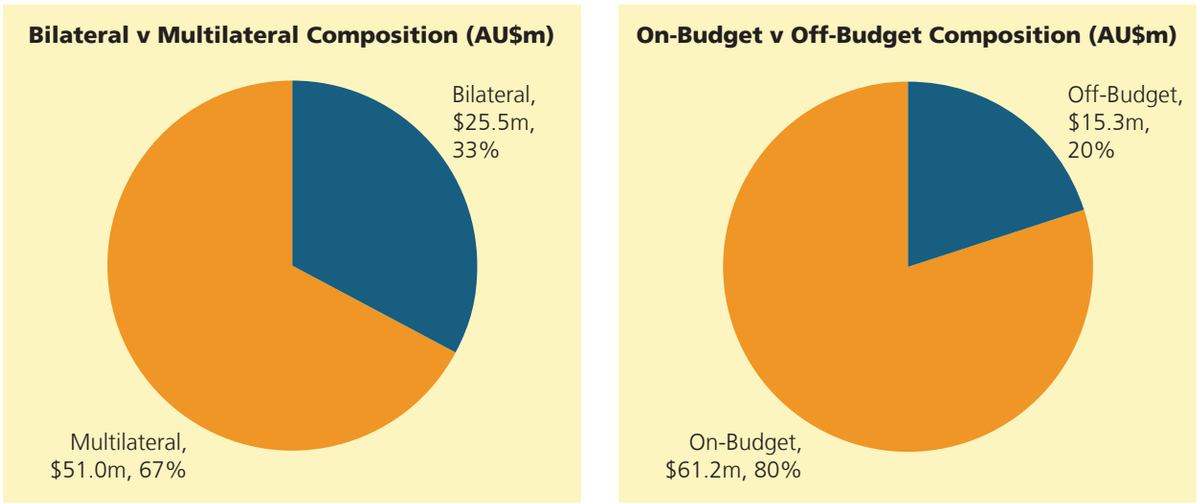


*Figure 4. Breakdown of Bilateral vs. Multilateral Sources and On-Budget vs. Off-Budget for CCDRM Funding Accessed Over 2011 – 2018*

For a country that relies substantially on external assistance, it is encouraging to note that most of these are captured in the budget, at least in its documentation. Of the on-budget components, the actual projects that have funding going through the Government system would be predominantly general and sector budget support, while the rest would either have funds going through the Fiduciary Services Unit (FSU) or directly channelled to third parties who execute the projects.

The FSU is a WB-funded establishment in Government within the Ministry of Finance and Economic Development, which is the central unit providing fiduciary support to all World Bank-financed projects receiving grant assistance from the WB. The different projects funded by WB need to procure consulting services, civil

7 Where possible, cross-referencing of data with Government were done only with Ministries that had access to relevant information in their records. There was no central depository of information, which should normally capture all or most sources of funding data.

works and goods based on the specific requirements of each project. This is a complex undertaking, involving several Ministries and agencies that also have many other responsibilities. The FSU, with technical assistance from WB, provides expertise to enable compliance with relevant procurement procedures and guidelines. It serves as the centralised (mandated) function to address all the fiduciary requirements of these projects.

More recently, FSU has extended its scope to also support other multilateral donor-funded projects like ADB and UNDP, along with their supplementary technical assistance. Projects are implemented by the respective Ministries, supervised and monitored by the project manager from the individual project support teams. It is an interesting set up, which can be explored further as a potential national implementing entity for global climate funds, though more detailed assessment will be required to better understand the limitations, opportunities and issues surrounding its sustainability as part of the Government establishment.

This approach is consistent with Government strategy where it states, "…*Sufficient technical capacity and human resources to successfully mainstream climate change adaptation and mitigation measures will also be heightened for effective implementation of climate change-related adaptation measures. Government will improve its capacity to access and utilise the existing Climate Finance Mechanisms…*" [8]

This function is essentially a core Ministry of Finance mandate and can be better placed in Budget and Planning since they have an overall impression of Government-funded projects, as well as donor projects not implemented by FSU. Any consulting service and specific project requirements ensuing from these FSU projects will have a bearing on local counterpart staff and GoK budget resources, either for the project itself or in the future in terms of recurrent costs implications. Therefore, as part of GoK strategy above, it will be important to consider the eventual absorption of the FSU mandate into the Ministry of Finance's existing structures and functions, possibly in Budget and Planning.

## 3.4 Who are the Principal Donors in Kiribati for CCDRM?

The ADB is the biggest external source of CCDRM funding for Kiribati at AU$20.6m or 27% of total sources. This is mainly due to its substantial interventions in the last 10 years in the transport infrastructure and water and sanitation sectors. World Bank, Australia and the European Union are the next biggest funding sources because of their substantial investments in utility infrastructure in the specific sectors of energy, transport, water and sanitation, and ICT. The rest of the principal donors are New Zealand, UNDP, Taiwan/ROC, Japan, United States of America and Germany.

Note that the assessment and analysis was completed prior to the approval of the South Tarawa Water Supply Project worth US$58.08million from the Green Climate Fund Government. Otherwise, the Green Climate Fund would be the largest source of CCDRM funding for Kiribati and will also increase the total amount of CCDRM funding accessed by Kiribati from AU$76.5 million to AU$106.5 million between 2011 and 2018, although the GCF funding is yet to be disbursed.

8 Government of Kiribati. Kiribati Vision 2016-2036. 2015

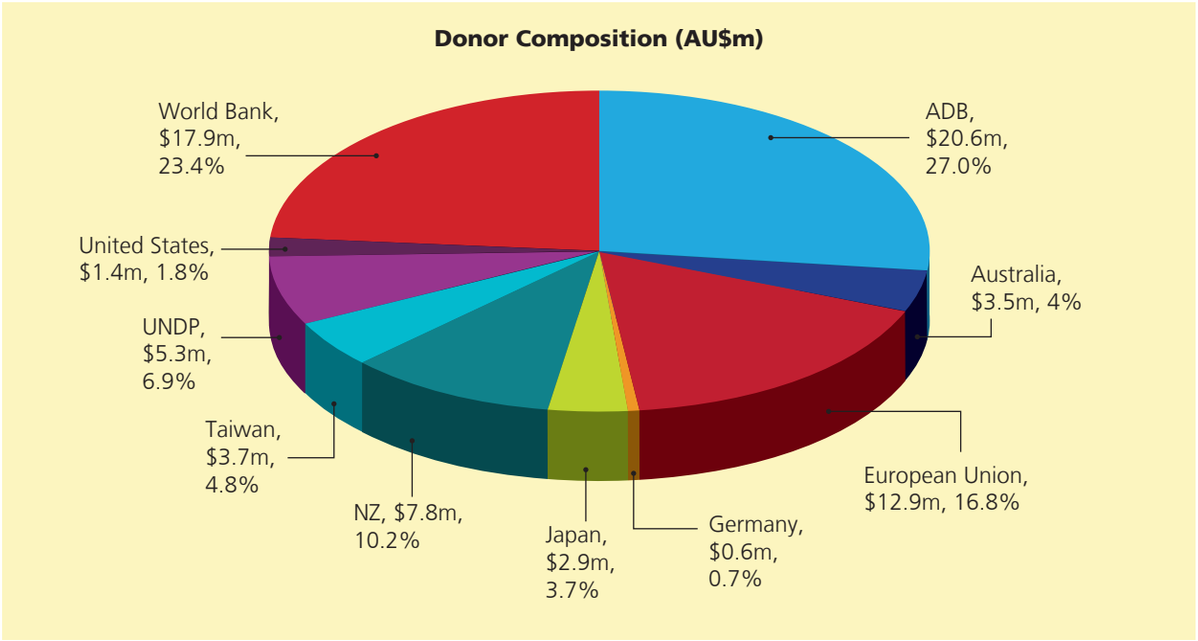


*Figure 5. Donor Composition of CCDRM Funding Accessed by Kiribati Over 2011 - 2018*

## 3.5 Breakdown of CCDRM Components

In the last 8 years (2011-2018), the composition of CCDRM funding (in terms of amount) accessed by Kiribati has been largely for climate change adaptation-CCA (46.4%), followed by climate change mitigation-CCM (35.4%), disaster risk reduction-DRR (11%) and disaster risk mitigation-DRM (7.2%). These figures were derived in line with the definition and weighting methodology outlined in Sections 1.2 and 1.3. This composition is typical of most other countries in the Pacific region, with climate change adaptation taking up much of the funding, due to the substantial aid interventions funded by ADB and World Bank in climate proofing and retrofitting utility infrastructure in water and sanitation, roads, wharves and jetties. The interventions for climate change mitigation are attributed to the extensive renewable energy projects funded by the EU and its member countries, which were a major part of the focus of country and sub-regional programmes in the Micronesian region in the last 10 years. Funding for disaster has been more on the risk reduction side, given the substantial assistance towards building resilience of communities by donors like Taiwan/ROC for food security, and installing water tanks and building sea walls, which are more inclined to reduce the risk of disasters.

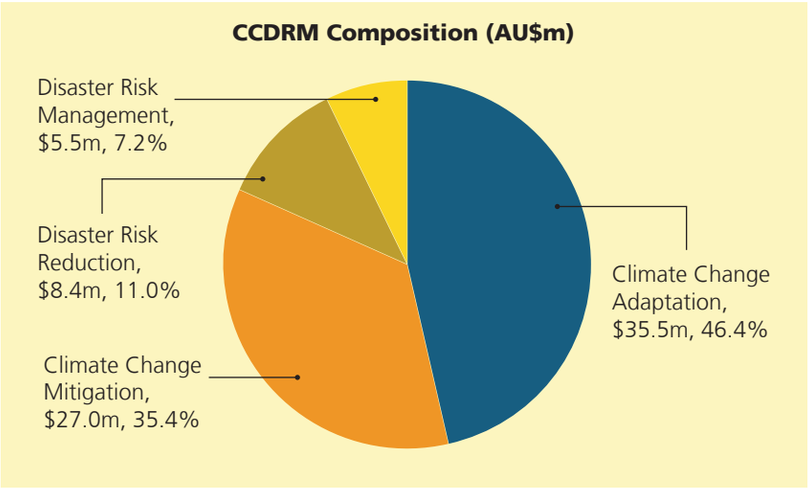


*Figure 6. Breakdown of CCDRM Components*

## 3.6 Sectoral Composition of CCDRM Weighted Funding to Kiribati

In terms of the beneficiary sector breakdown, assistance to the water and sanitation sector comprised the biggest expenditures at AU$30.8 million or 40% of the total CCDRM-weighted expenditure from external sources. As a priority of Government, this has been the major focus of the bigger donors like ADB, Japan and European Union to address the growing need for quality drinking water and proper sanitation emanating from the densely populated communities around Tarawa, as well as the outer islands. The energy sector, which is estimated to have received AU$14.5 million or 19% of total CCDRM externally sourced funding, has been the recipient of the next bigger slice of funding. This is attributed to the emphasis of the EU's bilateral and regional programmes, United Arab Emirates, Japan and WB in the last 10 years on renewable energy in Micronesia, including Kiribati.

The transport infrastructure sector is estimated to have received AU$9.6 million or 12.5% of total CCDRM externally sourced funding, which is also a focal area of the bigger bilateral and multilateral funding sources. These relate to: the upgrading of the road network in Tarawa; rehabilitation of ports and jetties; and the climate-proofing and retrofitting of maritime-exposed road links between the communities on Tarawa and the outer islands.

Other beneficiary sectors include conservation and biodiversity (7.7%), enabling environment (7.4%), activities specifically related to DRR/ DRM purposes (5.8%), and agriculture and food security (5.2%).

Fisheries sector gets the smallest slice with AU$0.3 million or 0.4% of total funding. Funding for Gender and Social Inclusivity (GSI) purposes estimated as CCDRM-related comes to AU$1.2 million or 1.6%. Australia, through DFAT, has been the principal funding source for GSI activities related to CCDRM in Kiribati. Through its bilateral and regional programmes, DFAT provides community infrastructure and technical assistance to strengthen Kiribati's institutional capacity to support victims of domestic violence, the disabled and those with special needs.

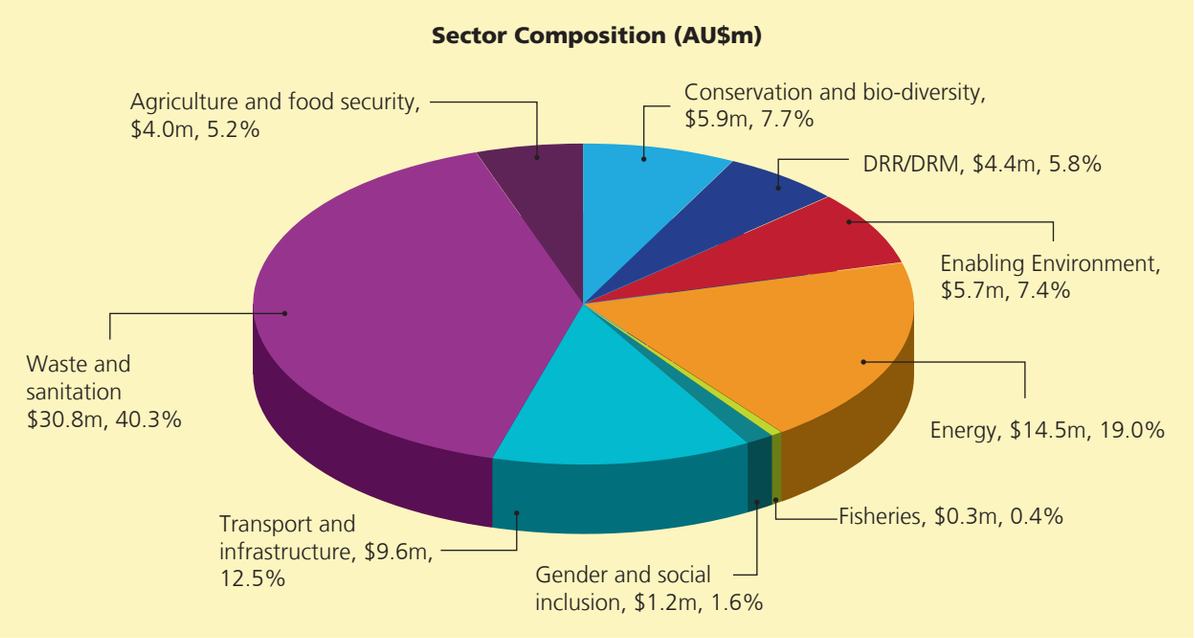


*Figure 7. Beneficiary Sector Composition of CCDRM Funding Accessed by Kiribati*

The sector composition of the estimated externally sourced CCDRM funding broadly reflects the priorities of the Government's strategies on climate change as captured in the Kiribati Development Plan 2016-2019 and the KJIP 2014-2023. A simple comparative analysis of the strategies in the KJIP 2014 -2023 against the sector breakdown above however points to some inconsistencies and gaps in financing between the indicative estimates in the KJIP and the sectorial distribution of external funding sources, as shown in Table 2.

Some sectors and strategies would benefit from better alignment of funding flows from external sources, which should be aimed at increasing the complementarities of Government and donor resources. This will help achieve more optimal outcomes for CCDRM programmes and projects. For example, there are opportunities to increase the share of external funding flows to:

- Supporting the enabling environment – currently gets around 7% of total external flows compared to 25% allocated under the KJIP;
- Gender Social Inclusion – which receives 1.6% from external funding flows compared to 4% earmarked under KJIP.

Given the limitations in consultations with a wider scope of stakeholders and challenges with information access, there has not been any assessment of opportunities for private sector engagement in CCDRM financing. GoK could explore potential for public-private partnership initiatives to help channel CCDRM finances through the appropriate vehicle or implementation entity. Similar initiatives undertaken in the Northern Pacific region include joint initiatives between the Development Banks/Housing Corporations with SOEs or private entities in the installation of solar power installation and construction of resilient dwellings at the household level.

| KJIP | AU$103.4 million | Funding Source Sector Breakdown | AU$76.5 million |
|---|---|---|---|
| **Strategy** | **% Of total** | **Sector** | **% Of total** |
| Strategy 1: Strengthening governance, strategy and legislation | 6% | Enabling Environment | 7.4% |
| Strategy 2: Improving knowledge, strengthening information generation | 5% | | |
| Strategy 3: Strengthening greening of private sector and small business | 4% | | |
| Strategy 10: Strengthening capacity to access finance, monitor expenditures and maintain strong partnerships | 2% | | |
| Strategy 11: Maintain existing sovereignty and unique identity of Kiribati | 1% | | |
| Strategy 7: Delivering appropriate education, training and awareness programmes | 7% | | |
| Enabling environment | 25% | | 7.4% |
| Strategy 4: Improving water and food security with integrated and sector-specific approaches and promoting healthy ecosystems | 4% | Agriculture, fisheries and food security | 5.6% |
| | | Conservation and biodiversity | 7.7% |
| Food security and conservation/bio-diversity | 4% | | 13.3% |
| Strategy 5: Strengthening health service delivery to address climate change impacts | 2% | Health | 0% |
| Strategy 6: Promoting sound and reliable infrastructure and land development | 50% | Water and sanitation | 40.3% |
| | | Transport infrastructure | 12.5% |
| Utility infrastructure | 50% | | 52.8% |
| Strategy 8: Increasing efficiency and effectiveness of early warnings and disaster and emergency management | 4% | DRR/DRM | 5.8% |
| Strategy 9: Promoting the use of sustainable sources of renewable energy and energy efficiency | 11% | Energy | 19% |
| Strategy 12: Enhance participation and resilience of vulnerable groups | 4% | GSI | 1.6% |
| | 100% | | 100% |

*Table 2. Comparison of Estimated Funding Flows Between Relevant KJIP Strategies and CCDRM Sectors*

## 3.7 Recommendations

1. Review the scope and mandate of the FSU with a view to mainstreaming its functions into Government budget and planning system, and Treasury management functions.

2. The Treasury and Budget divisions in collaboration with the National Economic Planning Office to draft procedural guidelines to regulate the flow of financial information between Government, donors and commercial banks in relation to:
   a. Verification of point of payment and receipt;
   b. Regularity and timeliness of bank reconciliation;
   c. Accuracy of bank balances; and
   d. Data requirements of Budget and Planning and Statistics Divisions.

3. Budget formulation guideline for Ministries to include CCDRM vetting requirements like:
   a. CCA, CCM, DRR, and DRM features;
   b. Recurrent cost implications of above, to be borne by Government; (or currently being borne by the Government)
   c. Medium-term estimates of maintenance costs of CCDRM projects/ programmes; and
   d. To what extent does any budget proposal address KJIP strategies?

4. The Climate Finance Division to share timely information on funding opportunities related to the GCF, Adaptation Fund and Climate Investment Fund with other Line Ministries, NGOs, private sector and community/ faith-based groupings.

# 4 Public Finance Management & Expenditure Analysis

**Key Messages:**

***Public Financial Management***

- The Government of Kiribati has actively engaged partners, such as the World Bank, ADB; PFTAC, Australia and so forth to progress several PFM reforms over the past few years.
- The last two Public Expenditure and Financial Accountability (PEFA) assessments (standard 2009 and 2017 self-assessment) have not been publicly released. This makes it difficult to observe annual progression in the PFM key areas.
- Currently, PFM responsibilities in Kiribati are perceived to be the sole function of MFED. It will benefit the Government if PFM is treated as a whole- of- Government responsibility.
- Recent efforts to replace the Attaché system with the Financial Management and Information System (FMIS) will yield positive outcomes to the Government of Kiribati with financial management and timely reporting of the financial statements.
- Using the PEFA dimensions to assess Kiribati's PFM situation and readiness is crucial as it directly corresponds to the basic fiduciary standards for direct access or national implementing entity accreditation to global climate funds, such as the Green Climate Fund and Adaptation Fund.
- Reviewing the chart of account coding will assist to link national planning to budget allocation and tracking of expenditure, including for CCDRM activities.

***Recurrent & Development Budget Expenditure***

- Major beneficiary sectors of Government's recurrent budget over 2014 to 2018 are waste management and sanitation (22%), agriculture and food security (20%), transport (12%), enabling environment (11%), disaster risk management (5%) and fisheries (5%).
- Government of Kiribati spends 8% of its recurrent budget on CCRDM- related activities and 92% on non-CCDRM activities. This is consistent with the upper range of the trend observed in other Pacific Island Countries (PICs).
- Over 2014 to 2018, 21% of the development budget was expended on CCDRM- related activities and 79% for non-CCDRM activities.
- From the CCDRM- related expenditure in the development budget, adaptation accounts for 41% of the allocated resources, 21% on mitigation and 38% on DRM activities.
- Key beneficiary sectors of the development budget expenditure over 2014 to 2018 are transport infrastructure & communication (24%), enabling environment to build Kiribati's readiness for accessing climate finance (23%), specific climate change and disaster risk management activities (21%), energy (9%), water (8%), and agriculture and food security (7%).
- Key sources of external CCDRM finance for Kiribati include ROC/ Taiwan, Australia, Japan, New Zealand, European Union, World Bank, ADB, UN agencies and others (Germany, Papua New Guinea, Italy, India, Korea, Kuwait, United Arab Emirates and Canada).

## 4.1 Why is Public Financial Management Important?

The role of Public Financial Management (PFM) is critical to a nation's ability to address its development objectives and, specifically, its CCDRM objectives. PFM systems in the context of Pacific Island Countries (PICs) are often very different from the sophisticated and comprehensive systems operating in larger and developed countries. The PICs must grapple with how the national system can effectively function and be sustainable with limited available capacity. This necessitates careful planning and budgeting to effectively address a country's development agenda.

The importance of a PFM system can be easily explained by the diagram below in Figure 8, where the PFM machinery comprises three core operational functions: (1) the legal framework (governance), (2) the accounting and management (planning and budgeting) processes, and (3) the institutions (oversight and scrutiny). These PFM functionalities can be more effective should the human resource and infrastructure absorptive capacity is available; otherwise, it will have a bearing on the service delivery.

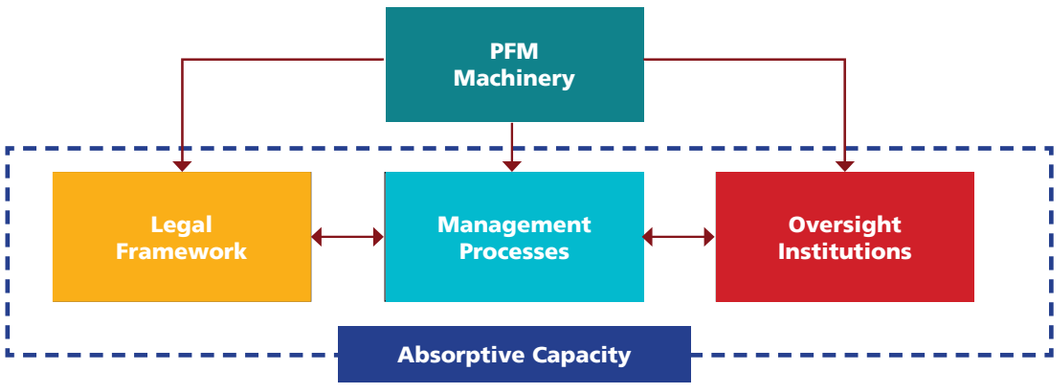


*Figure 8. Operational Functions of PFM Machinery*

Predominantly, the PFM strengthening support requires a whole-of-Government effort to provide national accountability benefits. It is not, and should not be, the sole preserve of the central agencies of Government. There are several reasons why strong PFM systems are important to countries and governments.

Strong PFM systems:

- Are essential for effective accountability in managing public funds (donors and recurrent) and for safeguarding fiscal sustainability;
- Are critical for evaluating the achievement of the national development goals and the SDGs;
- Provide proper platform to measure how well the Government is meeting its development goals; and
- Augment the confidence of donors on the country systems for lower transactional cost and encourages increased flexibility in the use of external resources.

To facilitate the CCDRM accessibility, PFM systems require credibility to:

- Meet the fiduciary requirements of established global funds, such as GCF and AF;
- Achieve direct access to CCDRM funds through a National Implementing Entity (NIE);
- Gain better CCDRM access through various modalities, such as budget support or trust funds;
- Increase the potential to explore other available funds bringing more resources to address CCDRM priorities; and
- Have better accountability of taxpayers' money, hence raising public confidence in the Government operation.

## 4.2 The PFM System in Kiribati

The PFM system in Kiribati is functioning with capacity constraints, making the implementation of PFM reforms rather challenging due to limited human and financial resources and the inability to access the skills required for specialised PFM functions from the local labour market. There are few people to complete the functions required in a fully functional PFM system, with available staff stretched across a wide range of key tasks. For example, the Planning Division in MFED comprises about 10 officials, shouldering the process of developing the national planning framework, preparing and formulating the national budget, with unclear roles in budget monitoring and reporting. The Treasury Division has the responsibility of executing the budget and its accounting consists of vouchers checking, voting and posting to the Attaché system in accordance with its appropriation and their uses. This is without any fiscal performance report produced as guidance for expenditure monitoring and cash management to execute corrective measures avoiding potential cost overruns. The PFM Issues Matrix consolidated for Kiribati by the GIZ/DFAT Climate Finance Readiness for the Pacific (CFRP) Project confirms the significant lack of human resources capacity and competencies, particularly in key central agencies.

Recognising the importance of having a credible PFM system, the Government has articulated in the KV20 and the National Development Plan their commitment to undertake the necessary reforms with partners. The greatest risk to the success of the reform is the failure to provide the necessary supporting systems and endeavouring to train and retain key operational staff. The current situation implies the need for close collaboration between partners and Government for a capacity building arrangement to capacitate and supplement staff numbers and technical skills within MFED and other ministries.

Kiribati's PFM system is the same as other countries in the region with some degree of differences in terms of the established processes in conducting budget preparation and formulation. Kiribati faces common challenges as other country experiences, including:

i. Unrealistic budgets leading to unsustainable deficits;
ii. Budget misalignment with national priorities;
iii. Budgets not executed as appropriated;
iv. Inefficiency in processing, which undermines service delivery, and
v. Limited capacity (human resource availability and capability and infrastructure system).

Addressing these challenges is critical to the effective management and improvement of PFM credibility. It is useful to clearly identify the specific weaknesses within the PFM machinery that are contributing to these challenges, and the reforms that would address these issues. The PFM traffic-lights consolidated climate finance issues developed by the CFRP Project funded by GIZ/DFAT has helped the MFED identify key gaps and weaknesses in the PFM system and processes that limit the country's ability to directly access key multilateral climate funds, particularly the GCF and AF, via national implementing entities[9]. The outcomes of the PFM traffic-lights consolidated climate finance issues had been shared and validated by the MFED. This traffic-lights matrix helps the Government prioritise PFM climate finance reforms in view of the limited available capacity. The current situation shoulders more than three key PFM functions. For example, procurement in MFED has only one key operational staff responsible for implementation and policy development, on top of playing the secretariat role for the Tender Board. The establishment of the Fiduciary Service Unit in MFED, providing fiduciary support to all WB-financed projects is a testament of partners that recognised the capacity constraints of the Government, particularly in handling larger projects, let alone the complexity of their own system.

9 To date, Kiribati has accessed GCF funding through multilateral agencies.

## 4.3 Linking the KV20 and KDP to the National Budget

Failure to link the development planning and policies to the budgets' resource distribution is the most important factor contributing to poor budgeting outcomes at the macro, strategic and operational levels in any developing country. The diagram in Figure 9 illustrates the directional links of the Kiribati 2016-2036 Vision (KV20) to Development Plan and what constitutes in each level to the overall budget - the recurrent (domestic resources) and development (donors). However, in practice, the overall linkage of national priorities to the budget show only limited progress in connecting policy and planning to resource distribution. This is attributed to the way the budgets are structured along administrative lines and not programmatic lines, resulting in difficulties in linking policy objectives and the funding needed to deliver services in support of those objectives.

The directional link in Figure 9 below provides a demonstration of sequential guidance for development of a budgeting framework, which can help to improve budget planning by linking bottom-up costed budget with an affordable envelope to support the KV20 objectives. The linking should be accompanied with the chart of account reforms so that connection of planning to budget distribution is easily done and economic and functional expenditures are traceable.

The development of the KV20 and the KDP is done by consulting with all stakeholders. Development issues are consolidated, assessed and formulated into the national and sector plans, which align to the agreed priorities. Currently, the linking of these national plans to the Ministry level is unclear because of the administrative and itemised structure of the budget, as well as the rigidity of the account coding.

More than 45% of the total appropriation budget - the recurrent expenditures- are pre-committed to the wage bill. The database for development projects provides a detailed recording, which helps with the identification of resources to relevant sectors, such as climate change and disaster risk management or other economic sectors.

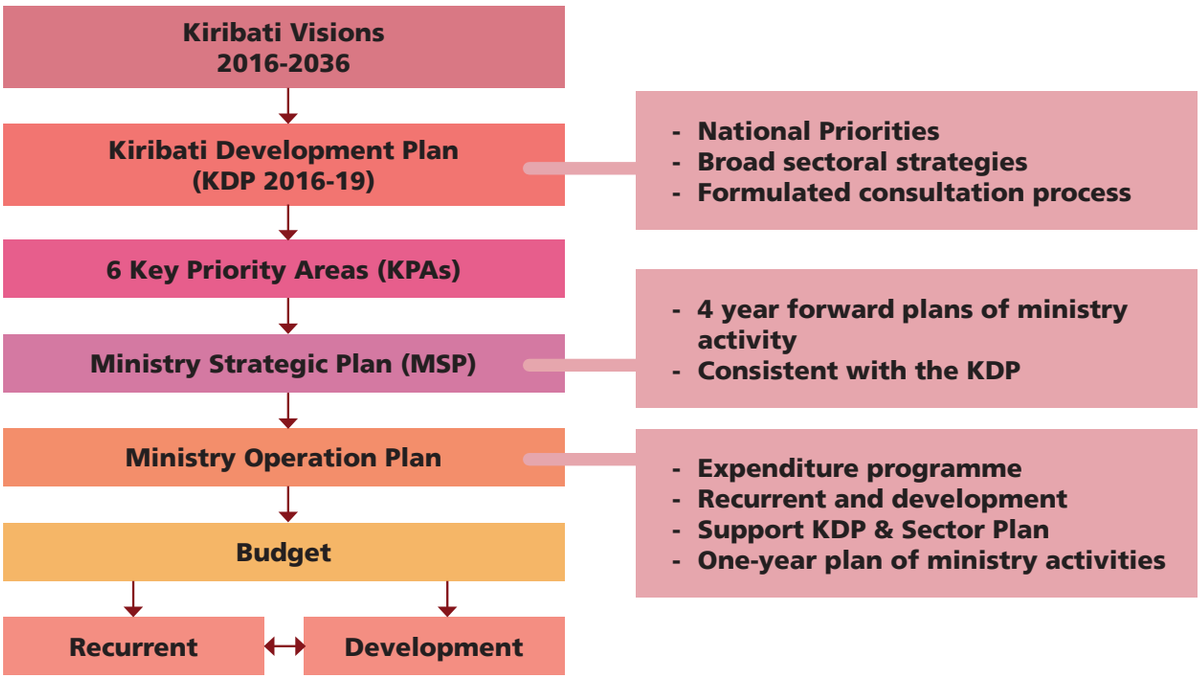


*Figure 9. Demonstration of Sequential Guidance for Development of a Budgeting Framework*

A recent PFM issues review conducted for Kiribati by the DFAT/GIZ Climate Finance Readiness for the Pacific Project suggests that Government should consider investing more to improve the integration of planning into budget, through a programmatic budget structure. Having a programmatic budget format will improve resource allocation and effective management of the budget execution, hence building a budget buffer for fiscal resilience activities whilst facilitating the management of tension between policy needs and budget realities.

## 4.4 Budget Planning Processes

The Budget is critical for implementing development policies and a key instrument for translating national priorities into action, and for better accountability and scrutiny of implementation by the legislature and external audit. In Kiribati, fulfilling this role is challenging because it is dependent on the soundness of budget institutions and processes, in which the current situation appears to be relatively weak in most key PFM areas.

The budget cycle operates on a calendar-year basis with the preparation and formulation of the upcoming year's budget, starting early in the year with the production of the Ministry Strategic Plan with guidance provided by the Ministry of Finance and Economic Development. Simultaneously, MFED develops a fiscal circular, outlining the economic assumptions that are accompanied by the budget ceiling for the Line Ministries. In May to June of the year, MFED tables the budget ceiling for the next year to Cabinet, seeking approval prior to undertaking consultation with the Line Ministries. The consultation provides the opportunity for Line Ministries to share their own assessment of the level of budget resources being tentatively allocated. The draft budget is submitted to the Legislative Assembly in late November or early December for deliberation and approval of the expenditure appropriation.

To demonstrate the planning and budget processes in Kiribati, the diagram in Figure 10 outlines the calendar-flow of activities for the preparation and formulation of the budget for the coming year. This is a whole-year exercise that requires adequate resources to undertake proper budget performance analysis to determine the needed budget resources.

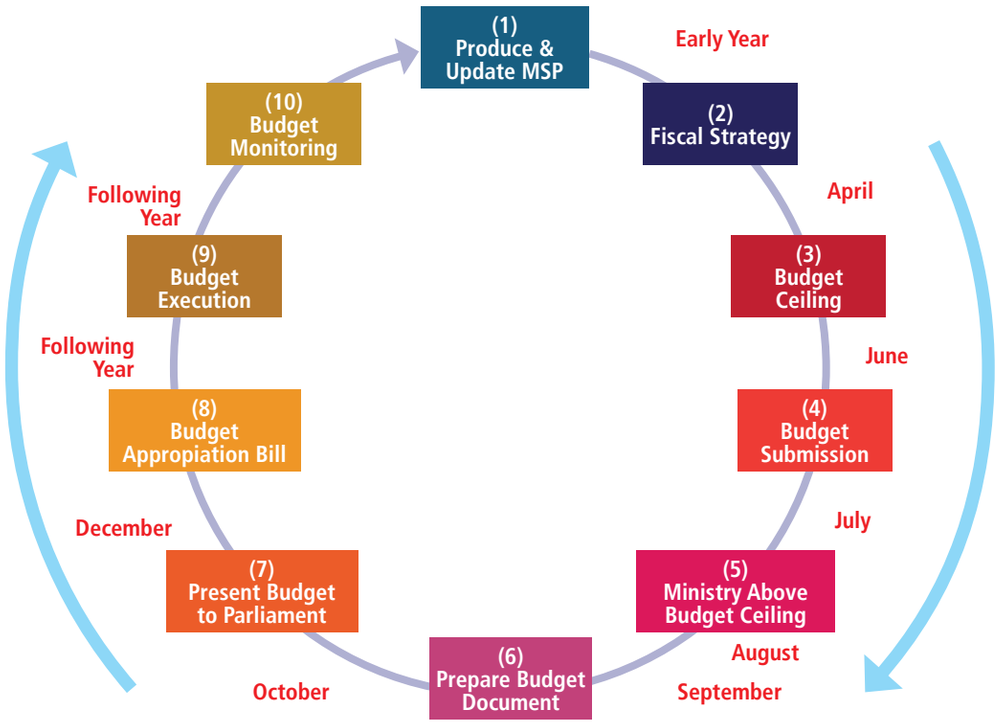


*Figure 10. The Budget Planning and Formulation Cycle in Kiribati*

The budget preparation is still a Government internal process with limited private sector or civil society participating or offering their views on the direction of the national budget. Going forward, it is important to involve these key stakeholders, especially the private sector because of the financial evolution of PFM in terms of eventual moving away from personal-cheque payments to depositing payments in the suppliers' bank accounts.

## 4.5 The Public Expenditure and Financial Accountability (PEFA) Assessment in Kiribati

The PEFA[10] framework is an international standard evidence-based assessment tool used to assess the level of operational details of the PFM system in any country, including Kiribati. It is important to note that the PEFA Framework does not involve policy analysis in terms of determining whether budgetary policy is sustainable. For Kiribati, there were two PEFA assessments conducted; first, in 2009 as the standard assessment and, second, in 2017 as a self-assessment. The outcomes of both assessments have not been released to the public. The Framework used for the 2009 PEFA was slightly modified to conduct the 2017 self-assessment in an attempt to reflect some key-related areas under the CCDRM finance fiduciary requirements for 'direct access'.

Although the outcomes of the two PEFA assessments have not been released to the public, the climate change and disaster risk finance assessment team used the available information supplied to both PEFA assessments by relevant stakeholders, particularly the central agencies, to review the status of Kiribati's PFM system and its key functionalities. This is considered a reasonable starting point for the analysis. An important point to note is that

10 A PEFA assessment provides a thorough, consistent and evidence-based analysis of PFM performance at a specific point in time. The PEFA methodology can be reapplied in successive assessments to track changes over time

the PCCFAF only provides guidance for the relevancy of the assessment to the country's CCDRM initiatives, but it does not seek to replace the work of the PEFA.

### 4.5.1 Budget Reliability

This dimension assesses the extent to which the budget is realistic and implemented as intended, firstly by comparing the actual expenditures with the approved ones. Understanding that the budget is the central mechanism for controlling expenditure in accordance with amounts appropriated by Parliament, the ability to implement the budgeted expenditure is an important factor in supporting the Government's ability to deliver agreed priorities as expressed in the Kiribati Development Plans (KDP).

| | 2014 | | 2015 | | 2016 | | 2017 | | 2018[10] | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenditure** | **Est. AU$m** | **Act AU$m** | **Est. AU$m** | **Act AU$m** | **Est. AU$m** | **Act AU$m (prov)** | **Est. AU$m** | **Act AU$m (prov)** | **Est. AU$m** | **Act AU$m (proj)** |
| Total Expenditure | 114.1 | 130.3 | 116.9 | 308.3 | 150.9 | 174.4 | 164.1 | 218.3 | 195.0 | 218.9 |
| Debt Service | 9.6 | 10.1 | 1.0 | 0.7 | 1.2 | 1.2 | 1.5 | 1.5 | 1.7 | 1.7 |
| Total Primary Expenditure | 104.5 | 120.2 | 115.9 | 307.6 | 149.7 | 173.2 | 162.6 | 216.8 | 193.3 | 217.2 |
| Deviation (%) | 5.1 | | 62.0[11] | | 12.9 | | 24.3 | | 9.7 | |

*Table 3. Comparison Between Original and Actual Budget Expenditures (Source: Budget and Public Accounts 2014-2018)* [13]

Currently, Kiribati's government is receiving budget support resources from key development partners, such as World Bank, ADB, Australia, New Zealand and EU, to pursue economic and PFM policy reforms in accordance to an agreed programme. The assessment team focused on both the recurrent and development expenditures with much attention given to reliability of recurrent resources being used and managed by Government. Government has less control over the development project expenditures, given that most resources are managed by the partners' systems. The comparison in Table 3 above shows that the actual expenditure, from 2014 to 2018, deviated quite significantly from the original budgeted expenditure by 5.1%, 62.0%, 12.9%, 24.3% and 9.7% respectively. This deviation percentages confirm that the reliability of the whole budget formulation has been impacted by gaps in the planning process and monitoring of the budget execution. Challenges with realistic projection of future activities and management of the existing activities also contribute to the significant deviation. During the period under review, there were at least two supplementary appropriation budgets for each year submitted and approved by the Parliament via Government's Cabinet. This is to meet the additional expenditures for many existing activities where insufficient budget allocation was initially provided.

The 2017 IMF Article IV Report also stressed that the prudent management of public resources remains the key policy priority, considering the long-run spending pressure. There is a need to strengthen the development of the fiscal policy framework for a multi-year expenditure pathway consistent with a balanced budget target in the medium term and a plan to institutionalise the RERF as an endowment fund. Although the budget formulation cycle indicates that there is a fiscal strategy, the assessment team did not receive a copy of the strategy, besides being informed of the approved budget ceiling submission to Cabinet.

11 Due to no revised data for 2018 provided by the Government, the 2018 actual data is calculated based on actual growth rate of the past four years.

12 This significant deviation attributed to transfers to the RERF of about A$175 million due to increases of revenue from fisheries.

13 The budget actual refers to budget data already audited with the exception of where it indicates provisional and projection. Actual data includes discretionary recurrent expenditure appropriated to Line Ministries and statutory expenditure. Debt service payments are excluded from the calculation. The assessment uses budget documents and the parliamentary approved audited financial statements for 2014-2015 whilst other years are still pending approval.

### 4.5.2 Transparency of Public Finance

There is opportunity for the budget document in Kiribati to be more comprehensive to comply with the PEFA-required budget presentation. Currently, there is only one budget (recurrent and development) document accompanying the Appropriation Bill, which is submitted to the Legislative Assembly. The budget preparation process involves the submission to Cabinet for approval of the Government's fiscal priorities, budget ceiling and explaining how the budget position relates to the general economy, including both domestic and global aspects. The Cabinet submission is not available to the public. While the Cabinet submission is considered a confidential document, the national budget is debated in the Legislative Assembly and the public can listen to the local radio station at the same time.

There is no budget strategy or guideline being produced, but a Ministry Operational Plan is presented in the budget document, showing the allocation for development activities under that ministry. This Ministry Operational Plan can be strengthened by developing a proper Corporate Plan, which sets out the policy actions and resources required to deliver the stated ministry's objectives. Having these documentations will help enhance the transparency of the formulation of the national budget for better scrutiny by the public and the Legislature.

The budget documentation is presented to the Legislative Assembly around the last week of November and then the budget debate starts in December of every year. This budget document is submitted without any statements explaining the macroeconomic affairs of the country or the ministerial budget performances of the previous years or what is expected of the coming years. It is important for MFED to consider developing such additional documentation to accompany the budget estimate to the Parliament to assist the decision-making process of at the political level. The recurrent budget is appropriated by the Legislative Assembly, whilst the statutory expenditures and development budget are part of the budget submission, but for information purposes only.

The existing budget classification is not compatible with the international classification system known as Government Financial Statistics (GFS) or with the widely accepted Classification of Function of Government (COFOG). It is important to note that the GFS international classification will help Kiribati by providing the basis for the analysis of public policy and identifying potential fiscal risks. The assessment team noted that the Statistics Division in MFED does manual re-entry of the accounting information from the *Attaché system*[14] to derive the GFS, but not in full use.

The budget classification is consistent with the current budget format and structured into four layers of the chart of accounting codes containing 10-digit codes and two alphabetical symbols; the Ministry, the division, the administrative or line-items and the natural codes. The coding is structured as follows:

E= Recurrent Budget
XX = Ministry Code
XX= Division (Ministry Division)
NXXX= Expenditure/ Administrative Items, including Development Project Code.
XXX= Natural Accounting Code For example, for revenue, such as Taxes and Non-Taxes and Expenditures.

The development budget is well covered by project names, costs and estimated allocation (combined cash and in-kind) for the budget year and outer two years, including the previous year's actual expenditure. Although the development budget is not appropriated by Parliament, its composition is entirely dependent on the

14 It is an accounting programme or system acquired two decades ago and designed for trading companies but not for the financial management needs of the Government, albeit it provides financial accounting and reporting requirements.

approved projects and availability of funds. Section 10 of the Public Finance (Control and Audit) Act governs the operation of the funds. Because development resources are provided in a combined cash and in-kind value, it was difficult to differentiate them. Going forward, it is beneficial to differentiate them for transparency and straightforward tracking of development efforts by type, especially those that go towards CCDRM activities, for credible budget formulation. Government and donor partners are encouraged to provide the necessary information differentiating cash from in-kind for better budget management and preparation of required acquittal of funds.

### 4.5.3 Management of Assets and Liabilities

Good assets and liabilities management is critical in any business operational environment and more so in the public sector as they are vital to providing a foundation for economic activity. In Kiribati, the financial statement is on a cash basis, although there is growing interest to introduce accrual accounting, capturing all elements of a complete financial statement. This is not an overnight exercise but constructing a central database to properly record non-financial assets is strongly recommended. While financial assets are well recorded in Kiribati, the non-financial assets are not properly kept, albeit each Ministry has its own assets registry manual system recording the asset date of procurement, but no information on maintenance, etc. The ADB and WB are providing TA to support, improve and strengthen Government's procurement of legal and operational capabilities and develop an Operation and Maintenance Manual for proper central accounting processes for non-financial assets management. It is important to note that there is no project management framework in place to guide the development, appraisal and awarding processes of project funded by recurrent funds.

Under the Public Finance (Control and Audit) Act, Part VI provision 40 to 41 stipulated the process for preparing the annual accounts to produce the central Government's financial statement, covering financial assets and liabilities. The Ministry of Finance and Economic Development records and maintains data on the central

Government's financial assets in the Attaché system in which this information is translated into the Public Account (PA). The Public Account Committee (PAC) in the Legislative Assembly pre-screens the PA report prior to tabling it in the House for Members' further discussion. It is important for the PAC and other Parliamentarians to thoroughly screen the PA to avoid financial exposures to risks and, more importantly, it is beneficial for the Government's overall fiscal management.

In Kiribati, long-run spending pressure is projected to be substantial, due to the large infrastructure gap and significant climate change adaptation cost. The sovereign debt (external and domestic) situation in Kiribati remains at high risk of debt distress, according to the IMF 2017 Debt Sustainability Analysis (DSA) and highlights the need to have a prudent management of public resources. The Kiribati's debt portfolio constitutes external debt only since all domestic debt was cleared in 2015. The IMF has advised the Government that the current level is unsustainable under the extreme shock scenario, suggesting the need to develop a debt strategy or policy for setting Government's debt (loans and guarantees) management goals on how to raise the required amount of funding, and achieve its risk and cost objectives.

The Public Finance (Control and Audit) Act, Provision 22, sets out the restrictions on borrowing and loan ordinance. Loans can only be made by the Minister of Finance and Economic Development and require approval by the Cabinet, while a guarantee for State-Owned Enterprises (SOEs) and Island Councils is approved by the Minister of MFED and Minister of Internal Affairs, respectively. Recognising losses in RERF assets during the global financial crises highlighted inadequacies in the fund's management. This situation requires continuous monitoring of the whole-of-Government assets and liability capabilities and strengthening debt management to avoid further loss should the global economy enter another economic crisis.

### 4.5.4 Policy-Based budgeting

The Government of Kiribati follows a budget process that is consistent with the budget preparation and formulation schedule as shown in Figure 10. It is understood that in the past years, there were medium-term budget or fiscal frameworks produced. However, in the 2018 budget formulation, there was no framework or fiscal strategy besides the Cabinet submission with the budget ceiling that was tabled and approved by Cabinet. The KV20 and the KDP set out the strategic direction for Kiribati. The Australian Government, under the Pacific Technical Assistance Mechanism (PACTAM), is funding an external TA for the position of the Director of Planning, responsible for preparing and formulating the budget. It is important to understand that the Planning Division is under-capacitated to perform its key functions, such as developing a budget strategy or designing a medium-term public expenditure framework (MTEF). MFED could consider engaging a TA to assist with the development of these instruments to align planning to budget.

The success of the alignment of the planning/ policy and budget will depend on the Government's willingness to develop the appropriate instruments and their political commitment to implement. MFED will need to invest enough resources in the alignment process with all the Line Ministries given the potential benefits in alleviating the pressure on the existing capacity with the proper process in place. MFED may also wish to consider its internal organisational structure to better support budget preparation and alignment of policy and budget. The planning and policy functions of MFED currently comprise budgeting, aid management and planning as one division. This appears to be overwhelming for the current staff shouldering three key PFM functions. MFED could consider reorganising the division by dividing the silo arrangement with clear deliverables and connection to other sections/ divisions for effective sharing responsibilities.

Discussions have been held with MFED on the importance of developing proper planning and budgeting instruments, such as budget strategy to guide the budget formulation. This strategy will support the consideration of building a medium-term budgeting framework (MTBF) to use as a basis for developing a more

modern programming budget, considering the desired need to strategically integrate priorities into the budget distribution. The costed ministerial operation plan's relationship with the overall budget is recognised to be weak because it is presented in expenditure items with no clear link to national and sectorial priorities. On the development side, the budget provides significant annual details for the budget year, with forward projection to the next two years, but with less effort in linking to the recurrent budget because of the recurrent cost implication of development projects.

Without these instruments, the overall links between policy priorities and funding will remain weak, hence undermining the effort to improve budget formulation and the understanding of the recurrent cost implications of capital investments. It is hoped that this weakness would dissipate as the programming budget estimates are introduced through a fully developed MTBF. This will make the linkage between budget resources and climate change and disaster risk management priorities traceable.

### 4.5.5 Predictability and Control in Budget Execution

Predictability of resource flow is critical to budget formulation and execution because it allows Line Ministries to plan and manage resources more efficiently within the time frame of the annual budget cycle and over the longer term. In Kiribati, there are gaps regarding predictability and control of resource flows. The Line Ministries are provided with a full year's allocation to a line-item expenditure structure, and an annual cash-flow forecast template is said to be supplied to them by MFED, but it is only updated on an ad-hoc basis. During the time of this assessment, there were no cash-flow updated templates and Line Ministries were not required to submit a cash-flow forecast. Cash-flow forecast is an important financial discipline and management "early-warning" tool used in many countries and businesses to identify potential shortfalls in cash balances, and to be able to deploy timely fiscal corrective measures, avoiding the drawdown of the RERF for deficit financing.

Improvements in cash flow management, accounting and fiscal reporting, through the development of a proper and simple template, are greatly needed in Kiribati's MFED to effectively manage expenditure as per the allocated budget or projected cash availabilities. The Pacific Financial Technical Assistance Centre (PFTAC) and the GIZ/DFAT Climate Finance Readiness for the Pacific Project had consulted MFED for the provision of technical support towards strengthening these critical PFM areas. The assistance should be considered together with the effort to reform the chart of account coding system to enhance the ability to track CCDRM expenditures. This is an important step towards better monitoring and evaluating all Government activities. The ADB has undertaken a specification assessment for the replacement of the Attaché programme with a new financial management and information system (FMIS). The FMIS has been effective in countries like Samoa, Fiji and Cook Islands and contains features regarding cash-flow management.

Procurement in Kiribati is governed by the Public Procurement Act 2002 (PPA), covering all Government purchases and more than 60% of development funds expended in accordance with donors' processes. At the time of the assessment, there was no dedicated Central Procurement Unit (CPU) to oversee the procurement compliance, policy development and implementation. There was one staff member at MFED, providing the secretariat role for the Government's Central Tender Board (CTB) and, at the same time, operating the whole-of-Government procurement processes. There is no independent body of appeal in the standing procurement jurisdictions to review grievances from the Tenderers. Two additional staff were being recruited during the period this assessment was conducted. The Secretary of Cabinet is the Chief Procurement Officer (CPO) and Chair for the CTB under the existing Act. A proposal has been discussed within Government and with donors to move the CPO role to MFED. This proposal requires an amendment to the PPA 2002. ADB had aided towards reforming the procurement process to address the deficiencies in the procurement processes as trigger of the Joint Budget Support between Government and donors[15]. There is high expectation that the proposed reform

15 ADB, WB, Australia and New Zealand

will create some Public-Private Partnership (PPP) opportunities in the future, relieving the fiscal pressure on activities that private sector can commercially operate. However, reform should be associated with building the capacity in procurement for the new CPU to achieve the expected benefits.

Internal controls have been identified as relatively weak across Government, particularly within MFED to perform its mandated role in financial management and control. The current practice is manually done, and the slowness of undertaking account reconciliation contributed to over commitments or committing Government without enough allocation in the vote(s). This also causes delay in processing payment to suppliers. The planned installation of the new FMIS will certainly help strengthen the financial commitment controls and improve the timely reporting and production of the Government's financial statements.

### 4.5.6 Accounting, Recording and Reporting

Account reconciliation is manually processed and is late by more than a year. This has affected the ability of MFED to produce an in-year and end-of-the-year financial report. The current effort to upgrade and increase the efficacy of the Government's financial management system is critical to improve the budget reporting, hence empowering the budget accountability roles of the Line Ministries. Currently, there is no in-year budget report, but the functionality of the new FMIS system will strengthen the veracity of information provided to manage better financial decision-making.

Under the Public Finance (Control and Audit) Act, the Accountant General is tasked to provide the Auditor General with full statement of accounts within six months of the year-end. The assessment team noted that there were delays of more than six months in the provision of the statement of accounts to the Auditor General. The situation with preparation of the accounts for 2016 and 2017 has been regularised, updated with 2016 being submitted to Parliament. The 2017 financial statement was with the Auditor General's office for audit verifications. The Auditor General advised that the Government has adopted the International Public Sector Accounting Standards (IPSAS) on cash reporting. Nonetheless, the opportunities expected from the installation of the new financial management system, together with revamping the chart of account coding will create an enabling environment to identify and track CCDRM expenditures. This is an important step towards effective monitoring and evaluation of Government activities against the available resources.

In Kiribati, there is currently no M&E framework. The current situation implies the ultimate responsibility within Government for M&E is unclear on whether it lies with Line Ministries or with MFED, or if it is a shared responsibility. The discussion on M&E needs to be progressed by the Government and then incorporated as part of the budget performance measurement of the effectiveness of Government service delivery. Making the information available to the public will empower citizens to hold Government accountable.

### 4.5.7 External Scrutiny and Audit

A high-quality external audit is an essential requirement for accessing CCDRM funds but, first and foremost, to create transparency in the use of public funds is an independent and objective assessment of Government to deliver services and perform according to agreed standards. The Auditor General is operating under Sections 29 and 30 of the Public Finance (Control and Audit) Act with focus to provide an opinion on the financial statement, in particular figures produced by the Attaché system. Auditing provides a disciplined and systematic approach to improving financial management and Government performance.
According to Section 114 (4) of the Constitution, the Auditor General's Office is a constitutional independent office not subject to the direction or control of any other person or authority. However, the assessment team noted the Office might not be fully independent in terms of its financial and personnel resources administratively

under the Minister of Finance but, constitutionally, reporting to the Speaker of the House. The legislation does not specify any restrictions on the time to be taken by the Auditor General in the production of the AG's report. The AG's report includes recommendations to address issues raised. The assessment team found that although the AG's report contains management responses to some queries, there is no evidence of systematic follow up by all concerned parties to address outstanding queries and implement corrective measures. It was observed that the audit recommendations were not always adopted. Despite that, the Auditor General is working closely with the Parliament PAC to provide scrutiny of public accounts.

## 4.6 Why PFM is Important for Kiribati's Accessibility to Climate Finance

Using the PEFA Framework to assess the PFM situation in Kiribati is critical as a benchmark for supporting the Government of Kiribati to get 'direct access' through National Implementing Entity (NIE) accreditation to global climate change funds, such as the Adaptation Fund (AF) and Green Climate Fund (GCF).

Table 4 below explains the effort made by the CFRP Project to align the PEFA dimensions, as proxy for assessing the PFM situation, to the basic fiduciary criteria for National Implementing Entity (NIE) or direct access accreditation to the AF and GCF. The coloured dimensions showed the coloured critical areas where improvement is required. Project management and M&E are the two key fiduciary criteria not covered by the PEFA framework but requires an immediate development of necessary processes and mechanisms to support the country's accessibility efforts to international climate finance.

| PEFA INDICATORS | AF FIDUCIARY CRITERIA | GCF FIDUCIARY CRITERIA |
|---|---|---|
| 1. Budget reliability | 1. Financial management and integrity | 1. Key administrative and financial services |
| 2. Transparency of Public Finances | • Financial statement and audit requirements | • Financial management and accounting |
| 3. Management of assets and liabilities | • Internal control | • Internal and external audit |
| • Public investment and asset management | • Preparation of business plans and budgets | • Control |
| 4. Policy based fiscal strategy and budgeting | 2. Institutional capacity | • Procurement |
| 5. Predictability and budget execution | • Procurement | 2. Transparency and accountability |
| • Procurement | • Project implementation planning | 3. Project management |
| • Internal audit | • Project monitoring and evaluation | • Project reparation (concept to full proposal |
| 6. Accounting and reporting | • Project closure and final evaluation | • Project implementation oversight and control |
| 7. External scrutiny and audit | 3. Transparency, self-investigative powers and corruption | • M & E |
| • External audit | • Handling financial mismanagement and other malpractices | |

*Table 4. Corresponding PEFA Dimensions with Fiduciary Criteria for Direct Access to AF and GCF*

Although there are improvements in some areas of the PFM, particularly reform in the legal and regulatory framework associated with the PFM functionalities in Kiribati, there are further improvements needed in budgeting, accounting processes, procurement, internal control and reporting. These areas are critical in meeting the fiduciary criteria NIE accreditation to global climate funds.

The establishment of the Climate Finance Division (CFD) within MFED will provide the needed impetus and advice on measures that need to be taken to address gaps to meet the accreditation process and enhance the Government's accessibility to more climate change and disaster risk financing. The CFD should draw support from all related units in MFED, the Line Ministries and partners to effectively fulfil its mandated role. Currently, MFED has accessed a GCF readiness grant to build the capacity of the National Designated Authority and to develop a country programme for engaging with the GCF.

## 4.7 The Kiribati PFM System in Times of Emergency

Although the PFM system needs to be credible and robust for financial and development sustainability, it also must be agile and flexible in responding to pre or post emergency situations, such as extreme weather events like drought, king tides, etc. While agility and flexibility are needed in times of crises, it is important to be mindful not to compromise transparency and accountability in the operation of the Government.

Kiribati does not have a specific mechanism to deal with disaster response in a timely manner, where the Government puts aside financial resources for emergency. In Kiribati, the REFR or other cash reserve accounts are often used to fund emerging disaster response. In Tonga, they have an Emergency Fund, established under an Emergency Fund Act 2008, providing relief and recovery resources post disaster. Kiribati is not a member of the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) insurance facility. It is suggested that the Government should consider the feasibility of joining the PCRAFI or other regional facilities.

Taiwan/ROC has allocated AU$1 million as part of it's the bilateral support to the Government towards assisting their response to post disaster during the period of relief and recovery. This allocation is managed by the Office of the President and is only triggered in the aftermath of a disaster such as the provision of relief supplies post Cyclone Pam in 2015.

The Procurement Act 2002, under Part II Section 22 and Part V Section 51, outlines the procedures for procurement when a catastrophic event happens and using the single-source procurement. These provisions give the urgency required to facilitate timely response pre- and post-disasters. This is a deviation from the normal procurement procedures as stipulated in the Act, but this emergency procurement can only be done with approval by the Chief Procurement Officer or the Permanent Secretaries for purchases of AU$50,000 and less, where a procuring entity could use the single-source procurement in accordance with section 51 of the Procurement Act.

## 4.8 Budget Expenditure Analysis

This section analyses Kiribati's budget expenditure (both recurrent and development) over the past five years (2014–2018), with a climate change and disaster risk management perspective. The analysis of CCDRM expenditures is divided into two parts. The first part analyses the recurrent expenditures, using the PCCFAF weighting methodology discussed in Section 1.3 and Table 1, and the second part relates to assessing the development budget (cash and in-kind) and its attribution to CCDRM objectives.

The budget data for the financial year 2014 and 2015 were audited figures while three financial years (2016, 2017 and 2018) were revised and estimated outturns data. During the analysis, the accounts for 2016 and

2017 had not been approved by the Assembly, but both have been scheduled for December 2018 budget deliberations[16].

### 4.8.1 Kiribati's Budget Structure

The national budget lay-out is consistent with the format in previous years where resources were allocated to about 27 administrative votes - 23 for Line Ministries and 4 assigned for debt servicing, subsidies payment, contribution to the development fund and contribution to the RERF. These budget administrative votes are regarded by law as expenditure head and sub-head and there is no sub-aggregated budget allocation, immediately below sub-head levels, at programme or activity levels. The budget distribution under the head and sub-head are estimated and allocated into two major expenditure categories namely; Salary (emoluments) and Operation (recurrent expenditure-items). Under these expenditure categories, the budget is subsequently allocated to specific expenditure line items. For example, items such as cleaning, communication, and travel are allocated under the operation category, while budget allocation for allowances, leave grants and retirement contribution are under the salary category. The recurrent budget structure makes it difficult to track or identify which budgeted programmes or activities are related to CCDRM activities. As a result, a subjective approach was taken, guided by the PCCFAF weighting methodology, discussed in Section 1.3 and Table 1, to estimate how much recurrent and development resources have been expended to address the CCDRM objectives.

A significant part of the appropriated budget is technically recurrent or operational in nature, like scholarships and community projects, for example. Budget support provided by the donors is not appropriated by Parliament but supports the Government's effort to strengthen the PFM system and further improve the inclusive growth as envisaged in the KV20 and the KDP[17].

### 4.8.2 Kiribati Budget Funding Flows

To understand how the budget expenditure for CCDRM activities is being funded and channelled, it is important to comprehend how the budget resources were generated and mobilised, either from domestic (taxes and non-taxes) or external sources (official development assistance (ODA) and budget support). The starting point is to observe the diagram in Figure 11 where it categorised the sources and the resource flow to the national budget for funding of Government development activities, including CCDRM actions. The domestic and external funds are processed through the Government's PFM system, with some transactions conducted via the partners' systems. It is important to note that while aid resources are reported in the budget document, a substantial part of this was expended through the partners' own systems. The Fiduciary Service Unit established and funded by World Bank in the MFED responsible for the accounting, procurement and management the Bank's funded projects and expenditures are reflected in the budget document.

ODA resources are reported to come into the country in the form of cash or in-kind donation[18]. The amount is presented in the budget for development activities, combining cash and in-kind contributions. The current system does not have the ability to differentiate cash from in-kind. It is doable to undertake a differentiation of cash from in-kind contribution, but it requires Government and partners to work collaboratively on better ways to undertake this work for effective budgeting. The RERF[19] funds are generated from domestic sources and it can be used to finance approved Government initiatives. The domestic generated resources, including any drawdown from the RERF, are channelled through the national PFM system. The budget support and loan proceeds, including blend (mix of grant and concessional loan) money, are also channelled through the national system.

16 For the 2018 budget year, the outcomes were calculated using the average growth rate of expenditures for the past four years because data were not available. This differentiation between actual and revised outturns calculation is described in each sub-section.

17 The focus of PFM strengthening is to improve the management of public assets and liabilities and procurement.

18 Budget does not provide any estimation of the in-kind donation to the country, either from partners or any organizations.

19 RERF is the Kiribati sovereign wealth fund created in 1956 to act as a store of wealth for the country's earnings of the country generated from domestic taxes and royalty revenue.

Tax revenue has risen since 2017, partly because of improved revenue administration and efforts to collect arrears. There is scope for further improvement in domestic tax revenue, although this is quite limited because of Kiribati's low private sector participation.

The value provided in Figure 11 is the actual budget allocation from 2014-2018 with the amount for the CCDRM activities being weighted, using the PCCFAF methodology discussed in Section 1.3 and Table 1.

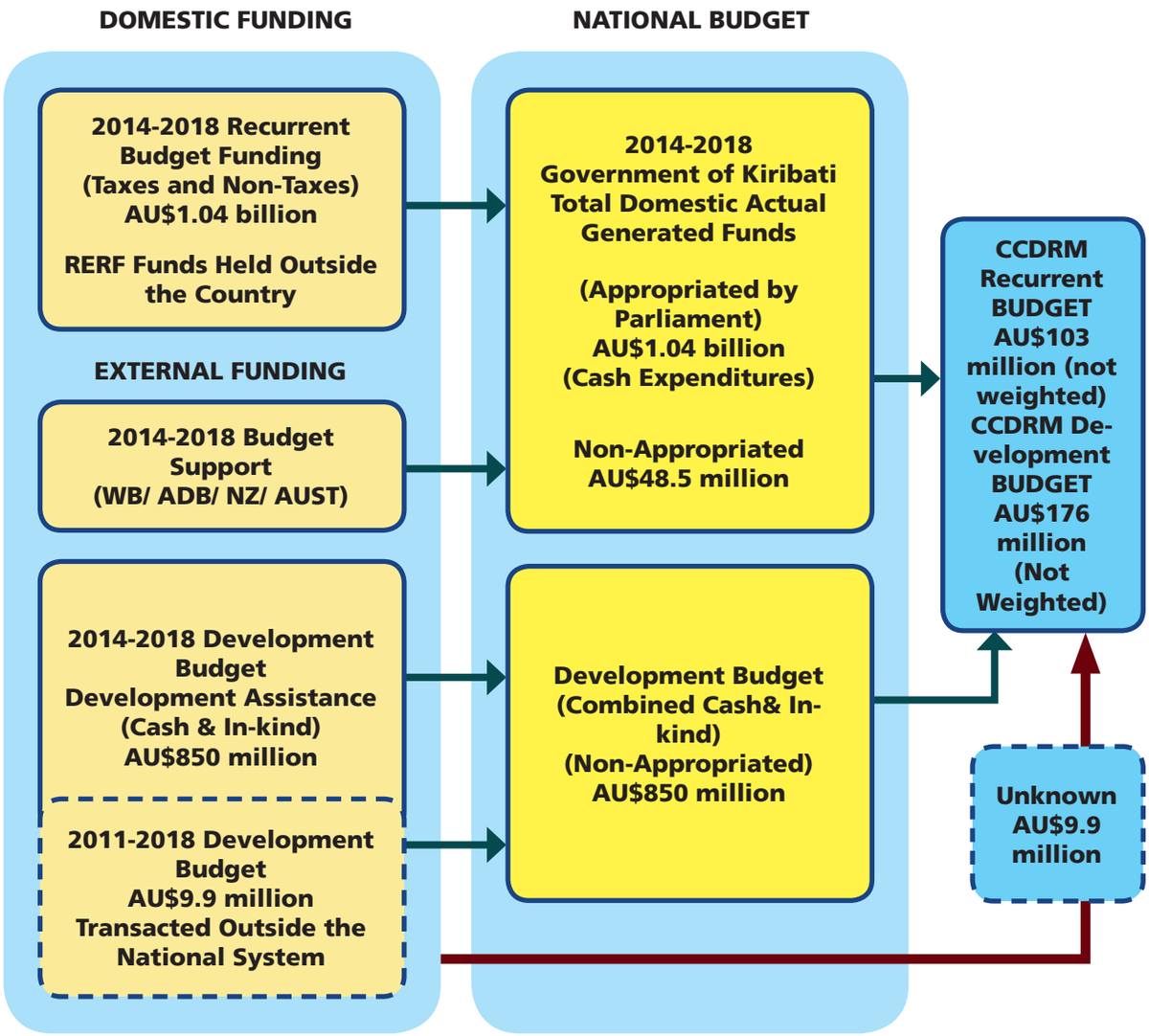


*Figure 11. Kiribati Budget Funding Flows*

### 4.8.3 Recurrent Budget Expenditure Analysis

In Kiribati, subsistence agriculture and fisheries dominate economic activity while the public sector is the biggest employer, providing more than 80% of the formal sector jobs. This is typical in Small Island Developing States in the region. For example, in Kiribati, expenditure allocation for 2016 and 2018 was equivalent to 112% and 84% of GDP, respectively, funded primarily by fisheries license fees and other small non-taxes revenue. The economic geography of Kiribati also makes public service delivery very costly. Figure 12 below illustrates the level of recurrent expenditures, without the budget support, when it was approved as an estimate and when expended during the review period.

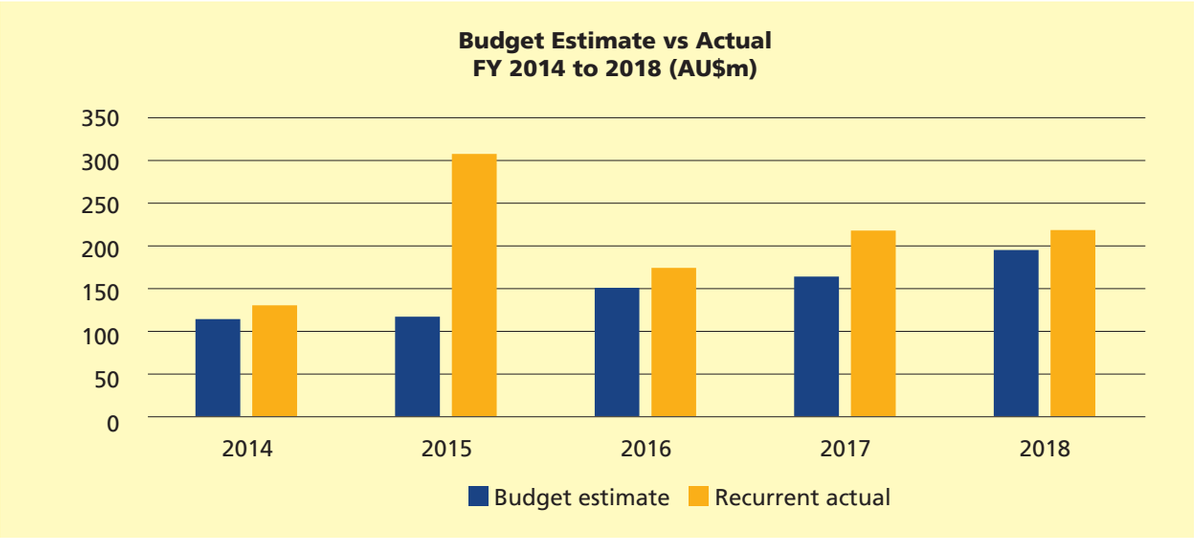


*Figure 12. Recurrent Budget Estimates and Actuals for 2014 to 2018*

The Figure 12 graph confirms the conservative nature of formulating the national budget estimate by setting the estimate ceiling at a lower level, not necessarily based on performance of the previous year's budget consumption or projected activities. Throughout the period under review, the original budget was always less than the actual, with 2015 as an exceptional year, reflecting the revenue transfers to the RERF, which is regarded as payment. The trend also confirms the yearly submission of supplementary appropriation budgets to the Legislature that observed, for the past five years, actual spending exceeding the original budget.

The high volatility of fisheries revenue plays a major role in deterring the size of the national budget envelope. In the absence of proper budget strategy or guideline, the formulation of the budget will continue to be a challenge in trying to realistically project the revenue and setting practical expenditure levels. A realistic budget will improve the maintenance of fiscal sustainability and the quality of public spending, as well as building fiscal buffers while fishing license revenues are performing well.

Figure 13 shows the annual total recurrent expenditure attributed to CCDRM for the review period. The recurrent expenditure is financed from domestic generated taxes and non-taxes revenue, including fishing license fees. The Treasury Division in MFED is solely responsible for budget monitoring and reporting. There are no in-year reports produced to help evaluate the performance of Line Ministries in performing their core functions against the allocated resources. The assumption for not producing the in-year report is due to difficulties in updating and time consuming to reconcile the budget data. While the actual overall spending has hovered between

AU$100 million and AU$300 million with a noticeable spike in 2015, the estimated spending on CCDRM-related activities is minimal, averaging at about AU$21 million over the period being reviewed (2014–2018). The increasing trajectory of CCDRM expenditures from recurrent budget, from AU$9 million in 2014 to about AU$44 million in 2018 implies that the Government is committed to spending its own domestic resources to address climate change and disasters.

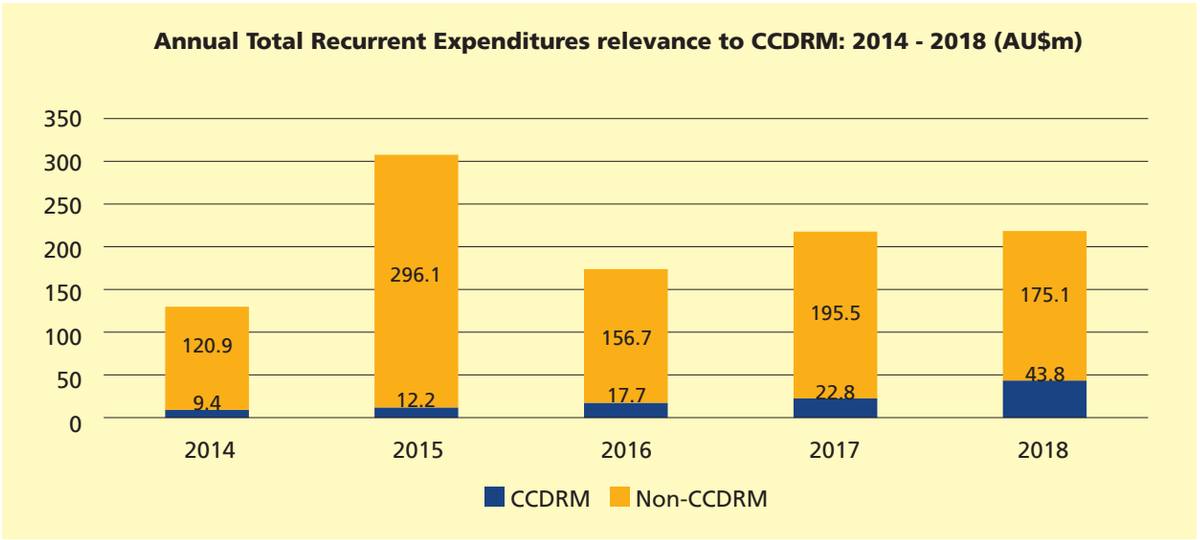


*Figure 13. Weighted Recurrent Budget Allocation for CCDRM Relevant Activities vs Non-CCDRM Activities*

Figure 14 shows that waste management and sanitation, and agriculture sectors are the major beneficiaries of Government's domestic resources that have climate change relevance at 22% and 20%, respectively. This is followed by transport at 12%, enabling environment at 11%, disaster risk management (5%) and fisheries (5%).

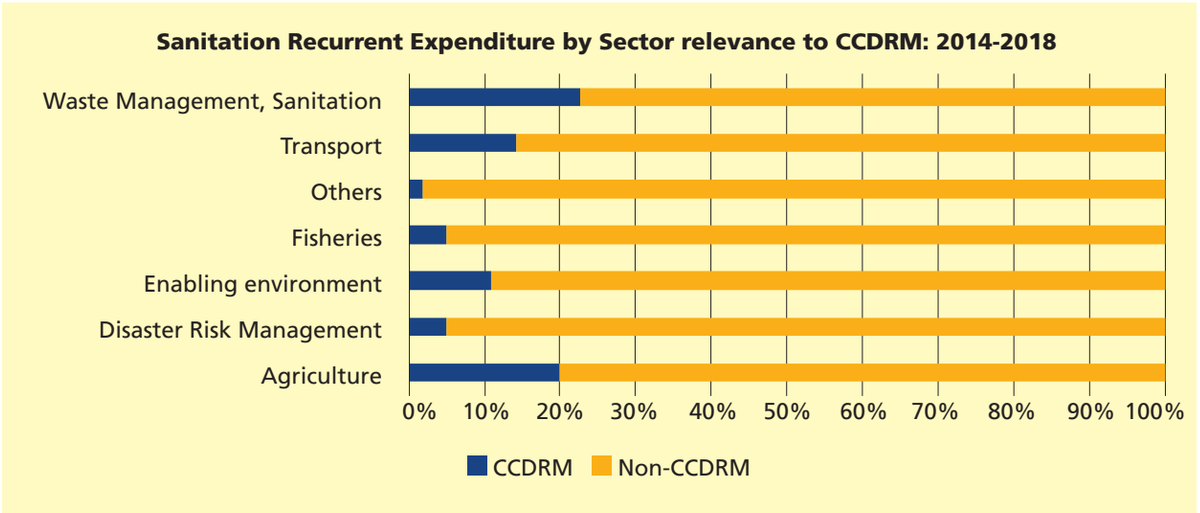


*Figure 14. Beneficiary Sector Allocation from Recurrent Budget Averaged over 2014–2018*

Figure 15 shows the share of the recurrent resources expended on CCDRM-related activities against the non-CCDRM related activities. Although the spending on CCDRM activities appears to be modest at about 8%, this is within the upper range of the trend in other Pacific Island Countries. The assessment team noted strong commitment by the Government towards addressing the CCDRM issue, by increasing the focus on negotiations with donors for additional support to supplement Government's own resources.

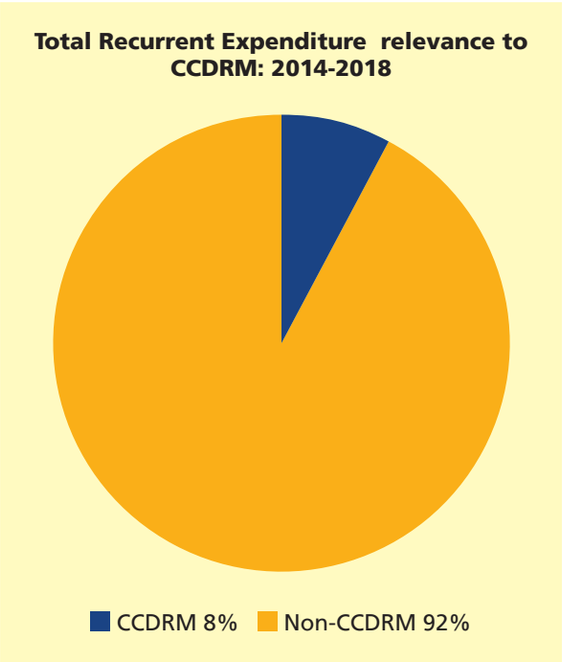


*Figure 15. Share of the Recurrent Budget Expended on CCDR- Related Activities Against the Non-CCDRM for 2014–2018*

### 4.8.4 Development Budget Expenditure Analysis

From 2014 to 2018, about AU$850 million had been provided by donors to Kiribati in supporting the implementation of economic and social development agendas with some related to the government efforts in coping with the impact of climate changes. The donor-funded activities are allocated under the six sectors of the economy, namely; Infrastructure, Human Resources Development, Health, Governance, Environment, and Economic and Poverty Reduction. Regarding CCDRM relevance, specific sectors, such as Agriculture and Food Security, Disaster Risk Management, Enabling Environment, Energy, Fisheries, Transport, Waste and Sanitation and Water and Biodiversity were assessed.

Figure 16 shows the total annual trend of the development budget expenditures, both in approved estimate and actual spending, for 2014 to 2018. Throughout the period under review, the actual spending on the development budget was lower than the approved estimate. This is typical in the region, where development

fund expenditures are always below the approved estimate because of several factors attributed to lengthy procurement process, weather-related events, delays with grant agreements and disbursement, to name a few. On the other hand, it reveals the continuous challenge faced by the country in terms of trying to have a more realistic forecast of donor resource flow because of limited information sharing. The Kiribati National Development Partners' Forum provides a good opportunity to discuss such issues, among others.

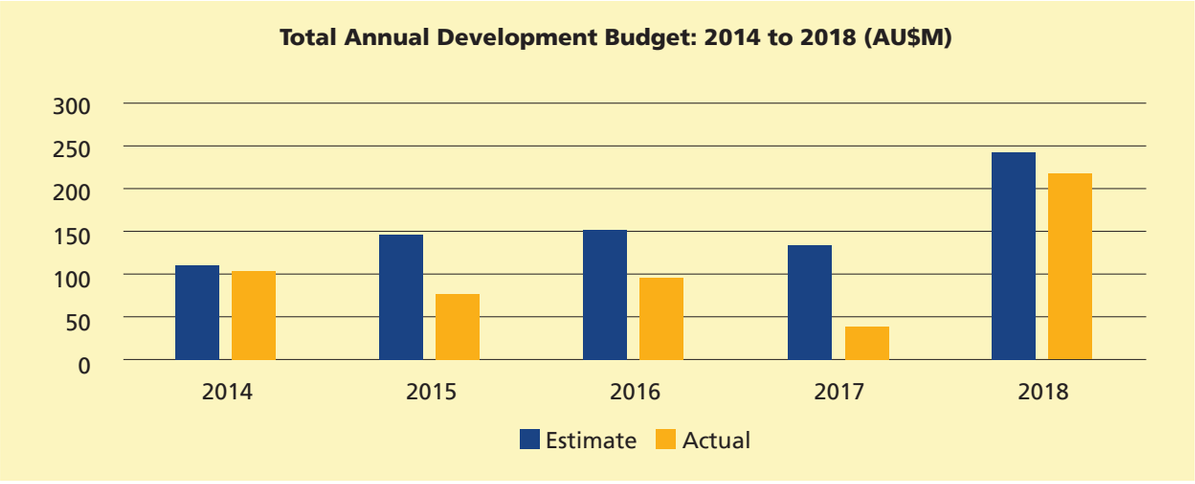


*Figure 16. Total Annual Trend of the Development Budget Expenditures both in Approved Estimate and Actual Spending for 2014 to 2018*

### 4.8.5 Development Expenditures Relevance to CCDRM

Figure 17 shows that about 21% of the total donors' development resources for the period 2014–2018 were allocated towards CCDRM activities and 79% for non-CCDRM activities. Although the development expenditure proportion appears low for a country that has been identified as most vulnerable to climate change, about AU$62.4 million was channelled to Kiribati from donors to address CCDRM.

The Figure 18 shows a further break down of the 21% CCDRM-related development expenditure into climate change adaptation (CCA), climate change mitigation (CCM) and disaster risk management (DRM). DRM covers the DRR and DRM activities given the crosscutting nature of activities, such as those for trainings, workshops, human resources development, or renovating and re-construction of community buildings, post disaster. Figure 18 also identifies that adaptation accounts for 41% of the allocated resources, 21% on mitigation and 38% on DRM activities.

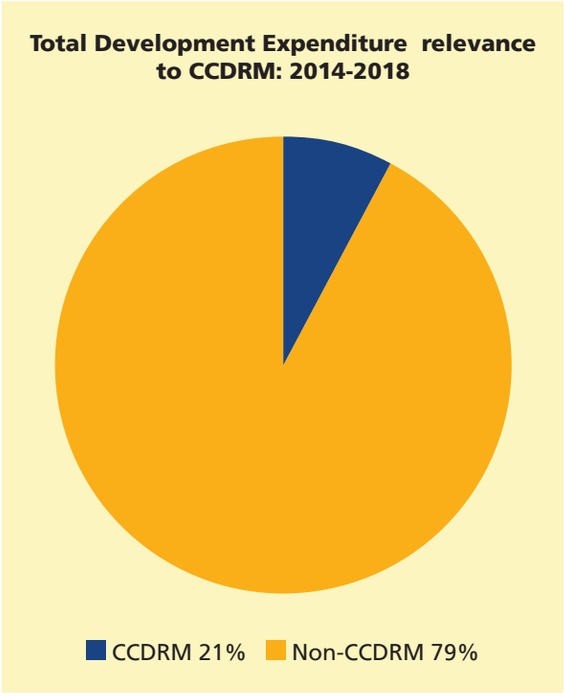


*Figure 17. CCDRM-Related Expenditure vs. Non-CCDRM Expenditure of the Development Budget over 2014–2018*

The higher share of spending on CCA and DRM activities compared to CCM is probably a reflection of higher capital and soft costs associated with Kiribati's adaptation efforts, disaster preparedness and post-disaster activities. The country's DRM preparedness effort is considered as critically helpful to the Government's CCA initiatives, such as climate proofing/retrofitting of community halls (maneabas), developing an early warning system or building community-based rehabilitation centres. The expenditure on mitigation was mostly for renewable energy and energy efficiency activities.

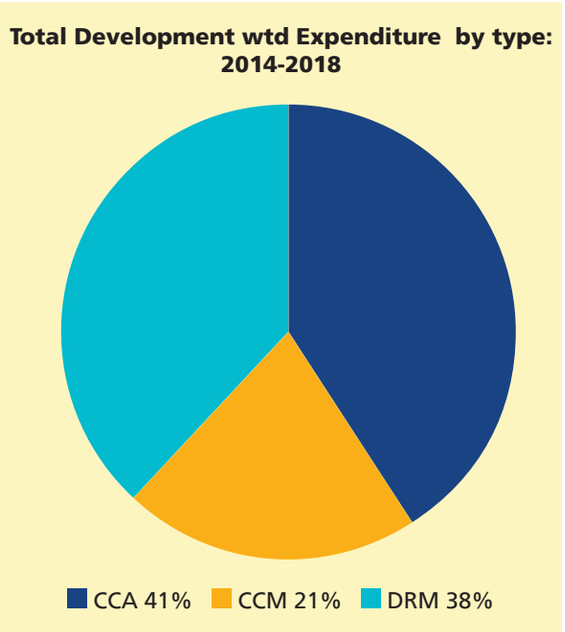


*Figure 18. Breakdown of Adaptation vs. Mitigation vs. Disaster Risk Management*

## 4.8.6 Development Budget Expenditure towards CCDRM - Related Sectors[20]

The sector categorisation in Figure 19 showed the percentage of development budget resources that are being expended on CCDRM activities from 2014 to 2018. Accordingly, transport, infrastructure & communication sectors obtained the highest spending of development budget resources standing at 24% among other sectors. Enabling environment sector came second to the transport sector suggesting the building up of government's commitment to build the country's readiness capacity to access and manage climate and disaster finance. It is important to note also that the assessment team was unable to collect any financial data from the private sector and civil society organisations to make an estimation of how much resources have been provided from these key stakeholders to support the implementation of the country's CCDRM agenda.

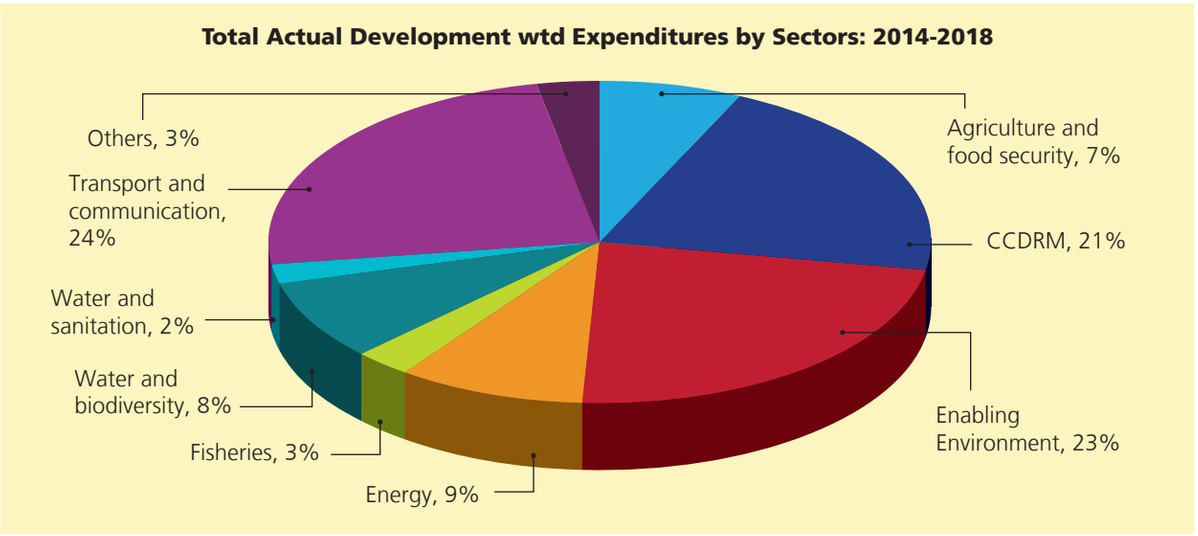


*Figure 19. Key Beneficiary Sectors from the Development Budget Expenditure Between2014 and 2018*

20 The estimated percentages derived from applying the adopted PCCFAF weighting methodology to related budget expenditures toward CCDRM activities as used in prior assessments.

### 4.8.7 Key Donor Sources for Development Budget Expenditures Related to CCRDM

As presented in Figure 20, the key sources of external CCDRM finance for Kiribati include ROC/ Taiwan, Australia, Japan, New Zealand, European Union, World Bank, ADB, UN agencies and others (Germany, Papua New Guinea, Italy, India, Korea, Kuwait, United Arab Emirates and Canada).

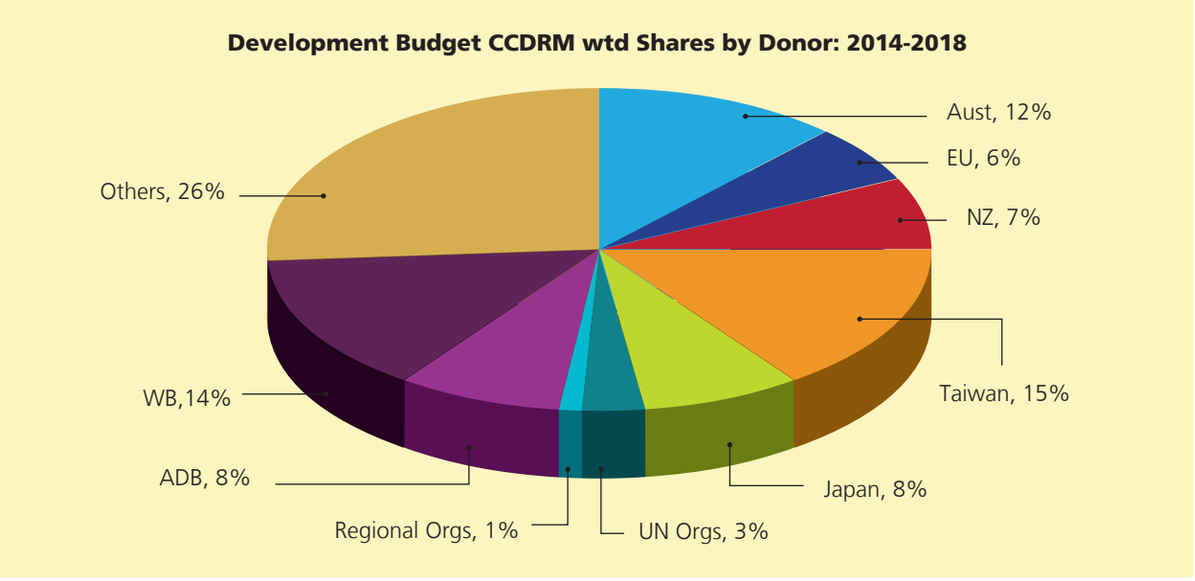


*Figure 20. Key Donor Sources for CCRDM Activitiess in the Development Budget Over 2014 to 2018*

## 4.9 Recommendations

### Public Finance Management

1. Develop a PFM Roadmap inclusive of climate finance considerations to support the Government's desire to seek direct access accreditation and improved access to international climate change and disaster risk finance. The roadmap could incorporate issues, including:
   - Development of a medium-term budget framework to improve the coordination of budget planning and formulation and to better align CCDRM priorities to the budget distribution;
   - Development of a Treasury operational manual and instructions to guide the work of checking, voting processes, bank and account reconciliation and reporting;
   - Improvement of the chart of account coding to allow the integration of national priorities to budget distributions and to strengthen financial management and reporting;
   - Development of a proper asset and liability management, including project management framework and strategy to guide the management of non-financial and financial assets;
   - Strengthening of internal control by improving the Internal Audit processes to advance audit planning and risk management; and,
   - Establishment of an independent appeals body to review and respond to procurement complaints.

2. Conduct training (workshops/seminars, etc.) on the importance of PFM for all Government Ministries and Parliament for better understanding of the importance of PFM reforms in facilitating Kiribati's accessibility to, and management of, CCDRM finance, as well as safeguarding the nation's limited resources.

3. Invite donors to provide targeted support to improve Kiribati's PFM system and build local human capacity and modernise the current financial management infrastructure system.

4. Use the budget preparation period as an opportunity to assess the performance of the Line Ministries in utilising and managing budget allocations.

## Budget Expenditure

1. Strengthen coordination and engagement with donors to ensure CCDRM funding is channelled through the national system (budget), and managed and disbursed using Kiribati's financial systems. The Government of Kiribati will need to continue to strengthen its PFM systems to gain donor confidence in utilising country systems.

2. Review the structure of the recurrent budget and consider generating a dedicated climate change budget code to facilitate the ease of tracking of expenditure. This will require some capacity building, but Line Ministries can play a role in providing the technical weighting, using the PCCFAF weighting methodology as a guide/ baseline.

3. The Government should use the Joint Budget Support matrix as an opportunity to strengthen the partnerships with other donors, especially those channelling their support outside of the country system, to improve coordination and delivery of development assistance in line with national priorities.

4. Strengthen the capacity of MFED (human resources and infrastructure capabilities) in the following divisions: Planning and Budgeting, Internal Audit, Procurement and Treasury, to facilitate Kiribati's direct access to the GCF and Adaptation Fund, as well as to formulate realistic budgets that lessen the need for supplementary budget formulation and drawing down resources from the RERF for deficit financing.

5. Encourage donors and development partners to provide clear and timely reports on support provided to Kiribati, including specific information on CCDRM.

# 5 Institutional Analysis

**Key Messages:**

- Core Government institutions actively engaged in climate change activities in Kiribati are the OB, MFED, MELAD and MISE. The OB is the focal point for the UNFCCC and Sendai Framework for Disaster Risk Reduction and coordinates CCDRM implementation at the national level, as well as provides policy advice. Climate finance is being led by the CFD within MFED. MELAD was established as the focal point for multilateral environment agreements, and, currently, the Global Environment Facility (GEF) focal point in Kiribati. MELAD is responsible for technical implementation and scientific aspects of climate change adaptation. MISE plays a key role for climate change adaptation and mitigation activities, especially in the context of Kiribati's NDC, and the role of the energy division, access to water and coastal protection. Other Line Ministries and non-stake actors also contribute actively to the national CCDRM response.
- The KNEG is a good initiative established to oversee the development of the KJIP. The KJIP formalises this body as "the main advisory body and coordination mechanism, as well as the entry point for climate change and disaster risk management initiatives". The role of KNEG is also reiterated within the Institutional Setup and Governance information contained within the KCCP. This group is made up of representatives from Government Ministries, as well as NGOs, faith-based organisations, CSOs, private sector (through the Chamber of Commerce) and development partners. Formalising the KNEG set up through a TOR with a dedicated secretariat support will benefit Kiribati.
- Organisations such as FSPK, Live and Learn, KiriCAN, AMAK, Teitaningaina Te ToaTOA Matoa and Kiribati Red Cross can undertake an important implementation role on the ground, and particularly in local and outer island communities, with regards to CCDRM.

## 5.1 National Institutions for CCDRM

The Government of Kiribati has undertaken some institutional restructuring and change within recent times, to strengthen its response and coordination for CCDRM. This section outlines the current roles and responsibilities of the key national agencies in the CCDRM space and aims to provide some clarity on the delineation of these roles and responsibilities between agencies.

### 5.1.1 Office of Te Beretitenti (OB)

The Office of Te Beretitenti (Office of the President) oversees both the Climate Change and Disaster Risk Management portfolio for the Government of Kiribati. For climate change, this entails three main areas of responsibility:

- International negotiation and advocacy, as the focal point for the UNFCCC, as well as representation at other international and regional climate change-related fora;
- Coordination of climate change implementation and response across all Government sectors, incorporating the role of the KNEG chair (discussed further below,), and
- Policy development and oversight. The OB recently oversaw the development of the Kiribati Climate Change Policy, discussed in Section 2.3.2.

Given the standing of OB, this places CCDRM at the highest level of Government and is an important position for ensuring national prioritisation and strong international advocacy on these issues of significance. The

assessment team had noted from the consultations that OB is also involved (or being earmarked) with direct implementation of some climate change-related projects. This is likely to create some issues with technical implementing Line Ministries. Going forward, OB should continue to focus on the above areas of responsibility, ensuring effective coordination across the institutions outlined below, as well as all Government Ministries, in line with the multi-sectoral focus of the KJIP and KCCP.

The National Disaster Risk Management Office also sits under the OB and has mandate for oversight of the NDRMP and coordinating disaster risk management arrangements and programmes across Government, including compliance of these with the National Disaster Management Act 1993. Given the integration of CCDRM issues within the KJIP, it is strategic for both the National Disaster Risk Management Office (NDRMO) and CC to sit within OB. At a policy and coordination level, this enables ease of alignment.

### 5.1.2 Ministry of Finance and Economic Development

The Government of Kiribati has defined climate-financing priorities within its main policy documents (refer to Section 2) and is taking a strategic approach to increasing Kiribati's access to climate funds. As such, the role of the Ministry of Finance and Economic Development (MFED) in this process has been clearly recognised. Through a Cabinet decision, MFED established the Climate Finance Division (CFD) in 2016, with the Division operationalised in 2017. This Division has been mandated to strengthen engagement with three key multilateral funds, the Green Climate Fund (GCF), the Adaptation Fund (AF) and the Climate Investment Fund (CIF), alongside the national policy mandate to increase access to finance for Kiribati's national CCDRM priorities. The establishment of this Division is setting a precedent in the region for strengthening collaboration between Technical Climate Change Ministries or departments and Ministries of Finance. Other countries are also following suit.

The CFD is currently pursuing a number of activities in line with improving access to climate change financing. This Climate Change and Disaster Risk Finance Assessment has been a key priority, to assist in guiding their on-going work and national priorities. Similarly, the development of national 'No Objection' procedures for the Green Climate Fund National Designated Authority (NDA) will assist in strengthening national processes to ensure proposal development is aligned with national CCDRM priorities as stipulated in the KCCP and the KJIP. Part of the CFD's mandate is also to assist in identifying and supporting entities wishing to become National Implementing Entities to the Adaptation Fund or Green Climate Fund. Initial discussions have been undertaken with the GCF and, as recommended in Section 2, the development of a National Accreditation Strategy will provide a supporting framework for this process.

CFD is currently engaged in proposal development for the three multilateral funds specified above and has also been engaged in disaster funding processes, with a proposal developed for the Vulnerable Twenty Group (V20) Global Preparedness Partnership. Strengthening engagement with multilateral partners is pertinent, given that most of Kiribati's external funding for CCDRM currently comes through its bilateral partners (as per the Funding Sources analysis in Section 3). Nevertheless, a specified priority for increasing direct budget support, along with the shorter lead time frames and flexibility of bilateral funds should also mean that bilateral financing for climate change initiatives should continue to be a focus. As such, it may be worth considering expanding the role of the CFD in the medium term, to also act as an engagement mechanism for climate change-related funding from bilateral partners. In the longer term, consideration of bringing all CCDRM financing focal points within the one Climate Finance Division may also assist in streamlining coordination and reporting.

Finally, given that this Division is relatively new, the quarterly CFD newsletter is a positive initiative in terms of the visibility and communication of its work and should be maintained. The CFD has also received Technical Assistance support from DFAT, a grant from Ministry of Foreign Affairs and Trade (NZMFAT) and a GCF readiness grant to build the capacity of the National Designated Authority and to develop a country programme for engaging with the GCF. The CFD intends to use these grants to consult and raise awareness with other Line Ministries and stakeholders in 2018-2019 to establish or strengthen a national climate finance coordination mechanism, as well as provide input to the GCF country programme.

### 5.1.3 Key Implementing Agencies

Along with OB and MFED, MELAD is also a key national agency, with the historical legacy of leading on technical and scientific aspects of climate change within Kiribati and of being the focal point for multilateral environment agreements. Through its programmes and projects, MELAD is also involved in the implementation of climate change adaptation-related activities. The Ministry currently has a Climate Change Planning Officer position. Given the obvious linkages between the focus areas of the Ministry (Environment, Lands and Agriculture) to climate change, maintaining a climate change focal point within the Ministry is supported.

Similarly, MISE also plays a key role as a technical implementing agency for both climate change mitigation and adaptation activities. The role of the energy division is integral in progressing Kiribati's NDCs. Similarly, MISE also implements projects dealing with water security and coastal protection. Another key Ministry is the Ministry of Fisheries and Marine Resources Development (MFMRD). MFMRD is involved in coastal marine resources development, implementation of measures such as coral reef planting, sea grass planting, coastal planning, minerals resource development, coastal and elevation mapping, etc. MFMRD's role incorporates both the science and also the implementation of climate change related projects. They are also the Chair and Secretariat of the National Task Force on Coastal Security that is guiding the development of Kiribati coastal security. A dedicated climate change focal point in both MISE and MFMRD would be well placed and ensure a dedicated representative on the KNEG, of all three of these implementing agencies.

## 5.2 Coordination of CCDRM

Despite Kiribati being one of the most vulnerable countries to the impacts of climate change, the way current international funding mechanisms are structured mean that increased funding flows tend to go to those most organised, rather than those with significant vulnerability. Kiribati is progressing several initiatives to strengthen its state of organisation. Effective coordination of CCDRM at a national level is imperative for both increasing access to and improving management at the national level of climate financing.

While the institutions detailed above have relatively well-defined mandates, there has been some confusion and issues to date around the roles and responsibilities of these agencies within the climate change space. Prior to shifting the UNFCCC focal point to OB, in response to a Cabinet decision, MELAD was the UNFCCC focal point for Kiribati. MELAD is the GEF focal point for the Government of Kiribati and retains the responsibility for the preparation of key climate change reports, including the UNFCCC National Communications and Biennial Update Reports (BUR). This is likely because changes have been relatively new (some with Cabinet decisions but not legislative amendments) and broader stakeholders are still coming to terms with the current institutional arrangements. Nevertheless, these are reiterated in the newly developed KCCP and thus greater promotion and knowledge of this policy document should also bring about improved understanding.

The Kiribati National Experts Group (KNEG) was established to oversee the development of the KJIP. The KJIP also formalises this body as "the main advisory body and coordination mechanism, as well as the entry point for climate change and disaster risk management initiatives" (pg. 10). The role of the KNEG is also reiterated within the Institutional Setup and Governance information contained within the KCCP. This group is made up of representatives from Government Ministries as well as NGOs, faith-based organisations, CSOs, private sector (through the Chamber of Commerce) and development partners. It comes under the supervision of the OB. The KNEG has met on a regular basis since 2013; however, while formalised by the KJIP, it does not have an official mandate or Terms of Reference. It is recommended, given the recent completion of the KJIP Review and the reiteration of its role within the KCCP, that the development of a TOR for this group be undertaken to revitalise its important coordination role and provide clarity on its membership, functions and intended outcomes.

Similarly, when the KNEG was first established, stakeholders advised that the representation at the meetings included staff of a senior level, enabling decision making to be undertaken within the meeting sessions. Due to competing priorities, this representation is often no longer present, which constrains the decision-making and progress that can be made by the group. It is recommended that the development of a TOR could also address this issue, by reemphasising the importance of this entity, in the context of maintaining an effective national coordination mechanism, bringing together a broad representation of stakeholders.

Furthermore, a KJIP Secretariat is also identified by the KJIP. To date, this function has been undertaken by the OB and includes functions of "facilitating KNEG meetings; reviewing and monitoring KJIP implementation together with responsible lead agencies; and communicating with the general public, Parliament, Cabinet, development partners and the international community". Further discussion on the M&E of the KJIP is discussed in Section 2. Figure 21 shows these institutional arrangements and how this coordination mechanism also links to broader national development coordination, through the Development Coordination Committee (DCC).

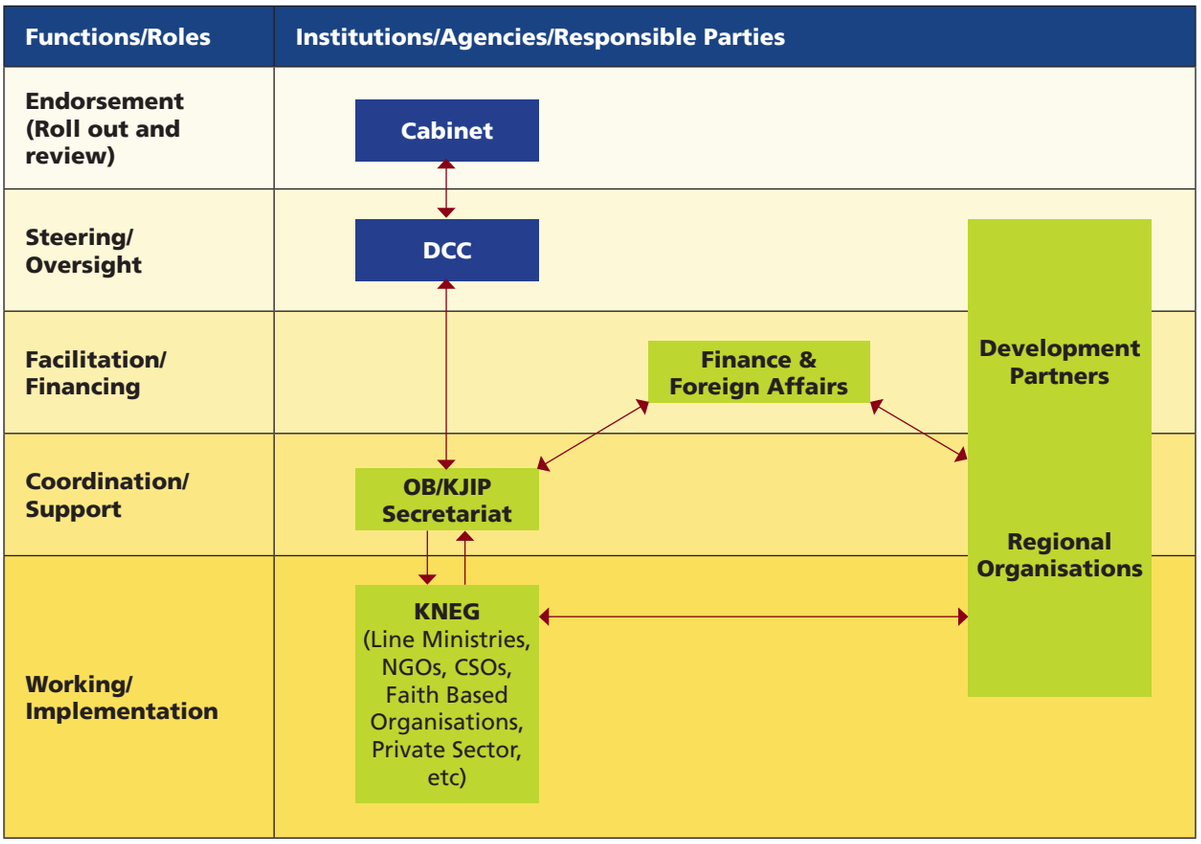


*Figure 21. Institutional Arrangements as Presented in the KJIP*

In conjunction with the development of a TOR for the KNEG, consideration should also be given to the establishment of a mechanism to capture information on all climate change projects being proposed and implemented within Kiribati. This would help to streamline information and create a database of project and programme information, including funding amounts. A potential model that could be utilised to suit the national context of Kiribati is the Vanuatu National Advisory Board on Climate Change and Disaster Risk Reduction (NAB). Further information on the NAB's Project Approval process is contained in Box 3.

The Vanuatu National Advisory Board on Climate Change and Disaster Risk Reduction (NAB) has been established as a high-level advisory body for CCDRM coordination at the national level. Supported by a Secretariat, one of the key functions of the Advisory Board is the establishment of a process to capture information on climate change projects being implemented within Vanuatu. As such, all proposed climate change projects are required to go through an endorsement process by the NAB, before implementation. A project brief form has been developed to capture the relevant information on the project and the NAB's Project Screening Committee undertakes the appraisal and recommendation process, in line with their national policies. The form also captures information on the project's funding source and total funding allocation. The collection of this data also serves as the basis for a database, capturing information on the resources being committed to climate change action within Vanuatu.

The NAB Secretariat oversees four working groups, including the Project Screening Committee mentioned previously, as well as a Climate Finance Working Group, a UNFCCC Task Force, and an Information, Educational and Communication Materials Working Group. These working groups provide the platform for more technical-based discussion on specific issues. The Climate Finance Working Group is guided by Vanuatu's Climate Finance Roadmap, outlining priority issues for support by partners.

*Box 3. Vanuatu's National Advisory Board on Climate Change and Disaster Risk Reduction*

Finally, consideration of specific working groups within the KNEG (e.g. on climate finance, gender and social inclusion or traditional knowledge – see Policy Section 2) could also enhance progress and collaboration on key priority issues. Refer to Box 3 above for examples of how Vanuatu is also currently utilising working groups within its national coordination body. CFD, in discussion with OB, has set up a few National Task Force to guide and support the development of proposals for specific funding mechanisms. Under the Climate Investment Fund, the Scaling-Up Renewable Energy Task Force has been created and for the GCF the Coastal Security National Task Force has been established. These are formalised groups, approved by Cabinet to enable swift development of proposals. These are good examples at the national level of mobilising working group mechanisms that are supporting increased access to CC and DRM financing. They have so far seen consistent membership at senior levels and incorporate capacity development in a "learning by doing" manner.

Within the disaster space, the NDRMP outlines the institutional arrangements for national disaster management and response. The peak decision-making body at the national level is the National Disaster Risk Management Council (NDRMC.). According to the NDRMP, the NDRMC comprises:

- Secretary to Cabinet (Chair)
- National Disaster Controller (Deputy Chair) Commissioner of Police
- Ministry of Foreign Affairs and Immigration
- Secretary for Internal and Social Affairs
- Secretary for Fisheries and Marine Resource Development
- Secretary for Health and Medical Services
- Secretary for Public Works and Utilities
- Secretary for Labour and Human Resource Development
- Secretary for Finance and Economic Development
- Secretary for Communication, Transport and Tourism Development
- Secretary for Environment, Lands and Agricultural Development
- Secretary for Education
- Secretary for Commerce, Industry and Cooperatives
- Secretary for Line and Phoenix Islands
- Director Meteorological Office
- Executive Secretary of the Kiribati Red Cross
- President, KANGO

The NDRMC has identified coordination functions during normal operations and within times of crisis. During normal operations, the NDRMC meets on a quarterly basis.

At the local level, Island Disaster Committees are identified within the NDRMP and, with partner support. These local coordination groups are being strengthened. The implications and impacts from Tropical Cyclone Pam in 2015 have highlighted the need for more dedicated institutional arrangements at the island level to effectively prepare and respond to increasingly damaging weather events. A review of the NDRMP should also consider how the role of Island Disaster Committees could be strengthened, based on the work that is currently being undertaken. The development of Island Disaster Management Plans and Standard Operating Procedures many be considered as part of this.

## 5.3 Institutional Capacity and Strengthening

One of the biggest challenges facing Pacific Island Countries, in the context of climate financing, is having the human and institutional capacity available to manage increasing funds flowing to a country through larger-scale projects and programmes. Section 6 looks more specifically at the Human Capacity challenges and recommendations for Kiribati.

In preparation for this, Kiribati is already engaged in a few institutional strengthening initiatives. For the CFD, institutional strengthening and capacity development of this division is being undertaken through GCF readiness support, as well as dedicated projects. It will be important for the Government of Kiribati to consider, not only accessing finance, but what institutional strengthening and capacity may also be required in terms of Sectoral Ministries supporting the execution of successful large-scale proposals being developed for the indicated multilateral funds. Given that this is likely to require a whole-of-Government approach, looking at institutional strengthening and capacity development more holistically across Government may be needed. As such, a national capacity development programme for CCDRM could be considered, taking into consideration issues such as coordination, project management, technical expertise and financial management requirements. This should also consider the role of MIA and Island Councils and the needs of these organisations to be better placed to support and progress CCDRM work at the local level.

Finally, as per the following section, the role of NGOs, CSOs and faith-based organisations is integral in the implementation of CCDRM activities, especially at the local level. Opportunities for undertaking readiness programmes for local NGOs and CSOs to ensure these institutions are also better placed to be able to manage and absorb climate change financing should also be considered. This level of institutional strengthening is important, given that NGOs and CSOs can play a role in terms of supplementing national Government capacity in the implementation and management of larger projects and programmes. This is also important for gender, youth and disability NGOs to ensure that, going forward, CCDRM projects and programmes are also driven by these organisations, placing marginalised groups at the centre of projects and programmes, as per the discussion and recommendations provided in Section 7 (GSI chapter).

## 5.4 Role of Non-State Actors

The public sector dominates employment within Kiribati and thus also accounts for a majority of institutions undertaking CCDRM work. Nevertheless, NGOs, CSOs and faith-based organisations also play a key role. While Kiribati has quite a significant number of local NGOs, many of these are often very small organisations, often comprising family groups or similar. Nevertheless, umbrella organisations, such as AMAK could play an important role in coordinating smaller NGOs and CSOs and could help mobilise capacity for implementing CCDRM-related project and programmes (see discussion in GSI Section 7).

Organisations such as FSPK, Live and Learn, KiriCAN, Teitaningaina Te Toa Matoa and Kiribati Red Cross undertake an important implementation role on the ground, and particularly in local and outer island communities, with regards to CCDRM. As mentioned above, dedicated sub-national institutional strengthening programmes would be recommended, to support these organisations to also enable access and manage increased funding, and support larger national projects. This is especially important in terms of ensuring increased access to finance and also equates to this money benefiting the communities dealing with the impacts of climate change. There is also support from stakeholders to revive KANGO, Kiribati's umbrella organisation for NGOs, and a key link to the regional organisation Pacific Islands Association of Non-Government Organisation (PIANGO). Unlike other countries in the region, Kiribati does lack the presence of larger International Non-Governmental Organisations (INGOs), such as CARE, World Vision, Oxfam and Save the Children who often undertake dedicated CCDRM work. However, these organisations still undertake work within Kiribati through local partners, such as those mentioned above. Council of Regional Organisations of the Pacific (CROP) agencies and international development partners, usually working in conjunction with Sector Ministries, are also responsible for project implementation. As per the Funding Sources analysis in Section 3, CCDRM projects are supported by key partners including Australia, Japan, Taiwan and New Zealand.

The private sector is still very limited in Kiribati and does not currently play a strong role within the CCDRM space. Nevertheless, the Kiribati Chamber of Commerce is represented on the KNEG and the KJIP also indicates strengthening coordination with private sector as a key result area.

## 5.5 Recommendations

1. Consider expanding the role of the CFD:
   - In the medium-term to also act as the coordination point for climate change-related funding from bilateral partners, and
   - In the long-term to become the focal point for all CCDRM financing, to assist in streamlining coordination and reporting.

2. Ensure dedicated representation from OB, CFD, MELAD, Ministry of Fisheries & Marine Resources Development (MFMRD) and MISE at the KNEG meetings, to enable effective coordination and collaboration across these key agencies.

3. Formalise the membership, goals and objectives of the KNEG and KJIP Secretariat through the development of a Terms of Reference for these mechanisms. This should also help to re-emphasise the importance of the KNEG for effective coordination across all stakeholders.

4. Consider additional functions for the KNEG, including a mechanism to capture all CCDRM project and programme information and the role of working groups to progress priority issues (e.g. TK, GSI and climate finance as possible working group options).

5. Develop a national CCDRM capacity development programme, focusing on priority areas of need in terms of technical knowledge, project and financial management strengthening across whole-of-Government, in the context of accessing and managing more finance for larger–scale CCDRM projects and programmes.

6. Work with partners on prioritising capacity building and institutional strengthening for sub-national institutions including faith-based organisations and local NGOs and CSOs.

# 6 Human Capacity Analysis

**Key Messages:**

- Human capacity is important for CCDRM finance because it is not just a matter of getting the financial resources – it is also how Kiribati uses the funding.
- In Kiribati, the climate change agenda is well recognized recognised as a priority. However, there are only 12 dedicated staff that have primary responsibilities for CCDRM and/ or climate finance as part of their job description. There is a lack of dedicated technical human capacity to access climate finance and implement climate change and disaster risk management activities.
- The Establishment Register 2018 and the Recurrent Budget 2018 showed that CCDRM staff allocation was low, while social sectors like education and health received the highest. This indicates the broader capacity constraints of Kiribati, rather than a lack of interest or will of the Government to address climate change and disaster risk management.
- Due to limited capacity at the sub-national level, it is very difficult to effectively respond to community requests for support in a timely manner compounded with the remoteness of atoll islands in Kiribati.
- CSOs such as KiriCAN, FSPK, Live and Learn, Teitaningaina Te ToaOA Matoa and Kiribati Red Cross undertake an important implementation role on the ground, and particularly in local and outer island communities, with regards to CCDRM. However, these organisations face a lot of challenges with financial resources and human capacity.
- The private sector is very limited in Kiribati and does not play a strong role within the CCDRM space. Nevertheless, the Kiribati Chamber of Commerce is represented on the KNEG, and the KJIP also indicates strengthening coordination with the private sector as a key result area. A CEO for KCCI was on board in 2018 with support from the national Government.
- The Government and development partners are active in progressing initiatives to develop and build the capacity of public servants through scholarships and short-term training opportunities.

## 6.1 Why Human Capacity is Important for CCDRM Finance

Human capacity is important for CCDRM finance because it is not just a matter of getting the financial resources – it is also how Kiribati uses the funding. Accessing climate change and disaster risk finance is a resource intensive activity; therefore, potential recipients may miss out on receiving aid for which they are eligible, because they do not have enough and appropriately skilled human resources to engage with donors in international advocacy, to write proposals, manage the contracts, etc. Once the funding is received, the recipient of CCDRM financing then must implement the activities of the project, manage the funds provided and undertake administrative and reporting obligations to the donor(s). If the recipient has insufficient resources to manage this reporting, it may act as a disincentive to donors who have their own reporting requirements to fulfil. Aside from meeting the administrative and reporting requirements of a grant, actual implementation of donor-funded climate change projects requires capacity both in numbers and technical skill. A donor may view a lack of recipient capacity to successfully implement a project and achieve desired outcomes in a timely manner as a disincentive. At the national and sub-national levels of Kiribati's CCDRM programme, there is a need of capacity to coordinate, plan and prioritise the individual projects or grants so that the financing which has been received, is used efficiently and contributes to the overall objectives of the CCDRM programme of both Kiribati and the donor.

Human capacity is crucial to be able to carry out the full cycle of a CCDRM financing grant (see Figure 22) and maintain a good reputation with donors as a low risk, good investment. The capacity of the recipient may also influence the modality by which the donor chooses to provide aid – if the recipient is considered to not have enough capacity, then donors may limit their assistance to project-based or in-kind contribution or the use of their own systems, rather than more flexible modalities like budget assistance.

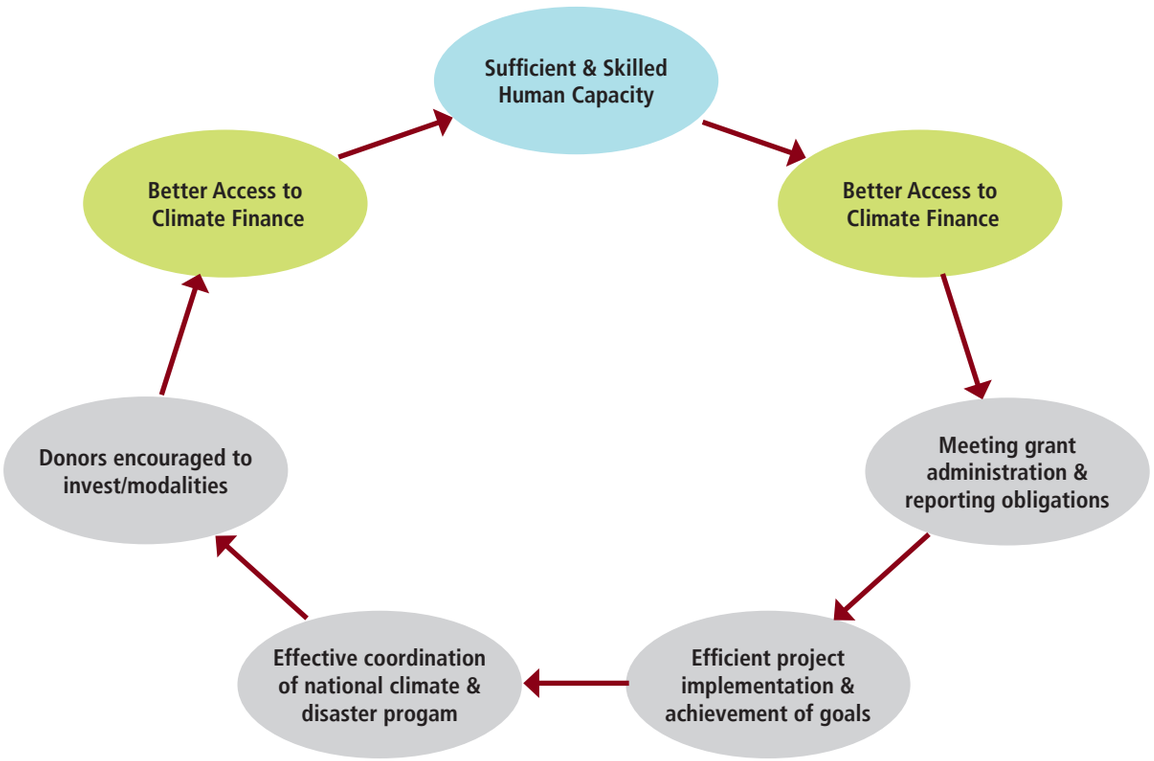


*Figure 22. Full Cycle of a CCDRM Financing Grant*

## 6.2 Existing Human Capacity in Kiribati

### 6.2.1 National Level

Data collected from the Public Service Office showed that the total number of public servants working for the Government of Kiribati in 2018 was 5090, which is a slight increase of 138 from the 2017 figure of 4952. Of that, 4821 were permanent positions while 269 were seconded national positions funded by projects or donors. In 2018, around 52% of public servants were females and 48% males. In terms of age group; 5% were 18–25 years, 35% were 26–35 years, 42% were 36–45 years, and 19% were 46–55 years. Regarding position level, around 1% are constitutional roles, 7% are senior management, 7% are middle management, 12% are graduate level, 48% are junior level, and 25% are support staff.

In Kiribati, the climate change agenda is well recognised as a priority (i.e. KDP, KV20, KJIP, Climate Change Policy, sector plans/ policies). However, just like any Smaller Island State in the Pacific, Kiribati only has a few dedicated staff that have primary responsibilities for CCDRM and climate finance in their job description. These are summarised in Table 5 below. At the time of the assessment, only three staff with CFD-MFED were fully dedicated to exploring, analysing, and advising the Government on climate finance issues, focusing on the GCF, Adaptation Fund and the Climate Investment Fund. The three positions within the CFD-MFED are

Director who oversees the division and provides strategic guidance, Climate Finance Program Officer who supports administrative and financial issues, and Climate Finance Communication Officer responsible for public awareness and communications. While those are critical roles, the gap is that CFD-MFED is only mandated to focus on only three multilateral climate funds (not all multilateral sources) and there is no dedicated capacity to analyse and advice the Government on existing and emerging bilateral climate finance sources. Apart from CFD Director, the other functions of the other two positions are specific to administration and finance, and communications. The Government will benefit from dedicated staff capacity to analyse and advice on existing and emerging multilateral and bilateral climate funding sources. This will ensure missed opportunities are limited. This may mean the functions of the CFD are expanded to include all multilateral climate funding sources and/or bilateral sources, or consider a Senior Climate Finance Officer - Multilateral for CFD-MFED and a Senior Climate Finance Officer - Bilateral for the OB.

Senior Climate Finance Officer – Multilateral (to sit with CFD-MFED)

- This new position is required because apart from the CFD Director, the functions of the Climate Finance Program Officer and Climate Finance Comms Officer are specific to admin & financial support as well as comms and public awareness.
- This position can research, analyse the access procedures and reporting templates, provide advice to Government, and coordinate the Government of Kiribati's engagement with the GCF, AF and CIF. This will allow the CFD Director to focus on high-level strategic engagement and advice to the MFED Secretary and Minister and the Government. To limit missed opportunities, this officer's role can also be broader than just the three funding sources above (GCF, AF and CIF). Although the GEF focal point sits with MELAD, there is no dedicated capacity to analyse the access procedures and advice government on available opportunities. There are also other multilateral climate finance opportunities from banks such as World Bank, ADB etc.

Senior Climate Finance Officer – Bilateral (could sit with OB or with CFD-MFED if the mandate of the CFD is expanded by the Government)

- Currently the government's engagement with bilateral climate finance sources is fragmented and through respective sector ministries. The OB plays a coordination role, but is limited to coordination of policy advice and to some extent ensuring a coordinated approach to project implementation related to climate change. There is currently no climate finance expertise within OB.
- The function of this officer will be to research, analyse the access procedures and reporting templates, provide advice to Government, and coordinate the Government of Kiribati's engagement with all bilateral climate funding sources. This also includes engagement with bilateral finance institutions (e.g. KfW, GCCA+ etc.).

The Government does allocate resources (e.g. staff time) towards addressing climate change and disaster, but it is difficult to quantify because even though some staff are solely dedicated to climate change and disaster risk management, many more contribute to it occasionally, or part time. In addition, staff time is not clearly presented in the budget actuals.

**Staff with Position Titles/ Job Descriptions Directly Relevant to CCDRM**

*The Office of Te Beretitenti (Office of the President)*

i. Secretary – provides administrative oversight to the staff and chairs the KNEG. The Secretary also engages in the UNFCCC COP negotiations.
ii. Senior Policy Adviser on Climate Change – national climate change coordinator and focal point for the UNFCCC. Micronesian representative to the Pacific Resilience Partnership Regional Taskforce, under the Framework for Resilient Development in the Pacific.
iii. Climate Officer (two positions) – supports with climate information services within the Kiribati Meteorological Services.
iv. Director for Disaster Risk Management Unit – focal point for the Sendai Framework on DRR and disaster risk management in Kiribati.
v. Disaster Risk Reduction Officer (project funded) – supports the director with disaster risk reduction and management efforts in Kiribati.
    - These five positions equate to 7.4% of the total number of staff within the OB.

*Ministry of Finance and Economic Development – Climate Finance Division*

i. Minister – focal point for the Forum Economic Ministers Meeting (FEMM), which is the principal regional forum that discusses climate change and disaster risk finance. The Minister is also the focal point for multilateral development banks and the GCF National Designated Authority, AF Designated Authority and Focal Point to the CIF for Kiribati.
ii. Secretary – provides administrative oversight for the Climate Finance Division and participates in Forum Economic Officials Meeting that advise the FEMM.
iii. Director for the Climate Finance Division (funded by DFAT through PACTAM) – oversees the Climate Finance Division and its engagement with the GCF, AF and CIF. Alternate GCF National Designated Authority, AF Designated Authority and Focal Point to the CIF for Kiribati.
iv. Climate Finance Programme Officer (funded by NZ MFAT & GCF readiness grant) – provides administrative and financial support to the CFD and the GCF readiness support programme.
v. Climate Finance Communication Officer (funded by NZ MFAT & GCF readiness grant) – responsible for public awareness about the work of the CFD (quarterly newsletter) and communication needs, as well as liaison with other Line Ministries, non-state actors and development partners.
    - These five positions account for 3.4% of the total number of MFED staff.

*Ministry of Environment, Lands and Agriculture Development (MELAD)*

i. Senior Environment Officer (Biodiversity/ Climate Change/ Wild Life Conservation Programme Manager) – responsible for climate changes, among other things, and oversees the Climate Change Planning Officer.
ii. Climate Change Planning Officer – focuses on climate change adaptation implementation, reporting to the UNFCCC on national communications and BURs, and supports climate change policy development and planning.
    - These two positions equate to 1% of the total number of MELAD staff.

**Staff with Position Titles/ Job Description with Secondary Objectives Relevant to CCDRM**

*Ministry of Infrastructure and Sustainable Energy (MISE)*

The Energy Department within MISE plays a key role with the technical implementation of climate change mitigation, and more, the implementation of Kiribati's NDC commitment to the Paris Agreement. MISE is also a member of the KNEG. Below are key positions in the Energy Department.

i. Energy Planner
ii. Energy Economist
iii. Conventional Energy Planner
iv. Rural Energy Planner
v. Urban Energy Planner
vi. Rural Energy Engineer
vii. Urban Energy Engineer
viii. Assistant Energy Economist
ix. Energy Supervisor

The Water and Sanitation Department within MISE assists with the implementation of adaptation activities related to water and sanitation. The following are key positions:

i. Senior Water and Sanitation Engineer
ii. Sanitation Engineer
iii. Water Engineer
iv. Water/ Sanitation Monitoring Officer
v. Assistant Water Engineer
vi. Senior Water Engineer Adviser (project funded)

*Ministry of Line and Phoenix Islands Development*

The Ministry is responsible for outer islands, including Kiritimati Island and other islands in the Line and Phoenix Islands. Key positions with secondary relevance to CCDRM are provided below.

i. Water and Sanitation Engineer
ii. Assistant Water and Sanitation Engineer
iii. Energy Planner
iv. Superintendent (Power)
v. Chief Resource Economist
vi. Senior Resource Economist
vii. Resource Economist
viii. Project Monitoring Officer

*Ministry of Finance and Economic Development*

The Ministry also plays supporting roles to CCDRM financing, including the following positions.

i. Deputy Secretary
ii. Director of Planning (externally funded by DFAT PACTAM)
iii. Senior Sector Economist (responsible for climate change finance)
iv. Sector Economist (responsible for climate change finance)

*Ministry of Environment, Lands and Agriculture Development (MELAD)*

Other key positions under MELAD are:
i. Minister – focal point for Pacific Environment Ministers Meeting that discusses climate change.
ii. Secretary – actively engaged in environment multilateral agreements and focal point to the GEF.

Environment and Conservation Division:
i. Director of Environment
ii. Deputy Director of Environment
iii. Senior Environment Data Analyst
iv. Environment Inspector
v. Environment Officer
vi. Biodiversity Conservation Officer
vii. Waste Management Officer
viii. Assistant Biodiversity Conservation Officer

Kiritimati Branch:
i. Principal Agriculture Officer
ii. Senior Agriculture Officer
iii. Assistant Agriculture Officer
iv. Agriculture Assistant

Agriculture Division:
i. Director of Agriculture
ii. Deputy Director of Agriculture
iii. Principal Agriculture Officer
iv. Senior Agriculture Officer
v. Agriculture Officer
vi. Assistant Agriculture Officer
vii. Agriculture Assistant

*Ministry of Foreign Affairs*

i. Minister – participates in Forum Foreign Ministers Meeting that discusses disaster risk issues. Responsible for international advocacy and focal point for regional organisations, and development partners in Kiribati.
ii. Secretary – overseas Kiribati Permanent Mission to the UN, which directly participates in UNFCCC COP negotiations and is involved in bilateral negotiations for climate change funding.
iii. Ambassador to the UN – supports delegation in UNFCCC COP negotiations and bilateral negotiations for climate change funding.
iv. Deputy Head of Mission to the UN – supports Ambassador in UN discussions, including on climate change matters.

*Table 5. Key Positions within Government with Direct and Secondary Responsibilities for CCDRM*

From the table above, it is apparent that there is a lack of dedicated technical human capacity in Kiribati to access climate finance and effectively implement climate change and disaster risk management activities. There are only 12 staff positions with direct involvement in CCDRM of which only 8 are funded through the recurrent budget, whilst the remaining 4 staff are funded by projects or donors. Due to other important priorities for the Government, resources had been stretched, resulting in officials undertaking different responsibilities. This is evident from the Establishment Register 2018 and the Recurrent Budget 2018 that CCDRM staff allocation was low, while social sectors like education and health received the highest. This indicates the broader capacity

constraints of Kiribati, rather than a lack of interest or will of the Government to address climate change and disaster risk management.

In terms of technical capability, there is expert knowledge about the UNFCCC process within OB and MELAD, while climate finance expertise is only available within MFED. Sectoral expertise related to adaptation and mitigation exists in different Line Ministries, such as MELAD and MISE. Although MELAD has a dedicated Climate Change Planning Officer, MISE does not have a dedicated climate change position. Now that planning, and coordination functions have been moved to the OB, MELAD's position title may also need to be updated to a Climate Change Science Officer. Other relevant Line Ministries lack staff expertise and knowledge in climate change and climate finance. Kiribati is under-capacitated to access and manage international climate change and disaster risk finance, compared to other PICs. Donors must prioritise support to building Kiribati's human capacity to access and manage international CCDRM finance. There is a need for using the KNEG as a platform to strengthen coordination and utilisation of technical expertise that sit within different Line Ministries. The OB's role should be specific to advocacy, coordination and policy advice, and should delegate project implementation to technical agencies. This could be best supported with the establishment of a Climate Change Coordination/Planning Officer.

### 6.2.2 Sub-National Level – Island Councils

The assessment team was unable to secure any consultation with members of the Island Council or staff at MIA responsible for the Island Councils. However, it was noted there are no dedicated climate change officers present at the sub-national level. Island Councils have been handicapped with resource constraints and the knowledge to write proposals or access climate finance opportunities is limited.

Due to the limited capacity at the sub-national level, it is very difficult to effectively respond to community requests for support in a timely manner compounded with the remoteness of atoll islands in Kiribati. At most times, affected communities will have to wait for support from the national Government or from NGOs. Both the Island Council and the national Government should explore a mechanism that can engage retired public servants at the community level who are willing to support CCDRM efforts. This will be an effective option to build the capacity of communities and promote the transfer of knowledge.

### 6.2.3 CSOs/ NGOs

CSOs, NGOs, charitable organisations and faith-based groups provide a lot of quality and timely support to communities on CCDRM issues and have well-established networks and presence throughout the country. Both the national Government and Island Councils should capitalise on CSO networks and presence in communities to progress future CCDRM efforts.

In Kiribati, organisations such as KiriCAN, FSPK, Live and Learn, Teitaningaina Te Toa Matoa and Kiribati Red Cross undertake an important implementation role on the ground, and particularly in local and outer island communities, with regards to CCDRM. However, these organisations face a lot of challenges with financial resources and human capacity. Looking for opportunities to forge partnerships with Government projects and church organisations will assist in addressing this, while also exploring potential sources of small grants from donors such as the UNDP/GEF Small Grants Programme, USAID PACAM Fund, Australian High Commission Direct Aid Program, New Zealand High Commission Head of Mission Fund, and the Taiwanese small grants program.

### 6.2.4 Private Sector

Like most small Pacific Island Countries, the private sector is very limited in Kiribati and does not play a strong role within the CCDRM space. Nevertheless, the Kiribati Chamber of Commerce is represented on the KNEG and the KJIP also indicates strengthening coordination with the private sector as a key result area. With support from the national Government, a CEO for the Chamber of Commerce was recruited just a few weeks prior to the assessment in 2018. Currently, small businesses in Kiribati lack the capacity to write proposals for accessing climate finance and most are not even aware of funding opportunities that are available

## 6.3 Use of Existing Human Capacity

At present, a considerable proportion of Kiribati's climate change and disaster risk management human capacity (both in Government and outside of Government) is locked into project specific, short-term activities, often based on key beneficiary sectors identified under the Funding Source Analysis in Section 3. If this approach is not coordinated and effectively planned, it will distract Kiribati from focusing efforts on resourcing long-term, sustainable capacity building activities in its climate change and disaster risk management programme.

The technical expertise to write project proposals and reports and to implement climate change financed projects is lacking in the local workforce. The CFD in MFED should coordinate with partners so that relevant training on proposal writing for CCDRM funding sources are provided to staff members from other Ministries and agencies. Similarly, the Climate Change team at OB could play a role in keeping a roster of experts on CCDRM to be able to identify and coordinate technical support and input from respective Ministries, NGOs and so forth.

In a small country like Kiribati, with unique capacity constraints, there is always value in building and supplementing local capacity. The role of short-term external advisers is therefore critical. But the arrangement should be a win-win situation where the added value of external technical assistance is clear and capacity building and knowledge transfer to local counterparts become an embedded element of the project.

Section 6.2.1 underscores the significant capacity constraint that the Government of Kiribati is facing, regarding its engagement on CCDRM finance for both accessibility and implementation. Despite this, the Government has signed up to a few regional and international frameworks that require staff time to participate in regional and international meetings. It was noted that the Government's climate change effort and staff time appears to have a strong focus on the international advocacy and negotiation aspects of CCDRM finance. While this is good, the travels can overwhelm the limited number of dedicated CCDRM staff, and compromises Kiribati's human capacity required to focus on effective planning, prioritising and coordination at the national level. Both aspects (participation in international meetings and staying in-country to focus on planning, coordination and prioritisation) are important, but appropriate balance needs to be sought.

## 6.4 Development and Management of Human Capacity in Kiribati

Human capacity development is a priority for Kiribati as articulated in Section 6.9 of the Climate Change Policy, which recognises capacity building and education, as well as Strategy 10 of the KJIP: Strengthening capacity to access finance, monitor expenditures and maintain strong partnerships.

In general, there is a gradual increase in the national recurrent budget allocation over the past few years for human capacity development to support Kiribati's CCDRM response (see Figure 13) and is within the upper range of the trend in other Pacific Island Countries (refer to Figure 15). In Kiribati, public servants'

welfare and human resource developments are the responsibility of the Public Service Office and the Ministry of Employment and Human Resource.

### 6.4.1 Kiribati Public Service Office

The Kiribati Public Service Office is responsible for:

- Public Service management and improvement;
- Development and updating of the Public Service Personnel Information Database (Staff list);
- Administration of National Conditions of Service (Public Conditions of Service);
- Provision of administrative and common cadre staff to Ministries;
- Professional training and development of civil service;
- Management of Public Service recruitments, appointments, promotions, reward systems and disciplinary systems;
- Management of the size of public service (Establishment Register);
- Provision of advice and support services to Public Service Commission on matters beyond the authority of the Chairperson of the Commission;
- Provision of advice and support to Maneaba ni Maungatabu on administrative matters beyond the authority of the Speaker;
- Provision of advice and support to Judiciary on administrative matters beyond the authority of the Chief Justice;
- Provision of advice and support services to the Kiribati National Audit Office on administrative matters beyond the authority of the Auditor General;
- Kiribati Housing Corporation;
- Managing expatriate assistance to civil service (Overseas Volunteers and Technical Assistance);
- In-service training programmes and awards, and
- Public Service Human Resources Development Plan.

Unlike other PICs, Kiribati has an efficient human resources development plan. The Public Service Office (PSO) also develops and administers the annual opportunity list for scholarships for both pre-service and in-service i-Kiribati nationals. The PSO oversees the National Conditions of Service 2012, the Public Service Performance Management Guidelines 2014, a complaint mechanism, and hosts the Public Service Integrity and Corruption Control Unit to combat corruption domestically, and as part of Kiribati's contribution to the international community in the global fight against corruption.

Since the beginning of 2018, the PSO started to dispatch HR Officers in Line Ministries to efficiently undertake support roles to civil servants within Government. This initiative supports this assessment because the presence of HR Officers in key agencies responsible for coordinating, accessing and implementing climate change financing projects will assist to address some of the human capacity gaps identified.

At the time of the assessment, the World Bank was assisting PSO with a human resource management reform with the Staff Performance Management Guidelines and Staff Performance Appraisal (SPA) Form. The current reward system does not differentiate the rewarding of public servants who attain 'excellent', 'very satisfactory', or 'satisfactory' ratings, which could be demotivating to high performers. Having an appropriate rewarding system will reduce staff turnover in key agencies involved in climate finance work.

There is no shortage of long-term scholarships for i-Kiribati nationals offered by key donors, such as Australia, New Zealand, Taiwan, Japan and so forth. There are also short-term training opportunities for public servants by Japan International Cooperation Agency (JICA) and other donors. There are efforts by the providers of these capacity building opportunities and scholarships to align to the Human Resource Development Plan and the annual Priority List.

Although climate change and disaster risk management are key priorities for Kiribati as articulated in national and sector plans discussed in Section 2, the priority list does not properly align to the articulation in national and sector plans related to CCDRM. For example, in 2018, the in-service academic opportunity list treated energy/ environment/ water as priority 4 out of 6 priority sectors, and climate change resilience and renewable energy were categorised as 9 out of 11 and 11 out of 11 priority areas of study, respectively. This means climate change-related fields of study are the least preferred areas of scholarship priority. Similarly, for the 2018 pre-service priority list, climate change resilience is listed as a 4 out of 5 preferred study area, again at the bottom of the list. For the overseas priority list, climate change resilience was also listed as a 4 out of 5 preferred programmes of study under the Fisheries/ Coastal Protection/ Climate Change sector. For the 2019 opportunity list, climate change resilience or climate finance was not even a priority for in-service awards, whilst climate change resilience was listed as 2 out of 6 in the pre-service priority list. Going forward, it is recommended that Government build national capacity to implement CCDRM activities and access more climate finance through the inclusion of climate change finance and climate change resilience as a top priority area of study.

### 6.4.2 Ministry of Employment and Human Resource

Among other functions, the Ministry of Employment and Human Resource (MEHR) is responsible for employment opportunities and schemes, labour market database, national human resources development strategy, and administers the Kiribati Institute of Technology and the Marine Training Centre, which provide trade skills to i-Kiribati nationals in areas that are relevant to climate change resilience.

The Ministry plays a key role in the recruitment process of public servants. Once the PSO approves a line ministry's request for a new position, the advertisement and shortlisting will be undertaken by MEHR. The shortlisted candidates are then forwarded to the recruiting Ministry for interviews and selection. PSO then makes an offer to the successful candidate. While this arrangement is working, the mechanism does not allow MEHR to track the outcome of the recruitment process, because the selection report submitted by the recruiting Ministry to PSO is often not copied to MEHR. Ensuring selection reports from recruiting Ministries to PSO are copied to MEHR will enable the Government to have a clear oversight of its national dedicated human capacity related to climate change, disaster risk management and climate change finance.

### 6.4.3 Kiribati Teachers College

The Kiribati Teachers College (KTC) is the principal national institute that provides pre-service and in-service training for primary, junior and senior secondary school teachers. It receives an annual grant from the national Government. In 2018, KTC had about 116 year-one students, 41 year-two students, 45 year-three students, and 41 staff.

KTC operates under the Education Act 2013 and the Kiribati Education Sector Strategic Plan 2012–2015, which is yet to be updated. A Kiribati Inclusive Education Policy was in draft at the time of the assessment.

The assessment team was pleased to note that KTC integrates climate change resilience into the courses that they teach, implying that teachers will be able to apply the CCDRM relevant knowledge in their schools throughout the country. For example, the Teacher Professional Development Facilitator's Guide 2015 includes topics on 'enhanced greenhouse effect', 'sea-level rise', 'water cycle', 'adaptation', 'vulnerability' and 'mitigation'. There is also a specific Teacher Trainees' Study Guide for Teaching Climate Change, Mitigation and Adaptation – SCP212 in 2017. This built on the SPC/ GIZ Guide for Pacific Teachers on Learning About Climate Change the Pacific Way 2013.

### 6.4.4 The University of the South Pacific (USP) Kiribati Campus

The USP Kiribati Campus has over 3000 students doing Preparatory, Foundation, Certificate, Diploma and Degree studies at USP. The campus offers a wide range of Distance and Flexible Learning courses, face-to-face classes and a Flexi-School Programme. The most popular courses are English, Computer Science, Education, Science, Management and Accounting. The Campus also offers a Continuing and Community Education Programme for the people of Kiribati. The Campus currently has three academic staff - the Director, the Assistant Science Lecturer and an English Language Tutor. There are six Intermediate Staff - the Programme Assistant/ Coordinator (Continuing and Community Education), the Coordinator (Foundation Studies), Library Officer, Campus Accountant, the Planning and Development Officer and the USP Net Manager, 9 junior support staff and 4 maintenance and grounds staff.

USP is a key provider of quality education in Kiribati and has been instrumental in upgrading the skills of public servants through distance and flexible learning modalities. In 2018, the Pacific Centre for Environment and Sustainable Development (PACE-SD) at USP had undertaken a country visit to Kiribati to provide awareness of USP's climate change programmes, including postgraduate study opportunities. Government officials can do a postgraduate diploma, masters or doctorate in climate change at USP.

## 6.5 Recommendations

1. Government to work with partners to boost the capacity of the Climate Finance Division within-MFED. Currently, the division has a Director, Climate Finance Programme Officer and Communications Officer. New positions that could be considered are Senior Climate Finance Officer-Multilateral and Senior Climate Finance Officer-Bilateral.

2. Consider establishing a dedicated Climate Change Coordination and Planning Officer within the Climate Change Unit in the Office of the President to strengthen OB's role related to coordination and policy advice, and to undertake the reporting requirements to the UNFCCC (national communications, BURs, etc.).

3. MFED, through CFD, coordinate climate finance training on funding opportunities from the GCF, Adaptation Fund and Climate Investment Fund to NGOs and the private sector.

# 7 Gender and Social Inclusion Analysis

**Key Messages:**

- Kiribati institutions seeking to be accredited to the Green Climate Fund (GCF) and Adaptation Fund (AF) need to show that they can implement the performance standards in line with the global climate funds gender policies.
- National Development Plans and sector policies in Kiribati recognise gender and social inclusion and provide a clear mandate for mainstreaming GSI issues throughout national programmes. However, there is weak focus on mainstreaming gender in non-traditional areas outside of the core social policy areas, such as CCDRM.
- Ensuring a structural linkage between MWYSA, OB, MFED and MELAD on gender and climate change issues, facilitated through a GSI working group under the KNEG, will promote active representation of women and build the skills required for addressing gender and social inclusion in CCDRM.
- There are a number of case studies of good practice addressing GSI issues related to women, youth, and people living with disabilities, including the Green Bags, KiriCAN, church groups, youth and women's issues, and disability initiatives.
- Strategy 12 of the KJIP, which seeks to enhance the participation and resilience of vulnerable groups, only represents 2% of the total budget costed for the KJIP implementation.
- A whole-of-Government approach to gender mainstreaming in Ministries and departments as proposed by MWYSA is an important initiative for Kiribati.

## 7.1 The Imperative for Gender and Social Inclusion Analysis

Kiribati currently holds Least Developed Country status and has one of the lowest GDPs of all Pacific countries. Poverty includes a lack of access to basic needs of water and sanitation, clothing and adequate shelter. Due to limited land space, low soil fertility and poor access to freshwater resources, it is extremely difficult to grow crops or vegetables. Income earning is mostly dependent on the fishing industry and copra export. Households in the outer islands rely on fishing carried out by men, as well as collecting reef food and weaving done by women, and copra, which is cut by both women and men. Men conduct plantation and land preparation for breadfruit and coconut trees, whilst women tend to garden vegetables, fruit crops and small livestock[21].

In terms of the representation of women in senior governmental posts, Kiribati has increased to 37%; however, the women's representation in governance structures remains low with three female members of Parliament (6.5%) and at the local Government level, there are 10 women councillors, out of a total of 332[22]. Kiribati has very strong traditional social structures around the unimwane (male elders' system) with women having little involvement in community and national decision-making[23]. The unimwane consists of the head of each kainga (group of extended family). The church also influences the gender roles for men and women. Major religious groups include the Catholic Church (more than half of the population), followed by the Kiribati Protestant Church (KPC); the Latter-day Saints (Mormons); Seventh-day Adventists, and the Baha'i Faith.

21 IFAD (2014). Outer Islands Food and Water Project. Design completion report. pp. 3-8.

22 International Parliamentary Union, Women in National Parliaments website, http://archive.ipu.org/wmn-e/classif.htm, accessed 20/07/2018 and MIA interview.

23 WHO (2013). Measuring and responding to violence against women in Action on gender inequality as a social determinant of health. Fiji: WHO, p. 2.

One in five households in Kiribati is headed by women, due to the number of men seafaring or going overseas for work, with remittances from overseas accounting for 6.4% of Kiribati GDP[24]. Women are primarily responsible for household labour, including accessing water and fuel, which in Kiribati consists of biomass in the form of coconut and palm residues or firewood, as well as imported petroleum and, in some areas, electricity can be solar[25]. Women in Kiribati are highly vulnerable to the impacts of climate change and disasters as users of water and fuel and the providers of food for the family. Their coping capacity is limited by their decision making, but they have the potential to increase their role in decision making and climate change initiatives through managing waste, planting mangroves, and using clean cook stoves. *A Study on Violence against Women and Children* (2010) identified 68% of women aged 15–49 years had experienced sexual or physical violence from their partner[26]. Subsequently, Cabinet approved the *National Approach to Eliminating Sexual and Gender Based Violence in Kiribati Policy and National Action Plan 2011-2021*.

The *Kiribati Disability Monograph* identifies the social and economic disparities for adults and children with disabilities whom are more likely to be found in the poor households. It notes barriers for people living with disabilities in accessing education and health facilities. Although it does not specifically address climate change or disasters, it does state that adults and children with disabilities are more likely to access basic services, such as improved water and sanitation facilities[27].

The *Kiribati National Youth Policy 2011-2015* identifies youth as representing more than 20 per cent of Kiribati's population and considers key issues facing youth as unemployment; sexual and reproductive health; mental health and suicide; accidents; alcohol and substance abuse, and education. In addition, most children with disabilities do not complete education, especially in the outer islands, due to the lack of disabled-friendly school resources and accessibility. It is extrapolated that "this contributes to their lack of knowledge and lack of skills, and renders them vulnerable to a life of dependence, abuse and exploitation, and other natural and human disasters"[28].

Globally, the role of women, the poor, youth, people living with disabilities and the elderly are often not actively involved in decision making around issues regarding climate change and disaster risk management. Ensuring the social inclusion of those most at risk of the impacts of climate change and disasters is critical to ensure what the Sustainable Development Goals identify as "leaving no one behind". Climate change work also provides a context where employment, access to energy and infrastructure can improve the lives of women and other disenfranchised groups[29].

24 Pacific Women (2014). *Pacific Women Shaping Pacific Development: Kiribati Country Plan,* Fiji: DFAT, p. 3.

25 Gender and social dimensions, Kiribati case study Side Event: SBS Climate Change Meeting Bonn, Germany, https://gendercc.net/fileadmin/inhalte/dokumente/6_UNFCCC/Gender_and_Social_Dimensions-Kiribati_Case_Study_01.pdf, accessed 30/07/2018.

26 Pacific Women (2014). *Pacific Women Shaping Pacific Development: Kiribati Country Plan*, Fiji: DFAT, p. 3.

27 UNICEF Pacific (2017). *Kiribati National Statistics Office and Pacific Community, Disability Monograph: From the 2015 Population and Housing Census.* UNICEF, Suva, p. 1.

28 *Republic of Kiribati National Youth Policy 2011-2015*, p. 18.

29 ADB (2016). *Building Gender into Climate Finance: ADB's experience with the Climate Investment Funds.* Manila: ADB, p. vi.

## 7.2 Gender in Global Climate Finance Structures

### 7.2.1 Climate Change Funding

Institutions seeking to be accredited to the GCF and Adaptation Fund (AF) need to be able to show that they can implement the performance standards in line with climate fund gender policies. In recent years, there has been a significant increase in the requirements from these funds to address gender issues through the development of the policies and action plans below:

- Green Climate Fund Gender Policy and Action Plan, 2014
- Global Environment Facility Gender Equality Action Plan, 2015
- Gender Policy and Action Plan of the Adaptation Fund, 2016
- Guidance document for the implementing entities on compliance with the Adaptation Fund Gender Policy, March 2017
- Climate Investment Funds Gender Action Plan Phase 2, November 2016
- Climate Investment Funds Gender Policy (Revised), Jan 2018
- UNFCCC Gender Action Plan, 2017.

These funds require Government to identify gender and climate change issues in national policy and plans; a gender analysis into design and programming; an increase in women in decision making; sex disaggregated data; an increase in liaison and strengthened national women's machinery; dedicated expertise and budgeting; and gender in reporting mechanisms and monitoring and evaluation.

The *Gender Action Plan from the Green Climate Fund* (2014) identifies four pillars to address gender issues for compliance in funding. These pillars are: commitment; comprehensiveness; scope and coverage; equitable resource allocation; accountability, and competencies[30]. These pillars are common across climate change funding and, as such, are used as a basis for analysis in this section.

### 7.2.2 Global Climate Change, Disaster and Gender Mandates

Climate change and gender are both crosscutting issues and a focus for mainstreaming, and are often addressed as separate issues; however, this section aims to distil the areas where these issues are seen as interlinked.

The UNFCCC sets global standards for governments on climate change. The 23rd annual Conference of the Parties to the 1992 United Nations Framework Convention on Climate Change (COP23) in 2017 outlined a Gender Action Plan with five priority areas in:

- *Capacity-building, knowledge sharing and communication - stakeholder expertise in applying gender considerations in policies, programmes and projects;*
- *Gender balance, participation and women's leadership - full, equal and meaningful participation of women in the UNFCCC process;*
- *Coherence - consistent implementation of gender-related mandates and activities;*
- *Gender-responsive implementation and means of implementation - respect, promote and consider gender equality and the empowerment of women; and*
- *Monitoring and reporting - track the implementation of and reporting on gender-related mandates under UNFCCC.*

The *Sendai Framework for Disaster Risk Reduction 2015-2030* identifies integrating gender, age, and disability into all policies and practices, with women and youth leadership. It states, "women and their participation are critical to the effective management of disaster risk and design" and advocates for gender-sensitive DRR

*30 Country ownership is an additional pillar but for the sake of this report, this is considered across the other pillars as it is a national assessment.*

policies, plans and programmes with capacity building to empower women for disaster preparedness and securing alternate means of livelihood after a disaster.

The Sustainable Development Goal (SDG) 13 promotes mechanisms for raising capacity for effective climate change-related planning and management in least developed countries, including a focus on women, youth and local and marginalised communities. Additionally, the 2009 Statement of the *Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) Committee on Gender and Climate Change* states that "sex-disaggregated data, gender-sensitive policies and programme guidelines to aid governments are necessary to protect women's rights to personal security and sustainable livelihoods," and addresses the role of women's representation in decision-making. In addition, the *United Nations Commission on the Status of Women Resolution 55/1 (2011)* deals with "Mainstreaming gender equality and promoting the empowerment of women in climate change policies and strategies"[31], and Resolution 56/2 (2012) deals with "*Gender Equality and the Empowerment of Women in Natural Disasters*"[32].

### 7.2.3 Regional Climate Change, Disaster and Gender Mandates

*The Framework for Resilient Development in the Pacific: An Integrated Approach to Address Climate Change and Disaster Risk Management 2017-2030* recognises the critical role of integrating gender considerations, and the equitable participation of women in planning and implementation of activities requires governments to use sex-disaggregated data for vulnerable groups and strengthen capacities through gender analysis[33].

The 13th Triennial Conference of Pacific Women and 6th Meeting of the Pacific Ministers for Women were held in October 2017 in Fiji, with Kiribati represented. The Conference Statement includes the following reference to climate finance:

> *28. Called for governments, the private sector, CROP agencies and development partners to increase financing and sustained investment to: d) build women's resilience to climate change impacts and sustain their livelihood in agriculture, fisheries and aquaculture, recognising their traditional knowledge and sustainable, traditional adaptation and mitigation practices.*

In 2014, a high-level meeting in Fiji involved Government and non-governmental organisations (NGOs) from 11 PICs, including Kiribati. The outcome statement illustrates a clear vision for addressing gender in climate change, including reference to climate finance in the statement:

> *Climate finance must be gender-responsive, as climate change is not gender-neutral. The financial measures that address climate action must take into account social development priorities and ensure adequate budget allocation for both national women's machineries and civil society*[34].

## 7.3 Commitment and Accountability: GSI Aspects of Policies of Plans

This section assesses the extent to which guiding policies, plans and institutional frameworks for furthering CC/ DRR/ DRM practice at the national level reflect an understanding and commitment to ensuring gender equality, the role of women and social inclusion, particularly as it relates to youth and people with disabilities.

31 Commission on the Status of Women Report on the fifty-fifth session (12 March 2010, 22 February-4 March and 14 March 2011).

32 Ibid.

33 Ibid, p. 22.

34 *Outcome Statement High Level Meeting, Nadi, Fiji 13 June 2014 Equitable, Effective, and Meaningful Partnerships to Address Gender Equality and Climate Change In the Pursuit off Sustainable Development.*

### 7.3.1 National Development Policy

The guiding national policies of Kiribati articulate a crosscutting support for GSI issues. *The Kiribati 20-Year Vision 2016-2036* acknowledges the importance of gender, youth, vulnerable groups, disability, equity and partnership as crosscutting principles. This section includes several paragraphs addressing specific issues for women, including young women. It identifies vulnerable groups as widows and widowers, orphans and children at risk, persons with disabilities, under-age mothers, the poorest of the poor and the elderly. It states that the Government will provide opportunities for all, including women, youth and all disadvantaged groups through mainstreaming gender in Government policies, plans, budgets and programmes to improve equal opportunity for men and women. It also states that the Government will implement measures through a gender development policy to increase the participation of women in all economic, social and political decision-making processes; improve access to disadvantaged groups to businesses opportunities, health and education services, housing and justice; and minimise vulnerabilities by upscaling the training for people with disabilities and special needs[35]. Additional sections address youth issues in unemployment and sport; however, the disability issues are only addressed in the section on crosscutting issues. This represents a clear mandate for mainstreaming GSI issues throughout national programmes.

Of the 12 Key Priority Areas (KPAs) for the implementation of the Kiribati Development Plan 2016-19, climate change adaptation and gender equity and the empowerment of women are both identified (separately). Youth issues are addressed in terms of employment/unemployment, training and sport. Disability issues are considered in the context of health and education. No GSI issues are considered, specifically in the context of CCDRM.

### 7.3.2 Climate Change and Disaster Policies

The *Kiribati Joint Implementation Plan (KJIP)* for Climate Change and Disaster Risk Management 2014-2023 represents a good practice in addressing GSI issues. It identifies 12 strategic objectives with the twelfth addressing vulnerable groups as outlined below in Box 4. This is a significant good practice, encompassing issues for children, youth, young people, people with disabilities and women with a gender sensitivity indicator/ measure/ toolkit.

35 *Kiribati 20- Year Vision 2016-2026*, p. 55.

**KJIP Strategy 12: Enhancing the Participation and Resilience of Vulnerable Groups**
***Result:*** *Members of vulnerable groups are increasingly engaged in climate change and disaster risk management initiatives and their needs are addressed*
***Activities:***

- Facilitate the participation of children and young people in climate change adaptation and disaster risk management initiatives and conduct youth empowerment.
- Train young people (girls and boys), using training of trainers' method, on climate change adaptation and DRM to deliver child- and youth-friendly information and trialing, including in outer islands.
- Establish youth representation on climate change working groups and committees in order to facilitate youth-to-youth communication and integrate into climate change adaptation and DRM planning.
- Deliver support to youth and child-led adaptation project, with a focus on youth-to-youth and child-to-child knowledge sharing and capacity building.
- Develop communication strategies with the involvement of both young men and young women. Communications strategies should involve the delivery of messages through the school curricula, extra-curricular activities, advisory/ support services in schools, as well as through community-based and non-governmental organisations.
- Develop and implement strategies with young people to promote mental health for young people (KNYP 3.3) and address anxiety about an uncertain future related to climate change.
- Explore opportunities to develop markets and provide livelihoods and training for young people based on Kiribati cultures and traditions, in order to build resilience to climate change.
- Promote the equal participation of women and men in climate change and DRM initiatives.
- Develop a gender sensitivity indicator/ measure/ toolkit.
- Develop conduct-appropriate training and awareness programmes targeting communities and specifically women, youth, people with disabilities, on climate change and disaster risk management linked to safety, security and livelihoods.
- Increase knowledge and awareness of climate change and DRM among people with disabilities in CC and DRM initiatives:
  - Deliver disaster preparedness training for people with disabilities and those that are supporting them.

*Box 4. KJIP Strategy 12: Enhancing the Participation and Resilience of Vulnerable Groups*

In addition, it states, "All strategies and actions in the KJIP are inclusive of vulnerable groups, considering gender, youth and children, the elderly and people with disabilities." Strategy 8 addresses these people's roles in early warning, disaster and emergency management (as below in Box 5).

**Strategy 8: Increasing Effectiveness and Efficiency of Early Warnings and Disaster and Emergency Management**

- o Conduct community awareness campaigns and training for community leaders, women, youth and other groups (considering community roles of women and men) on all hazards, in local languages.
- o Increase the capacity of services to address the specific needs of people with disabilities during times of emergency (training, shelter availability, disability mainstreamed in disaster action plan).
  - Provide training for carers, families and teachers on first aid (including men and women).
  - Provide training for emergency personnel on mobilising people with disabilities (including gender considerations).
  - Designate a safe space where people with disabilities can go in disasters (including gender considerations).
  - Develop an island-specific disaster plan in consultation with people with disabilities, including provision of rations, water, blankets and emergency equipment as required, taking into account traditional protocols and governing systems.
- o Ensure all emergency and disaster management initiatives are responsive to gender.
  - Develop and deliver gender sensitivity training for all emergency and disaster management personnel.

*Box 5. KJIP Strategy 8: Increasing Effectiveness and Efficiency of Early Warnings and Disaster and Emergency Management*

This section includes gender sensitivity training for all emergency and disaster management personnel, promoting the equal participation of women in climate change and DRM initiatives, designating a safe space for people with disabilities in disasters, and developing training linked to safety, security and livelihoods that specifically target women, youth, and people with disabilities. The KJIP also includes the performance indicator "reported cases of injuries and fatalities due to disasters are reduced (baseline to be disaggregated by sex, age and people with disabilities)." Notably, it also identifies violence against women is exacerbated during disasters.

In December 2017, the Global NAP Network and International Institute for Sustainable Development (IISD) released a report *Strengthening Gender Considerations in Kiribati's National Adaptation Plan (NAP) Process.* It explores options for strengthening gender considerations in the KJIP and makes the following recommendations:

- Frame the gender equality issue in line with the i-Kiribati culture–with an emphasis on building a climate-resilient family.
- Strengthen the linkages between women's economic empowerment and climate adaptation.
- Conduct an analysis of the impacts of climate hazards on women and men in different contexts (e.g. urban versus rural) to provide a more detailed analysis of gender issues in the context of climate variability and change.
- Build the capacity of civil society organisations working on women's empowerment and climate adaptation so they are empowered and can contribute to the NAP process.
- Reinforce the role and relevance of the MWYSA in the NAP process.
- Build the capacity of KNEG members on the linkages between gender equality and climate adaptation[36].

The *Kiribati Climate Change Policy 2018* has one of the seven guiding principles as "ensuring that our CCA, mitigation and DRM are equitable, inclusive, gender-sensitive, community-driven and participatory, and reflect the commitments that Kiribati has agreed to under various multilateral frameworks".

36 Dekens, Julie (2017). *Strengthening Gender Considerations in Kiribati's National Adaptation Plan (NAP) Process*. Ottawa: NAP Global Network, pp. 18-21.

The *National Framework for Climate Change and Climate Change Adaptation*, 2013 only makes a brief reference to women. The *Kiribati Integrated Environment Policy 2012* and *National Adaptation Programme of Action* (NAPA) 2007 make limited references to women and youth, but no mention of disability issues; and the *National Climate Change* and *Health Action Plan* briefly references women and people with disabilities. The *Kiribati National DRM Management Plan 2012*; *Ministry of Environment, Lands and Agricultural Development Strategic Plan 2016-2019*; *National Water Resources Implementation Plan Sustainable Water Resource Management, Use, Protection and Conservation* make no reference to any issues related to women, youth or people with disabilities. It is recommended that reviews of these documents address the role of women, youth and people with disabilities in priority areas such as water management, climate change adaptation, land management, conservation and agriculture, which are components of the above mentioned national strategies.

### 7.3.3 GSI Policies

#### Women's Policy

Of the available gender/women's policies reviewed from the Pacific (Cook Islands, Fiji, Tokelau, PNG, Tuvalu, Solomon Islands, Vanuatu, Marshall Islands, Kiribati and Nauru), seven mainstreamed climate change issues well, while the other two made at least limited references to CCDRM issues[37]. Only Kiribati neglected to address the issue; however, this will be amended (according to draft wording) when the new Gender Policy for Kiribati is approved.

#### Youth Policy

A new youth policy was currently in draft at the time of the assessment. *The Youth Policy 2011-2015* addresses issues for young women and people with disabilities, including health, education and human rights, with an additional focus on reproductive health for young women. The policy states: "All youth development initiatives should not discriminate against young people on the basis of age, gender, race, sexual orientation, disability, geographic location or any other form of discrimination as enshrined in the Constitution of the country". It also identifies disabled children as highly vulnerable to the impacts of disasters.

#### Disability Policy

The Disability Policy has been in draft for 10 years. It has been submitted to Parliament for approval. The key updated GSI policy documents remain in draft at present with exception of the *Sexual and Gender Based Violence Policy and Action Plan*. This provides an opportunity to increase the linkage of GSI issues to the areas of climate change and disaster, and discussion with key stakeholders has indicated that several of these documents (especially gender) are significantly working to this aim.

### 7.3.4 Other Sectoral Policies

Not all policies were available; however, a selection of 26 policies or strategic plans[38] were obtained and each were assessed for the presence of GSI and CCDRM issues. To look further into GSI issues, the analysis was separated for issues of women, youth and disabilities, the main areas of focus for this chapter. The analysis categorised the extent of coverage of the issues from nil, negligible, limited, moderate, substantial, and the focus of the policy. Negligible is included as a category due to some documents making one or two mentions of an issue in passing, or simply stating that the issues were mainstreamed throughout the document, without any reference to the issues within the document.

37 Gender review of Climate Change Policies in the Pacific for ADB by Dr Suzette Mitchell 2017.

38 In addition to climate change and disaster, policies related to water and sanitation, energy, fisheries, agriculture and energy, as well as social sector including health, education and nutrition and the private sector.

The policies show a tendency to see gender issues, youth and people with disabilities addressed with a moderate or substantial coverage in health and education and employment. The analysis also looked at how policies identified the connection between GSI and CCDRM issues. This was the weakest aspect of the policies and framework documents. It is recommended that there is an increased focus on mainstreaming gender in non-traditional areas outside of the core social policy areas. The KJIP addressed this connection extensively whilst the energy roadmap and the fisheries policy (discussed below in Table 6) also made specific links. Other policies did not address these linkages; however, this is not unusual and follows a global pattern where social issues and CCDRM issues remain siloed from each other.

| Policy | GSI issues |
|---|---|
| Kiribati National Fisheries Policy 2013-2025 | Includes a section on key issues for women in fisheries with a couple of references specifically to young women. States MFMRD will adopt and implement sustainable measures equitable for all i-Kiribati and promote gender quality. Strategic action six is to undertake a socio-economic analysis of subsistence, artisanal and commercial fisheries in lagoons and inshore water. |
| National Energy Policy 2009 | Addresses gender equity as one of the six guiding principles. |
| Kiribati Integrated Energy Roadmap: 2017–2025 | Refers to health for women and children for clean air from using clean cooking fuel, and less transport time to get gas cylinders. |
| Education Sector Strategic Plan 2016 – 2019 and Ministry of Health and Medical Services Ministry Strategic Plan 2016-2019 | Address significant health and education issues for women and girls, as well as identifying issues for people with disabilities but none of these are directly related to CC/ DRR. |

*Table 6. Summary of How Policies Identified the Connection Between GSI and CCDRM Issues*

## 7.4 Human Capacity and Technical Expertise for GSI

This section aims to identify the key institutions and mechanisms responsible for integrating GSI issues into climate change results and their capacity to do this task. In respect to the representation of men and women on the key decision-making boards, Kiribati represents a good practice. The representation on the key committee dealing with disasters and drought is identified below in Table 7.

| National Drought Committee | Gender Representation |
|---|---|
| MISE (lead) | Male lead and two females |
| OB | 1 female |
| Red Cross | 1 female |
| DFAT | 1 male |
| MFAT | 2 male 1 female |
| Public Utilities Board | 2 males |
| Environmental Health Unit | 1 male |
| Total | 7 males and 5 females |

*Table 7. Membership of the National Drought Committee*

The other major decision-making body is the KNEG. The NAP Global Network Gender Review of the KJIP states that a participant list of the KNEG meeting in 2015 indicated 24 women in attendance and 12 men, which illustrates a predominance of women; however, the representation of NGOs has been low[39]. The involvement of more NGOs (especially those dealing with GSI issues) in the process of the KJIP, and other national processes and programmes is essential to increase accountability of Government processes. As there is not a formal TOR for the KNEG as yet, this representation should be monitored with the possible inclusion of a quota for women and representation of AMAK and Te Toa Matoa.

Moving beyond the representation of women, the skills in addressing gender and social inclusion in CCDRM are less obvious to identify. MWYSA was the only Government Ministry that had significant staff with specific expertise in gender, with the exception of the Police in the Domestic Violence Support Office. No other Government Ministries or departments have staff with gender expertise, including the Ministries with carriage of climate change and disaster issues. Additionally, ensuring a structural linkage between MWYSA, OB, MFED and MELAD on gender and climate change issues could be facilitated through a GSI working group under the KNEG.

The SPC *Stocktake of the Gender Mainstreaming Capacity of Pacific Island Countries—Kiribati*, found that people perceived the political will for gender mainstreaming to be high at the national level, but lower in the outer islands. This is considered to be influenced by the increase of women in senior Government positions in Tarawa. The paper refers to organisational culture which, in turn, is affected by traditional norms and gender roles that are much more entrenched on the outer islands. It sees the inclusion of men as gender advocates as critical to increasing buy-in on gender equality issues[40].

### 7.4.1 KJIP

The KJIP provides the map for the implementation of CCDRM programming and identifies the relevant actors for this work. Strategy 8 addresses disaster activities for people living with disabilities with the responsible lead agencies as Ministry of Health and Medical Services (MHMS), Kiribati Police Service, MIA, OB; with the support agencies being Red Cross, Marine Training Centre, Fisheries Training Centre (FTC), Kiribati Rehabilitation Centre, churches, businesses and village councils. Only the separate task of the gender sensitivity training for emergency and disaster management staff identifies MWYSA as a responsible lead agency alongside MIA. Strategy 12 on vulnerable groups identifies the responsible lead agencies as the MIA – Youth Division, MELAD and MOE with the gender sensitivity toolkit led by MIA. The support agency for this activity is the KNEG with no mention of the MWYSA. The support agencies are listed as Pacific Youth Council, Kiribati National Youth Council, FSPKI, 350.org, KiriCAN, Te Toa Matoa and the School and Centre for Children with Special Needs in Kiribati.

To increase accountability and align GSI issues with the national Government body tasked with ensuring gender equality, there is a need for increased involvement of the MWYSA in the design and implementation of the KJIP. MYWSA has contributed to the KJIP review and sees potential for greater involvement as a stakeholder in this area. The KJIP is also the only document that has the ability to monitor and track GSI issues.

### 7.4.2 Ministry of Women, Youth and Social Affairs (MWYSA)

The Ministry of Women, Youth and Social Affairs (MWYSA) was established in 2011. Previously, as the Ministry of Internal and Social Affairs (now Ministry of Internal Affairs), it covered issues related to social affairs. At this time, there was no focal point for women, and the umbrella women's group, *Aia Mwaea Ainen Kiribati* (AMAK) was operating both as an NGO, as well as a Government entity.  AMAK was a crucial player in driving the establishment of MWYSA.

39 Dekens, Julie (2017). *Strengthening Gender Considerations in Kiribati's National Adaptation Plan (NAP) Process*. Ottawa: NAP Global Network, p.17.

40 SPC (2015). *Stocktake of the Gender Mainstreaming Capacity of Pacific Island Countries—Kiribati*. Noumea: SPC..,

MWYSA covers four key areas: women, youth, disability and NGOs. The Women's Division has six permanent staff and six project staff. The Youth Division has two permanent staff and two temporary staff, and Social Affairs has one officer. There is also a unit for NGOs and they are updating an NGO Database. NGOs in Kiribati need to be formally registered to receive any funds and recognition by Government. There is a small grant fund they may access, which is done through the Registry Office as a part of MWYSA.

**Youth Division**

The Youth Division has a loan scheme that can provide AU$500 loans to i-Kiribati youth with a 3% interest rate. The pilot project has identified 20 people for the loan scheme. To date, this has had a focus on vegetable growing and selling, small canteens, selling pig feed and catering. This has been funded by the Development Bank of Kiribati (DBK) with a one-off grant of AU$10,000. 150 male and female youths have also been trained in gardening and livestock through ROC/ Taiwanese funding.

**Disability**

MWYSA has a Disability Officer who works with the main NGOs active on disability issues. The main issues articulated for people with disabilities in CCDRM focused on accessibility of facilities with climate proofing. NGOs have not been well represented on the KNEG and this is seen by this review as an important issue for Government accountability. In respect to issues for disability, the inclusion of Te Toa Matoa would be significant. The next section includes a good practice case study of how Te Toa Matoa have addressed DRR training and preparedness for people with disabilities.

**Women's Development Department (WDD)**

The WDD has two units — one on gender-based violence (GBV) and one on women's economic empowerment (WEE). The GBV division covers a programme on Safe Nets and another on Strengthening Peaceful Villages (both in conjunction with UN Women). This work is guided by the implementation of the *National Approach to Eliminating Sexual and Gender-Based Violence (ESGBV) in Kiribati: Policy and Strategic Action Plan 2011-2021* and the Te Rau N Te Mwenga Act, Family Peace Act for Domestic Violence, which was passed in 2014. The WEE unit focuses on training for women in outer islands in cooking, sewing, handicrafts, financial literacy and agriculture. The Government of Taiwan has provided AU$60,000 for the training and they have conducted the training for six islands to date.

MWYSA has an Outer Island Liaison Officer who liaises with the Administrative Social Work Officers on each island. The task of these officers, funded by national Government, is to deal with issues for women, youth and people with disabilities. These officers have had short-term gender trialing, covering GBV and WEE issues but not CCDRM. There is potential for these staff to be trained in CCDRM issues. The WDD also works closely with the local Government and rural development divisions, as well as natural resource Ministries and civil society groups to "facilitate women's involvement in environmental management and food security" on the outer islands[41]. The WDD have funded the re-establishment of the AMAK as an umbrella network for women's groups. They have a history of working in climate change issues (see next section).

### 7.4.3 Whole-of-Government Approach

There are different committees and networks that focus on domestic violence but no national women's or gender committee and no structure for gender focal points in different Ministries. In the past, there was a CEDAW Working Group that identified focal groups from different Ministries, but this is now subsumed into the Ministry of Justice. Kiribati Ratified the *Convention on the Elimination of All Forms of Discrimination Against Women* (CEDAW) and the draft report is currently with Cabinet. The SPC Gender Stocktake of Kiribati considers that the CEDAW Working Group was "constrained by a lack of consistent membership and sporadic

41 SPC (2015). *Stocktake of the Gender Mainstreaming Capacity of Pacific Island Countries—Kiribati.* Noumea: SPC, p. 15.

attendance", as well as the stalled process of the CEDAW report writing due to the "imbalance between workload and staff capacity"[42].

The SPC Gender Stocktake (2015) conducted interviews with the WDD and it was self-assessed as having moderate technical capacity for gender analysis, gender responsive planning and project evaluation[43]. Strong skills were identified in the areas of human rights and gender-based violence but it identified gaps in gender mainstreaming, legal analysis and policy review. The review noted the lack of technical capacity to collect and analyse gender data. The report also considered that the Statistics Office did not have the time or staffing to conduct such work. The report advocates for continued in-house staff development, coaching and mentoring[44]. On the issue of addressing capacity across other Government Ministries, the SPC Report states:

> *Respondents also pointed out that, while mid-level Government officials definitely need capacity development, this must be supplemented by initiatives that will facilitate: a) senior decision-makers being sensitised to gender and development issues so that they understand the links between mainstreaming and improved development results and become more willing to support investment in gender mainstreaming; b) men and women on outer islands having a chance to understand why gender equality is critical to improved development; and c) women from outer islands being given some specific support to become more active decision makers to redress historic disadvantages. Constraints to capacity development that were cited during the stocktake included: a) funding; b) the fact that gender mainstreaming is not articulated as a core responsibility of most Ministries; and c) the lack of understanding about how gender relates to the day-to-day work of Government Ministries and divisions and development results*[45].

The report suggests increasing technical capacity with development partners, tailoring support through in-house coaching and mentoring; working with the PSO to create performance incentives for gender capacity development; multi-year donor capacity building for a cadre of professional staff across Government Ministries; and increased national dialogue on gender issues at high-level meetings[46]. There also needs to be consideration of funding focal points, with accountability in TOR, which is being addressed by MWYSA in the development of the new gender strategy.

The head of MWYSA and a female representative of MFED have accessed training with PIFS and DFAT on gender and climate change advocacy led by the Women's Environment & Development Organisation (WEDO). The MFED representative travelled to Bonn for UNFCCC negotiations in early 2018; however, MWYSA staff have not been involved in international negotiations, although they lead gender discussion from Kiribati on these issues on the regional stage.

MWYSA's role could substantially change with the endorsement of the new gender policy, a strengthened KNEG and additional climate change financing. There is significant opportunity for MWYSA to be more active in CCDRM issues and consultations for this review indicated widespread support for this idea from various sections of Government. MWYSA has suggested housing a gender and climate change specialist, which was also supported by the Secretaries of OB and MFED who suggested it be funded from the GCF readiness grant or partners such as DFAT or ADB.

42 SPC (2015). *Stocktake of the Gender Mainstreaming Capacity of Pacific Island Countries—Kiribati.* Noumea: SPC, p. 14.

43 16 semi structured interviews (11 men and 25 women) were conducted with central and line ministries and focus group discussions held with NGOs. SPC (2015). *Stocktake of the Gender Mainstreaming Capacity of Pacific Island Countries—Kiribati*. Noumea: SPC, p. 16.

44 Ibid, p. 17.

45 Ibid, p. 26-27

46 Ibid, p.32-33.

## 7.5 Comprehensiveness, Scope and Coverage

This section assesses how GSI issues have been integrated throughout the design, delivery and evaluation of CC/ DRR/ DRM projects. Information was collected from interviews, documents provided by stakeholders and an internet search. Due to the limited number of projects available, it was not possible to quantify the work. Most of the documents did not have a specific GSI focus, except for a few NGO programmes. As such, this section identifies case studies of good practice, addressing GSI issues related to women, youth, and people living with disabilities.

GCF funding will require programmes to conduct "a mandatory initial socioeconomic and gender assessment, to proactively build in a gender-sensitive approach to project planning, design and implementation arrangements"[47]. In addition, a Gender Action Plan must be developed as a part of GCF funding proposals, with gender-responsive activities, gender performance indicators and sex-disaggregated targets. A gender-sensitive monitoring and evaluation framework should incorporate mandatory gender indicators in the project results framework. In addition, GCF and GEF require extensive stakeholder dialogue on the development of programmes, with attention paid to the representation of women and vulnerable groups, as well as the involvement of NGOs. The following case studies illustrate areas where some of this work has been conducted at the project level.

### 7.5.1 Green Bags

Green bags funded through SPREP were first promoted by Foundation for the Peoples of the South Pacific Kiribati (FSPK) and Community Development and Sustainable Participation (CDSP) in 2003 in South Tarawa to decrease the large amount of organic waste that was retrieved by the councils. With free green bags (which now have a nominal payment to offset collection costs), the local Teinainano Urban Council (TUC) garbage

47 UN Women and GCF (2017). *Mainstreaming Gender in Green Climate Fund Projects: A practical manual to support the integration of gender equality in climate change.* Incheon, GCF, p. 21.

collectors were able to collect separated plastic bottles, aluminium cans, and organic (green) and inorganic waste. Green bags began distribution from FSPK and CDSP offices with AMAK and the TUC offices playing a critical role.

This programme has now been extended throughout South Tarawa with the green bag programme not only being a mechanism for rubbish collection, but also a campaign to encourage people to separate their waste. The contents of the green bag will go to the landfill, with recyclables and organics separated from the household[48]. The role that AMAK has played (in the past) in this process illustrates how women's groups and networks can be mobilised to work with local women in addressing issues of household waste.

### 7.5.2 KiriCAN

The Kiribati Climate Action Network (KiriCAN) is the first and only climate change specific NGO established in Kiribati and has members from various women and youth groups. KiriCAN mentioned that they mainstream GSI issues throughout their programme and have recently applied for a UN grant to specifically work for women and youth awareness on climate change and disaster risk reduction. They have recently received funds from USAID to work on the adaptive capacity of community-based water management systems in the outer islands of Kiribati. The training includes a session on gender for technicians and has developed a Gender Analysis and Action Plan to assist grantees to address gender in project activities. This was the only organisation identified that created a gender action plan for the programme. The project facilitators work directly with the Village Water Committees (VWCs) who are selected from the community. The VWCs that have been set up by KiriCAN include equal representation of both women and men.

### 7.5.3 Youth and Women's Issues

The International Fund for Agricultural Development (IFAD) has been funding an Outer Islands Food and Water Project that works to improve household food production and access to clean water with FSPK who have been training the Islands and Community.

Field Officers work with people from about 2000 households and 43 communities to identify appropriate actions that respond to the environmental challenges. The project works with households to grow nutritious foods in sustainable ways in a fragile ecological environment. Home gardeners are trained on soil fertility, water management and using a farmer field school approach. Provision of secure access to a basic minimum quantity of clean drinking water is a focus of rainwater harvesting, which is building 278 rainwater-harvesting structures each with a consensus-based water-user agreement for maintenance. The programme addresses water infrastructure, prioritising disadvantaged households that are a significant distance from community centre water tanks and also targets young people for technical training in plumbing skills.

The project also collaborates with schools to teach young people skills in sustainable gardening and nutrition education. Women are taught cooking, food preparation and preservation in school kitchens. It also provides employment for young people in nursery operations. The community planning and action component of the programme is run by a dedicated Gender and Youth Officer with the provision of training to all staff to identify gender and youth issues. Separate consultations are conducted for young people and women to discuss community and household planning processes. The project prioritises those less than 30 years for the position of Island Facilitator and Community Facilitator and has a target of equal numbers of young men and women who are recruited for this[49]. This programme represents a good practice in the sector, combining a strong participatory approach for women and youth in a sustainable environmental framework for household and community development.

48 Alice Leney, A. (2006). *The impact of the green bag on waste generation in South Tarawa, Kiribati.* SPREP, p. 11.

49 IFAD (2014). *Outer Islands Food and Water Project. Design completion report*. pp. 3-8.

The United Nations Children's Fund (UNICEF) is also working on Water, Sanitation and Hygiene (WASH) improvement with rainwater tanks and groundwater supply and sanitation facilities in 16 outer islands. They have conducted research in two schools, using biodegradable cloth for menstrual pads. Most women and girls in outer islands currently use non-biodegradable pads if they can afford them, or rags. This represents a good practice in the sector for women and girls.

### 7.5.4 Disability Initiatives

Te Toa Matoa is the lead disability NGO on disaster and resilience work. They have worked with FSPK and KiriCAN on a project in Tebikenikora, an area prone to the increase of sea-level rise and king tides. The communities had little understanding of CCDRM but admitted to experiencing a shift in the environment and weather. An awareness programme was developed, using drama on DRR/ CCA and addressed issues for women and youth. The project worked to promote human rights and provided equal rights for people to speak or express their capability. The consultations with key groups are summarised below in Table 8[50].

| Group | Problems | Possible Soutions |
|---|---|---|
| Disabled persons | Problems Discrimination — the public always think of negative things about them. | Involvement in the training and promotion awareness programmes related to disaster risks reduction and climate change to prove to the public that they are not really what they have thought of them. |
| Women | Traditionally women are not allowed to talk when men are present at the meeting, therefore they cannot voice out their concern or issues they have. | Promotion of human rights especially rights of free expression |
| Men | Limited knowledge and skills in adaptation activities which causes more destruction or damage to the environment. | Encouraging more community consultation on related issues to elders (unimane) so they relay the correct message to their community members. |
| Youth/Children | Exclusiveness from traditional knowledge i.e unable to continue the existing norms to assist with the modern culture. | Encouraging the elders to pass on the traditional knowledge by way of using them as service providers to youth meetings/trainings. |

*Table 8. Summary of Consultations from a Project in Tebikenikora*

FSPK established an advisory committee, inviting members from different NGOs, church groups and Government departments with members from the Red Cross Society, Catholic Church, youth leaders from Seventh-Day Adventist Church, women's leaders from Bahai Faith, Climate Change Officer from OB and MELAD, Officer from Curriculum Department in the Ministry of Education (MoE), and Te Toa Matoa. The committee meets once a month and discusses the progress of the programme and gives advice and promotes awareness activities on the concepts of DRR/ CCA. The committee also acts as service providers in areas where this is needed by the community. The project uses a participatory approach to collectively run development activities that will

50 "The Mystery of the Fading Community Action at the Frontline Kiribati, The Pacific", Foundation for the Peoples of the South Pacific Kiribati (FSPK), no date, p. 8-9.

increase their self-reliance and improve their wellbeing in an inclusive manner. The report states, "Local people are active participants, not just sources of information"[51]. This is an excellent model and the participatory methodology could be used for GCF processes, which require gender equitable stakeholder consultation.

### 7.5.5 Church Groups

Church groups have significant potential for the mobilisation of women and youth. The Catholic Women's Organisation has 32,000 women members and provides equipment and training for gardening and cooking, as well as awareness on recycling rubbish and composting in the outer islands. The Uniting Church Australia provides funds to help with mangrove growing, addressing erosion and Adventist Development and Relief Agency (ADRA) youth groups have been working with KiriCAN on mangrove planting. Churches are also active in disaster preparedness. Each church has a separate evacuation plan and they are trying to work with OB to ensure coordination with the national emergency committee. The Church of Jesus Christ of Latter-day Saints (LDS) also has emergency containers in Tarawa that include tools, food, water, tents and medical supplies. The LDS staff were not aware if they had any hygiene kits or items specific for women's needs.

The case studies above all represent initiatives that can be used for future programmes in CC/ DRR, including the representation of women in decision making (including equal representation of mobilisers at the village level), consultative community processes, an analysis of the specific issues facing women and marginalised groups (actively targeting people with disabilities), collection of sex disaggregated data and the involvement of women in specific adaptation activities (green waste, mangrove planting, water management, gardening).

### 7.5.6 Guidelines for Mainstreaming Gender in CCDRM Programming

It is suggested that a set of mainstreaming guidelines be developed, using available resources and tailoring these to the context of Kiribati (see Recommendation in Chapter 2. Polices and Plans). There are many guidance materials available, including the GCF and UN Women publication *Mainstreaming Gender in Green Climate Fund Projects: A practical manual to support the integration of gender equality in climate change interventions and climate finance (2017); UN Women's Leveraging Co-Benefits Between Gender Equality And Climate Action For Sustainable Development: Mainstreaming Gender Considerations in Climate Change Projects (2016)*[52]*;* the *Pacific Gender and Climate Change Toolkit (SPC, SPREP, UNDP and UN Women)*[53]*;* ADB's *Training manual to support country-driven gender and climate change: Policies, strategies, and programme development (2015)*; ADB's *Mainstreaming gender into climate mitigation activities—Guidelines for policy makers and proposal developers (2016)*; the World Bank's *Guidance Note Integrating Gender Issues in Disaster Risk Management Policy Development and in Projects*; and the *IUCN Guidelines to Mainstreaming Gender in the Development of National Adaptation Plans (NAPs) (2011)*. All of these resources are online and can be used in training and capacity building for Government and NGO workers. These can be used to provide the basis for the gender sensitivity indicator/ measure/ toolkit as identified in the KJIP.

51 "The Mystery of the Fading Community Action at the Frontline Kiribati, The Pacific", Foundation for the Peoples of the South Pacific Kiribati (FSPK), no date, p. 10.

52 https://www.greenclimate.fund/publications/mainstreaming-gender-in-green-climate-fund-projects

53 https://www.pacificclimatechange.net/document/pacific-gender-climate-change-toolkit-complete-toolkit?__cf_chl_jschl_tk__=9dd0e1d3cfa4ec835b7b47108d7ccf4fd-c9d79df-1579552681-0-AZ6uXXWDy5S7wgRB_Kh6QUyEfccWIU05cBmnI8ft-hqyGcw2BsUobDSxSmfElb6xv_ugJ_0ZlMIU-l4YHEkq_aaFjxSA06vlk2YS7hzJumYwpm6WSqcTykh-2f25YGL463Lu3D4Gp2HSCiJx3Kec_xP2ykOcFNspUIMKCPbcaeKFcmgyuLLRX-c6otqTmX_ffk22_glYESxmfMKhT_XtX0D1pvfyTUfKJvoCIJELLkwNRmpI9PMoJKPfaVpsIE3DTbjE5iZm-3Fm5HSzz8IyLUgfIxAelfHkxe_zDqo8ObWKsSyA9C0GUG6rfNEx2UGUSlSrNFjDHE82rQpWIPxw7KBpCE7bXOeNi3oRKnaPZ5hGcX

## 7.6 Resource Allocation

The KJIP identifies AU$417,375 for Strategy 12 of the costed AU$103,107,161[54] which represents 2% of the total budget. It is interesting to note that the significant GSI item, regarding the development of a gender sensitivity indicator/ measure/ toolkit is stated in the indicative costs as "to be estimated". Although it is recognised that all funding has not been sourced for KJIP activities, this is the only activity in the budget without an estimate. This is a critical activity and should be prioritised. In Strategy 8, an additional AU$47,210 is identified for the gender sensitivity training and AU$63,831 for the activities for people with disabilities (which includes women with disabilities).

The majority of the budget for the MWYSA's WDD is dedicated to gender-based violence issues, with some additional programmes in women's economic empowerment. There is no budget line for activities on climate change, with the Government budget allocation covering operating costs and core staff, with the salaries for the project staff coming from donor programmes, including DFAT, SPC's Regional Rights Resource Team (RRRT) and the World Bank. The SPC Gender Stocktake recommends "Financing of gender mainstreaming is a major constraint for Kiribati, partially due to limited Government budgets and the small amount of programme funds available through the recurrent budget, but also due to workload and capacity constraints faced by WDD"[55]. This represents a significant financial constraint to address gender mainstreaming across the board, not limited to the area of CCDRM issues, but is particularly acute in the area of CCDRM given that other Ministries have not budgeted for specific programmes or capacity building in this area. Increased core funding from the Government for gender should be addressed with the approval of the new gender strategy.

## 7.7 Opportunities for Integration of GSI into CCDRM

This section addresses opportunities for improving the integration of gender and social inclusion into CCDRM responses, drawing from the other sections and recommendations in this chapter. The SPC Gender Stocktake identifies a number of areas that provide opportunities to address gender mainstreaming in Kiribati. This includes the political will of leaders who have taken on the issues of gender-based violence with new legislation in this area; the establishment of the MWYSA; increased attention to women in local governance, especially in the outer islands; and the local knowledge and skills base of gender-focused NGOs and networks of women in the outer islands[56].

A whole-of-Government approach to gender mainstreaming in Ministries and departments as proposed by MWYSA is an important initiative for Kiribati. A clear TOR for the KNEG can increase accountability and representation of GSI issues in important climate finance structures, processes and programmes. A mechanism needs to be established to increase the linkages between MWYSA, OB, MFED and MELAD on CCDRM issues in financing, policy and programme. This could be done through the development of a KNEG GSI workplan, linked to the Strategic Plan/ Country Programme, which could be developed by a working group of the KNEG, including the Ministries involved and NGO members, such as Tetaomatoa and AMAK.

The employment of a GSI specialist in MWYSA is an excellent initiative; however, responsibility needs to fall on more than one person. A clear political will is needed to prioritise more funds for increasing capacity across Ministries; this includes the KJIP gender sensitive training and gender sensitivity indicator/ measure/ toolkit. It is also recommended that donors prioritise support given they have identified GSI issues as critical for future funding grants.

54 This is the estimated gross indicative value of the resources needed to implement the KJIP over the period 2014-2023 as stated in the document.

55 SPC (2015). Stocktake of the Gender Mainstreaming Capacity of Pacific Island Countries—Kiribati. Noumea: SPC, p. 33.

56 Ibid, p. 29.

## 7.8 Recommendations

1. Incorporate the recommendations from the 2017 Global NAP Network report Strengthening Gender Considerations in Kiribati's National Adaptation Plan Process, including the M&E framework discussed in Section 2 in the next KJIP.

2. Ensure draft GSI policies address issues of CCDRM as they relate specifically to women and girls, youth and people with disabilities, and that the revision and development of the new policy in CCDRM integrates GSI issues in a whole-of-Government approach, in line with the mainstreaming approach to climate change (as discussed in Section 2).

3. Undertake initiatives within the KNEG to strengthen GSI and increase linkages between MWYSA, OB, MFED and MELAD including the development of a KNEG GSI plan; establishing a gender quota and ensuring agencies including AMAK and Te Toa Matoa are core members of KNEG as per the Terms of Reference; and establishing a GSI working group under the auspices of the KNEG.

4. Identify MWYSA as the UNFCCC gender focal point and include MWYSA in COP delegations. Support strengthening of GSI across all staff in MWYSA, OB, MFED, MELAD and the wider KNEG members, focusing on the core GSI requirements of the global climate funds.

5. Request interim funding from donors to support the employment of a national GSI adviser to be based in MWYSA, to work across the Ministries and coordinate gender mainstreaming in CCDRM work, with dual reporting requirements to MFED. Consider follow-on funding from future GCF readiness grant applications and subsequent commitments integrated into core Government funding.

6. MWYSA to establish gender focal points in each ministry with managers accountable for their performance and overseen by a cross-Government steering group. These personnel should be provided gender-mainstreaming tralng, with a specific session targeting an understanding of GSI issues in CCDRM and strategies to address these issues throughout policy and programming processes. Donors be requested to provide funding and expertise for the training and the Government of Kiribati commit to funding a process for establishing the focal points in line with the new women's gender policy.

7. AMAK, FSPK, KiriCAN and Te Toa Matoa provide examples involving participatory and inclusive processes of village consultation, analysis of the specific issues facing women and marginalised groups, and the collection of sex nd age disaggregated data that can be replicated and up-scaled in future CCDRM planning and programming and KIVA processes.

8. Draw from available guidelines on GSI in CC from GCF, SPC, UN Women, ADB and the World Bank as core materials for the GSI Adviser in CC and for the KNEG GSI working group to develop the gender sensitivity indicator/ measure/ toolkit as identified in the KJIP.

9. Government commit core resources to GSI issues in CCDRM and donors be requested to provide international expertise to capacity build the new national GSI and CCDRM specialist who will provide relevant support to key staff in other Ministries.

# 8 Development Effectiveness Analysis

**Key Messages:**

- The Government of Kiribati has expressed its commitment to aid effectiveness at various international forums.
- While it is hoped that traditional ODA might gradually decrease over time due to development progress in Kiribati, climate change and disaster impacts are projected to increase and will require commensurate increase in resources to address these challenges. It is, therefore, critical that CCDRM action be integrated into broader development planning and budgeting, particularly efforts to improve development effectiveness.
- The launching of the Kiribati Climate Change Policy in 2018, the finalisation of the KJIP Review, the establishment of the Climate Finance Division in MFED, and the request for this Climate Change and Disaster Risk Finance Assessment are clear examples of the Government showing leadership on, and ownership of, issues related to accessing and managing climate finance.
- A number of development partners have regular discussions with the Government regarding their support, as well as alignment to national priority areas highlighted in the KV20 and the KDP. The biennial Development Partners' Forum is an opportunity to improve alignment and reduce donor fragmentation.
- Most donors working in Kiribati link their support to the objectives of the KV20 and KDP. While some partners deliver their ODA assistance as budget support to Kiribati, other development partners prefer to deliver their assistance in the form of projects. As a result, a good number of projects flow outside of the national systems (off-budget).
- The monitoring and evaluation of individual CCRDM projects is the responsibility of the concerned implementing Ministry. Ministries were required to use standard monitoring and evaluation tools and templates. However, the assessment team failed to see any standardised M&E template as articulated by the Development Cooperation Policy (DCP).

## 8.1 Why this is Important for Climate Change and Disaster Risk Finance

Climate change and disasters have the potential to exacerbate existing development challenges and reverse decades of development gains. Globally, levels of development assistance have risen steadily over several decades but, in most countries, these increases in aid do not appear to have achieved the impacts expected. This awareness resulted in growing global consensus that the issue of development effectiveness requires closer scrutiny. Global frameworks, such as Addis Ababa Action Agenda for Development Financing, Sustainable Development Goals, SAMOA Pathway, the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, and Busan Partnership for Effective Development Cooperation, guide efforts to improve development effectiveness at the global level; and frameworks, such as the Framework for Pacific Regionalism, Pacific SDG Roadmap, Pacific Principles on Aid Effectiveness and Cairns Compact on Strengthening Development Coordination in the Pacific (Forum Compact) guide efforts in the Pacific.

Development Cooperation has played a vital part in the development of Kiribati since independence in 1979. Aid volumes have been increasing in recent years. Improving aid effectiveness to deliver expected results

remains a key challenge. There is a need for continuous reform to ensure that best practice is applied in the use of aid funds from development partners in an environment of mutual understanding. The Government of Kiribati has expressed its commitment to aid effectiveness at various international forums.

Climate change and disaster risk finance are key means of implementation for the Sustainable Development Goals. Current pledges of climate change financing globally equate to US$100 billion per year by 2020, with a new goal expected to be agreed on through the Paris Agreement on Climate Change discussions prior to 2025. It is anticipated that this increase in funding flows for climate finance will also correspond to an increase in the number of new partners wishing to engage with the Government of Kiribati. Unfortunately, tracking how these global funds trickle down to the national level is difficult as donors allocate and report on their ODA and climate finance commitments in different ways.

While it is hoped that traditional ODA might taper off over time due to development progress in Kiribati, climate change and disaster impacts are projected to increase and will require commensurate increase in resources to address these challenges. It is, therefore, critical that CCDRM action be integrated into broader development planning and budgeting, particularly efforts to improve development effectiveness.

Unlike the preceding sections that focused mostly on national systems and engagement, this section assesses the way donors and partners have been engaging with the Government of Kiribati against the key principles of the Paris Declaration on Aid Effectiveness: ownership and leadership, alignment and harmonisation, and results and mutual accountability.

## 8.2 Ownership and Leadership

Kiribati is taking a lead role in the establishment of its priorities. Good examples include the development of the KDP, the KV20, the Climate Change Policy, the KJIP review, the DRM Plan and other sectoral policies relevant to climate change and disaster risk, which are nationally driven. Kiribati is the second PIC (after Nauru) to complete the Forum Compact peer review process in April 2010. Since 2010, the Government of Kiribati has made good progress on most of its peer review recommendations, which are linked to various sections in this report.

Unlike other PICs, Kiribati has a Development Cooperation Policy (2015). The objectives of the policy are:

(i) To help achieve the development goals stated in the Kiribati Development Plan through the mobilisation of external resources;
(ii) To achieve aid effectiveness through strengthened governance and management of aid, strengthened partnerships in the coordination and delivery of aid and ensuring the accountability of aid in achieving sustainable development results; and
(iii) To maximise the impacts of development resources on the wellbeing of i-Kiribati by achieving a medium and long-term development cooperation commitment.

The Development Coordinating Committee (DCC) is responsible for overseeing the implementation of the Development Cooperation Policy (DCP). The DCC is made up of senior officials, mostly at the Secretary-level, and is chaired by the Cabinet Secretary, while the Secretary of MFED acts as Vice-Chair. The Director of the National Economic Planning Office (NEPO) and Director of Engineering Services, Ministry of Public Works and Utilities (MPWU) attend all meetings as non-Members to give required briefing and advice. Other technical advisers may attend the meeting as and when required by the Committee or individual Secretaries. The responsibility of mobilising development cooperation with donors lies with the Ministry of Foreign Affairs and Immigration (MFAI). The responsibility for aid coordination, however, rests with the NEPO-MFED. NEPO

also acts as Secretariat of the DCC. Both MFAI and MFED liaise closely to provide the maximum benefits from development assistance. An annual review of implementation of the policy will be provided by NEPO to the DCC. The assessment team was not able to review any evidence of the annual review report of the Development Cooperation Policy that NEPO is tasked to develop for DCC consideration.

Kiribati has also demonstrated commitment at the highest decision-making level to established processes on climate change, climate finance and disaster risk management. For example, there was a recent Cabinet decision to move the UNFCCC focal point to the Office of the President from MELAD. Although this has caused some internal confusion, this seeks to raise the profile of climate change for 'advocacy, coordination and policy advice and analysis through the oversight and engagement of His Excellency, the President'. There is opportunity to review and update legislation to clarify the roles and responsibilities of key agencies (CCU-OB, MELAD, CFD-MFED and other Line Ministries like MISE). The Secretary of the Office of the President chairs the KNEG. As discussed in earlier sections, there is room for improvement with this coordination mechanism to make it more proactive (e.g. TOR for Committee, record of Minutes, schedule of meetings, revive interest from CSOs to participate in meetings).

The launching of the Kiribati Climate Change Policy in 2018, the finalisation of the KJIP Review, the establishment of the Climate Finance Division in MFED, and the request for this Climate Change and Disaster Risk Finance Assessment are clear examples of the Government of Kiribati showing leadership on issues related to accessing and managing climate finance.

The DCP articulates that country systems should be used as the first option for aid programmes in support of activities managed by the public sector. As observed in the analysis in Section 3 (Funding Source Analysis) and Section 4 (Budget Expenditure Analysis), a significant amount of the development budget support to Kiribati is not using Kiribati's national systems, but the respective donor's systems. This is an issue the Government should discuss with its partners going forward. It also reaffirms the need to strengthen public financial management processes as recommended in Section 4.

The DCP further stresses that donor coordination and harmonisation should be improved to avoid fragmentation and duplication. The assessment team noted that there is no formal donor-to-donor coordination mechanism in Kiribati (unlike other PICs, such as PNG, etc.), although the Head of Missions do meet up on an ad-hoc basis and sector groups are observed to be proactive. In few PICs, there is a dedicated Development Partners on Climate Change (or Resilient Development) coordination mechanism, which the partners working on the ground in Kiribati could consider.

## 8.3 Alignment and Harmonisation

Alignment and harmonisation relate to how donors and development partners align and harmonise their bilateral and multilateral assistance to Kiribati's national plans and priorities. It was observed that a number of development partners have regular discussions with the Government of Kiribati regarding their support, as well as alignment to national priority areas highlighted in the KV20 and the KDP. The Development Partners' Forum (every two years) with the last being in late June 2018 was an opportunity to improve alignment and reduce donor fragmentation.

It was encouraging to note that most donors link their support to the objectives of the KV20 and KDP. Australia, New Zealand, Taiwan/ROC deliver some of their ODA assistance as budget support to Kiribati, other development partners prefer to deliver their assistance in the form of projects. As a result, reflecting the observations in Section 3, some projects still flow outside of the national systems (budget).

The DCP mentions that all aid flows aligned to national priorities should use the country's public financial management systems and 90% should be reported in the budget by 2020. There were a number of donor-funded activities that were reflected in the 2018 budget, but the expending of funds did not use Kiribati's financial and procurement processes. This is contrary to the DCP, which states, "Development partners are encouraged to use Government systems and procedures to the largest extent possible. This should include the use of Government banking and accounting systems, procurement, financial and progress reporting frameworks and external audit using the Kiribati National Audit Office". Section 3 on Funding Source Analysis showed that for the CCDRM sector, around 80% was reflected on budget and 20% off-budget. There is the possibility the 90% target could be achieved by 2020.

The Government also advocates for aid flows to be provided in the context of programmatic approaches. The DCP sets a target of 60% of aid flows to be provided in the context of programme-based approaches by 2020. In particular, adopting sector budget support is a favoured delivery modality. Although the assessment did not undertake a quantitative analysis of how much was delivered as programme-based support to Kiribati, the team noted that almost all of the CCDRM activities reviewed were delivered as projects.

Joint country missions and analytical work is also another priority of the DCP. This assessment, using a multi-agency approach, was a good example of undertaking a coordinated approach in supporting the Government of Kiribati. The USAID/ SPC ISACC Project and DFAT/ GIZ Climate Finance Readiness for the Pacific Project also made efforts to undertake joint missions in the countries they support, including Kiribati. The DCP envisages that 40% of donor missions are jointly coordinated by 2020.

Finally, the assessment team was informed by stakeholders consulted that in several cases, some agencies do not seek prior approval from MFED for external technical assistance, although being required by the DCP. Technical assistance must be used for building institutional capacity through the transfer of expertise and knowledge, wherever feasible. The Government also encourages its development partners to share analytical studies in common interest areas and to seek Government concurrence prior to the release and dissemination of study reports. This report, for example, has been presented and validated by the Government officials and other national stakeholders and would be published after formal endorsement.

## 8.4 Managing for Results and Mutual Accountability

The monitoring and evaluation of individual CCRDM projects is the responsibility of the concerned Ministry. Ministries were required to use standard monitoring and evaluation tools and templates. However, the assessment team failed to see any standardised M&E guideline or template as articulated by the DCP. According to the DCP, NEPO will compile an analytical summary report of the national KDP performance on a bi-annual basis. This KDP Progress Report will be quality assured by the DCC and the performance information presented, discussed and decisions made, will be taken by the DCC to Cabinet. The Government will also strengthen statistical systems and databases, analysis and reporting systems for the thorough collation of relevant data for the measurement of the KDP and SDGs progress. Unfortunately, NEPO has just recruited a new Director in late 2018 and the Statistics Office is under-capacitated. Nevertheless, Kiribati has been working closely with the Pacific Islands Forum Secretariat to support their voluntary reporting to the United Nations on the SDG progress.

Mechanisms to monitor the implementation of climate change and disaster risk policies and plans are included in the KJIP. But with current limited capacity of the Climate Change Unit within OB (custodian of the Climate Change Policy, DRM Plan and KJIP), NEPO and the MFED Statistics Office, the monitoring and reporting maybe a challenge. Despite that, the Government is committed to promoting continuous learning, collective

responsibility, advocacy and awareness on M&E functions and responsibilities across Government, key partners and stakeholders. The Government is working with development partners so that their M&E support is well coordinated and delivered in a joint and harmonised manner that not only supports enhancement of existing Government structures and templates but also ensures consistency, avoids duplication and promotes national ownership. Kiribati has adopted South-South cooperation in exchanges of staff with other Pacific countries and through peer reviews.

There are two good examples of mutual accountability arrangements that exist in Kiribati. One is the Joint Budget Support Matrix between the Government and donors, such as Australia, New Zealand, ADB and World Bank, which have a number of agreed indicators of success for the next phase of joint budget support on priority sector areas. The second is the Government's and UN agencies' planning and review of programme cooperation and progress against key results based on the approved UN Development Assistance Framework (UNDAF) new cycle cooperation and the UNDAF country matrix. The review is a biennial event, which should be held around the time of the Development Partners' Forum. The main objective of the biennial review exercise is to institutionalise a review and planning mechanism through which the Government and UN agencies can monitor progress towards the Kiribati Development Plan, UNDAF and Country Programme outcome targets and agree to further programme support.

The assessment team observed that although donors require Kiribati to provide reporting and financial statements on project expenditure, overall donor practices need to be strengthened, in particular in the provision of timely and clear financial information to the Budget Unit in MFED for budgeting and reporting purposes, as well as the use of national systems to channel donor funding. There were also instances of uncoordinated external donor/partner missions' in-country, even at critical times (budget preparation months).

## 8.5 Role of Donors to Support Development Effectiveness

High Level Development Partners Talks are individually on an annual or biennial basis between the major donors, Australia and New Zealand, and the Government of Kiribati. The purpose of these talks is to review progress against development programme targets and outline future directions based on the priorities of the KDP. These talks complement the Development Partners' Forum planned every two years. Local Development Partners Meetings are organised quarterly. This mechanism serves as a platform for regular dialogue and coordination between the Government and the development partners working at local level, regarding the implementation of the DCP and the problems associated with aid mobilisation. In addition, development partners are consulted at regular meetings with regard to Sectoral Strategies, particularly for health, education, water and sanitation, economic reform and infrastructure.

The Development Partners' Forum is a forum for high-level dialogue between the Government of Kiribati and development partners on issues, such as progress on the KDP, development strategies, and priorities for the Government and ODA. The most recent Forum one was in late June 2018. It might be of value if MFED, in collaboration with OB, consider convening an annual or biennial National Climate Finance Forum, which will inform the discussions in the biennial Development Partners' Forum. As noted from Section 8.3, such forums are ideal opportunities for the Government of Kiribati to work with its partners to improve alignment and reduce donor fragmentation. Currently, the biennial Development Partners' Forum do not have a dedicated agenda item on climate change or climate finance support. The proposed Climate Finance Forum and an agenda on climate change/finance in the Development Partners' Forum will be an opportunity to seek donor support for a standardised reporting template on climate change funding (noting the acute capacity constraints) as well as engaging with partners on key priorities of the DCP, including setting a target for 90% of all aid flows to be reported in budget by 2020, 60% of aid flows to be delivered as programmes, 40% of joint donor

missions by 2020 and all external TA support to be approved by MFED. Currently, almost all the climate finance support for Kiribati are delivered as projects and 20% of climate finance support is not reported in the budget. Different partners expect different reporting templates which places undue burden on the limited capacity of the Government. Other countries like Vanuatu have found the Climate Finance Forum very useful to share experiences at the national level and others are considering similar meetings. The Development Partners' Forum reviews the policies and action plan for development, jointly put forward by the Government and development partners. The forum also discusses the effectiveness of development cooperation and resource estimation. The forum holds discussions between the Government and development partners, regarding the DCP and announces initiatives to drive reforms in the implementation of projects and programmes. The meetings of the Development Partners' Forum are held every two years in Kiribati. The actions and deliberations of the Forum in 2012, 2014 and 2016 are published on the MFED website . The outcomes of the 2018 Forum are yet to be published. Going forward, the Government should also discuss the feasibility of a standardised reporting template for the different donor agencies working in Kiribati, as the current range of different donor reporting templates is an added burden to the limited Government capacity.

## 8.6 Role of Non-State Actors (CSOs/ NGOs/ Private Sector) to support Development Effectiveness

The DCP underscores the importance of civil society organisations engagement in policy dialogue to ensure a participatory and inclusive development process. The Government encourages development partners to support capacity building to strengthen appropriate governance, accountability and transparency standards of civil society organisations so as to enhance their contribution to the development process. There are some NGOs that have directly accessed funding from certain donors for CCRDM activities or broader development priorities. However, a lot of local NGOs in Kiribati face critical issues with attracting direct donor support because most donors prefer to engage directly with the Government or INGOs, they have limited small grant opportunities, weak financial systems, or there is an issue of limited capacity within these local NGOs to develop feasible proposals.

In the instance where NGOs propose a CCDRM project in which development assistance is to be sought by the Government from an international organisation, the project proposal, as well as the approved financial details will have to be first approved by the Ministry of Internal Affairs before proceeding through the normal channels of the project cycle for appraisal and approval by MFED, endorsement by the DCC and final approval by Cabinet for projects larger than A$50,000.

At the time of the assessment, private sector engagement in CCDRM was limited. There are only a few small businesses and cooperatives. The Kiribati Chamber of Commerce and Industries is the umbrella body for businesses in Kiribati but was not active until mid-2018 when a new CEO was recruited with support from the Government and working with a Board. In the past, the Government has developed a Public Private Partnership (PPP) through a concession contract for the private operation of the Otintaai Hotel. The assessment team was not informed of a similar PPP for private sector engagement in climate change or climate finance. This is despite the fact that the Government, through the DCP, committed to explore a platform to seek greater private and philanthropic funding, focusing on three pillars, one being 'technology', including adaptation technologies, renewable energy and better internet access.

## 8.7 Recommendations

1. MFED, in collaboration with OB, to consider convening an annual or biennial National Climate Finance Forum.

2. Government to pursue donor support for a centralised M&E system and technical capacity.

3. Consider updating the Development Cooperation Policy to reflect the KV20 and KCCP, as well as updating the M&E framework for the KDP and KV20 to reflect the latest developments such as the new KCCP, creation of the Climate Finance Division, the enactment of the Paris Agreement and Rulebook and so forth.

4. Recognise the role of climate and disaster risk finance as a means of implementing the SDGs and national development aspirations, consider having CCDRM finance as an agenda item in the Development Partners' Forum and the meeting of the Development Coordinating Committee.

5. Donors to consider establishing a donor-to-donor coordination mechanism for resilient development/ climate and disaster risk financing.

# 9 Conclusion

The Government of Kiribati has taken significant steps to address climate change and disaster risk management (CCDRM) over recent years, across all dimensions of climate change and disaster financing. The Government has developed policies and plans to address key CCDRM challenges, amended institutional arrangements to facilitate decision-making and implemented their programmes, and accessed millions of dollars to deliver on-ground support to vulnerable communities. Kiribati has also played a significant role in global climate change discussions and has been the second Pacific Island Country to undergo efforts to improve development effectiveness through the Forum Compact Peer Review in April 2010. Despite this progress, more work is still required to meet Kiribati's CCDRM needs and fulfil its Nationally Determined Contributions to the UNFCCC under the Paris Agreement on Climate Change. The Action Plan presented in the Executive Summary provides a guide to implementing the recommendations presented in this report. It provides an indication of the timeframe, outputs, and roles and responsibilities for implementation of the recommendations under each pillar of the PCCFAF. This action plan serves as a guide to assist the Government of Kiribati, donors, and development partners, to improve Kiribati's access to, and management of, climate change and disaster risk finance.

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# Appendix 1. List of Stakeholders Consulted

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# Appendix 2. PCCFAF Methodology and Assumptions

Much of the quantitative analysis in this assessment has relied on a range of assumptions and methodologies to help quantify the amount and shape of the climate change and disaster risk finance received by Kiribati and how this has been applied to achieve the Government's climate change and disaster risk management objectives.

The quantitative analysis is confined to two sections – Section 3: Funding Source Analysis and Section 4: PFM and Expenditure Analysis. In the latter, the analysis was largely confined to Section 4.8 Expenditure Analysis.

## Funding Source Analysis

The Funding Source Analysis used the following sources to compile a list of climate change and disaster risk-related projects. The list of key climate change and disaster risk management projects is attached in Appendix 6. The main sources used to compile the table are listed below:

- Government of Kiribati Budget – information extracted from the budget documents.
- Stakeholder discussions and interviews – while in discussions with stakeholders, a number of projects were identified that were not reflected in the budget. Where projects were relevant, the review team sought more detailed information, such as project documents.
- Development partner interviews and discussions – the team met with the major development partners for discussions on their climate change and disaster risk management-related development assistance. Written documentation was sought in order to confirm discussions where possible.
- Development partner information – most development partners and multilateral funds have detailed information of their programmes and projects listed on their websites. The team spent considerable time collecting and confirming information on climate-related development assistance and cross-checking information with another source.
- Information from the Pacific Climate Change Portal.

This Kiribati assessment estimated the volume of climate change and disaster risk management-related spending by weighting individual projects according to the proportion of expenditure considered relevant to CCDRM from a scale of 0–100%. The weighting followed the PCCFAF (2013) and Climate Public Expenditure and Institutional Review (CPEIR) (2012) guidelines. These guidelines are replicated in the table below. The table provides ranges of weightings for projects, which allow for more accuracy, but this creates an additional problem given that this can involve more subjectivity. The list of key climate change and disaster risk management projects is attached in Appendix 6 where projects are identified with a national allocation that is weighted according to these criteria.

## Classification of CCCDRM-Related Activities

| High Relevance | Rationale | Clear Primary Objective for Delivering Specific Outcomes that Improve Climate Resilience or Contribute to Mitigation |
|---|---|---|
| Weighting of 80% | Examples | • Energy mitigation (e.g. renewables, energy efficiency)<br>• Disaster risk reduction and disaster management capacity<br>• The additional costs of changing the design of a programme to improve climate resilience (e.g. extra costs of climate-proofing infrastructure, beyond routine maintenance or rehabilitation)<br>• Anything that responds to recent drought, cyclone or flooding, because it will have added benefits for future extreme events<br>• Relocating villages to give protection against cyclones/rising sea-level<br>• Healthcare for climate-sensitive diseases<br>• Building institutional capacity to plan and manage climate change, including early warning and monitoring<br>• Raising awareness about climate change<br>• Anything meeting the criteria of climate change funds (e.g. GCF, GEF, etc.) |
| Medium Relevance | Rationale | Either (i) secondary objectives related to building climate resilience or contributing to mitigation, or (ii) mixed programmes with a range of activities that are not easily separated but include at least some that promote climate resilience or mitigation |
| Weighting of 50% | Examples | • Forestry and agroforestry that is primarily motivated by economic or conservation objectives, because this will have some mitigation effect<br>• Water storage, water efficiency and irrigation that is primarily motivated by improved livelihoods because this will also provide protection against drought<br>• Biodiversity and conservation – unless explicitly aimed at increasing resilience of ecosystems to climate change (or mitigation)<br>• Ecotourism, because it encourages communities to put a value on ecosystems and raises awareness of the impact of climate change<br>• Livelihood and social protection programmes – motivated by poverty reduction, but build household reserves and assets, and reduce vulnerability. This will include programmes to promote economic growth, including vocational traIng, financial services and the maintenance, and improvement of economic infrastructure, such as roads and railways |
| Low Relevance | Rationale | Activities that display attributes where indirect adaptation and mitigation benefits may arise |
| Weighting of 25% | Examples | • Water quality – unless the improvements in water quality aim to reduce problems from extreme rainfall events, in which case the relevance would be high<br>• General livelihoods – motivated by poverty reduction, but build household reserves and assets, and reduce vulnerability in areas of low climate change vulnerability<br>• General planning capacity – either at national or local levels, unless it is explicitly linked to climate change, in which case it would be high<br>• Livelihood and social protection programmes – motivated by poverty reduction, but build household reserves and assets, and reduce vulnerability. This will include programmes to promote economic growth, including vocational traIng, financial services and the maintenance, and improvement of economic infrastructure, such as roads and railways |
| Marginal Relevance | | Activities that have only very indirect and theoretical links to climate resilience |
| Weighting of 5% | Examples | • Short-term programmes (including humanitarian relief)<br>• The replacement element of any reconstruction investment separating out the additional climate element as high relevance<br>• Education and health that do not have an explicit climate change element |

As a consequence of no central repository of knowledge about the development programme, the associated weightings are based on the information gathered from the sources identified by the review team.

The timeframe used for identifying projects was 2011–2018, which covered a period of eight years. In some cases, projects will have experienced some spending outside of this period, though the expectation is that this spending will not be significant in most cases.

The funding analysis focused on current or completed projects (i.e. projects completed in the 2011–2018 timeframe and still current at the time of writing). It was not possible to estimate spending by financial year, even when project grants were reflected in the Government budget. Therefore, the total amount of projects is assessed in the analysis rather than any attempt to assess annual spending.

It must be noted that given the approach taken to identifying projects, the analysis cannot guarantee that it provides a comprehensive coverage of all projects that are relevant to addressing the Government's climate change and disaster risk management objectives. However, this analysis provides the most comprehensive assessment of this type (so far attempted) and can provide a starting point for on-going tracking of climate change and disaster risk finance in Kiribati.

## Expenditure (Budget) Analysis

The Expenditure Analysis takes a different approach by looking at spending in the Government of Kiribati annual budget. The analysis seeks to quantify the priority the Government places on CCDRM as reflected in budgetary allocations in its annual budget. The analysis is somewhat limited by the lack of easily accessible historical data, especially on actual outcomes against budgeted allocations. As such, the analysis focuses on the publicly available budget allocations (both recurrent and development budget) for the five years, between financial years of 2011 and 2018.

The Government of Kiribati budget provides only limited policy detail in publicly available information. In order to estimate the amounts of spending that would be relevant to CCDRM, the assessment team adopted a simple approach. The team classified the proportion of ministry's expenditure allocation as climate change, based on the estimated proportion of time staff members in the relevant ministry or department dedicated to CCDRM activities. The rationale behind this is that spending in many of the relevant Ministries is dominated by salaried expenditure; thereby, the proportion of time dedicated to CCDRM activities could be used as a proxy for proportion of budget relevant to CCDRM activities.

Some areas of spending have an obvious relevance to meeting the CCDRM objectives of the Government. These programmes include the CFD-MFED, CCU-OB, MELAD and MISE. However, it is also clear from discussions with other Ministries that many other, often less obvious, Government programmes in Government addressing CCDRM-related issues.

In analysing the Government of Kiribati budgets, it is assumed that CCDRM objectives are addressed in a broad range of Government programmes.

While the CPEIR and PCCFAF methodologies inform the analysis, sometimes they do not easily translate to programmes in the budget, which is why the aforementioned approach was used to determine weightings of programmes within the budget. The weightings range from 80% for agencies, such as CFD-MFED and CCU-OB, to 5% for some of the programmes within Ministry of Education. Many programmes are considered to have no CCDRM relevance.

Where CCDRM-related projects are listed in the Funding Source Analysis, they have the same weightings in the Expenditure Analysis of the budget. Weightings are conservative and may understate the true CDDRM relevance of some programmes. A more accurate assessment would involve more detailed consultation with Line Ministries.

# Appendix 3. Detailed Analysis of Kiribati Policies and Plans

| POLICY | G | Y | D | CC/ DRR | GSI/ CCDRM | Comments |
|---|---|---|---|---|---|---|
| Core National Development Policies | | | | | | |
| Kiribati Development Plan 2016-19 | M | M | M | S | NIL | Addresses gender equality and the empowerment of women in KPA 5 on governance and addresses GBV. Youth is addressed through unemployment and GBV. Disability is addressed in education, governance and health and all three draft policies are referred to; but none have a dedicated section or paragraph. Climate change has a separate dedicated section in KPA 4 on the environment with the key objective to facilitate sustainable development through protection of biodiversity, support to the reduction of environmental degradation and the mitigation of the effects of climate change by the year 2019. |
| Kiribati 20-year Vision 2016-2026 | M | M | M | S | NIL | The Vision acknowledges the importance of gender, youth, vulnerable groups, disability, equity and partnership as cross-cutting principles. This section includes several paragraphs, addressing specific issues for women, including young women. It identifies vulnerable groups as widows and widowers, orphans and children at risk, persons with disabilities, under-age mothers, the poorest of the poor and the elderly. Additional sections address youth issues, addresses unemployment and sport; however, the disability issues are only addressed in the section on cross-cutting issues. Climate change is addressed as a section in cross-cutting issues, as well as referred to significantly in the text and the implementation plan. |
| CCDRM Policies | | | | | | |
| Kiribati National DRM Management Plan 2012 | NIL | NIL | NIL | F | NIL | |
| Kiribati Climate Change Policy 2018 | LTD | NIL | NIL | F | NGLE | Guiding principle states "ensuring that our CCA, mitigation and DRM are equitable, inclusive, gender-sensitive" but no mention of gender or other SI issues in core text. |
| Kiribati Joint Implementation Plan (KJIP) for Climate Change and Disaster Risk Management 2014-2023 | S | S | S | F | S | See main text for feature on this good practice policy. |
| National Framework for Climate Change and Climate Change Adaptation | NGLE | NGLE | NIL | F | NIL | A brief reference made to male and female employment and health services and upgrading skills for young people. |

| POLICY | G | Y | D | CC/ DRR | GSI/ CCDRM | Comments |
|---|---|---|---|---|---|---|
| National Adaptation Programme of Action (NAPA) 2007 | LTD | LTD | NIL | F | NIL | Subgroups of women and youth were included in the national consultations but no specific issues were raised on their needs or concerns. |
| National Climate Change and Health Action Plan for the Republic of Kiribati | NGLE | NIL | LTD | F | NIL | The document states that the individuals and communities most at risk of suffering adverse health consequences of climate change include: children and the elderly; those in poverty; those with pre-existing health conditions and disabilities; people that have been, or are at risk of being, displaced due to sea-level rise, storm surges and certain occupations (e.g. farmers, fishermen, outdoor workers). No other issues addressed. |
| Kiribati Integrated Environment Policy 2012 | LTD | LTD | NIL | S | NIL | Women and youth groups identified in responsible agencies and both considered in the section on traditional knowledge and practices. Youth are also identified sections on education, including awareness through environment clubs. Climate change is one of the five thematic areas. |
| Ministry of Environment, Lands and Agricultural Development Strategic Plan 2016-2019 | NIL | NIL | NIL | S | NIL | The strategic plan identifies the climate change unit in the environment and conservation division. Coastal adaptation is also a focus. |
| Gender Equality and Social Inclusion Strategy (GESI) Policies | | | | | | |
| National Youth Policy 2011-2015 | S | F | S | NGLE | NIL | Addresses issues for young women and separately for people with disabilities including health, education and human rights, with an additional focus on sexual and reproductive health for young women. The policy principle of equity states: All youth development initiatives should not discriminate against young people on the basis of age, gender, race, sexual orientation, disability, geographic location or any other form of discrimination as enshrined in the Constitution of the country. |
| Kiribati National Disability Policy 2010-2013 | N/A | | | | | |
| National Approach to Eliminating Sexual and Gender-Based Violence in Kiribati: Policy & National Action Plan 2010 | F | S | NIL | NIL | NIL | Youth focus is on young women, as well as men in employment and sport, and using youth groups to disseminate information. |
| Other Sectoral Policies | | | | | | |
| National Water Resources Implementation Plan Sustainable Water Resource Management, Use, Protection and Conservation | NIL | LTD | NIL | S | NIL | Several references to the need to train young people. Climate change is addressed throughout the document, especially regarding the need for sustainable water supply systems to withstand climate variability and change. |

| POLICY | G | Y | D | CC/ DRR | GSI/ CCDRM | Comments |
|---|---|---|---|---|---|---|
| Education Sector Strategic Plan 2016–2019 | M | F | S | NGLE | NIL | Most data sex disaggregated and specific focus is on the needs of children with disabilities to access education in mainstream or special school. |
| Ministry of Health and Medical Services Ministry Strategic Plan 2016–2019 | S | S | S | LTD | NIL | The gender focus on pregnant women, childbirth and fertility, as well as gender-based violence. Youth are seen as a key target group for mainstream health issues, as well as GBV issues. There is a focus on preventing disability, as well as ensuring access to services for people with disability. One reference to climate change in undertaking initiatives and support multi-sectoral approaches to climate change adaptation and DRR. |
| Kiribati National Environmental Health Action Plan 2015-2019 | NGLE | LTD | LTD | F | NIL | Gender-based violence issues are mentioned once and reference is made to youth in relation to GBV as youth groups. Reduce morbidity, disability and mortality from NCDs is mentioned twice. |
| Ministry of Public Works and Utilities, Strategic Plan 2016-2019 | NIL | NIL | NIL | S | NIL | Key priority 6 has a goal focused on Environmentally and Climate Change-Resilient Civil Infrastructures. Addresses approaches to climate proofing infrastructure but no mention of vulnerable groups and social inclusion. |
| Kiribati Integrated Energy Roadmap 2017–2025 | LTD | LTD | NIL | F | LTD | Refers to health for women and children for clean air from using clean cooking fuel, and less transport time to get gas cylinders. |
| National Sanitation Policy: Effective Sanitation for Healthy Communities, Environments and Sustainable Development 2010 | NGLE | NIL | NIL | F | NIL | Only one reference to AMAK. Given the primacy of water and sanitation for women and girls, this needs to be addressed in the next policy. |
| National Water Resources Policy Water for Healthy Communities, Environments and Sustainable Development 2008 | NIL | NIL | NIL | S | NIL | One of six priority areas is the impact of climate variability and change on the availability of fresh water. |
| National Water Supply and Sanitation Plan: Sustainable Water Resource Management, Use, Protection and Conservation 2008 | NIL | NIL | NIL | F | NIL | |
| Nutrition Policy and Plan of Action of Kiribati | M | LTD | NIL | NGLE | NIL | Women mostly considered in terms of pregnancy, childbirth and as mothers; however, women's groups are seen as target groups for activities. One reference made to access for food in disasters. |
| Kiribati National Energy Policy 2009 | M | NIL | NIL | S | NIL | It includes a paragraph on gender equity as a guiding principle and mentioned gender several times as a cross-cutting issue. Increased use of applicable renewable energy technologies are a focus. |

| POLICY | G | Y | D | CC/ DRR | GSI/ CCDRM | Comments |
|---|---|---|---|---|---|---|
| Kiribati National Tourism Action Plan 2009-2014 | NGLE | NGLE | NIL | LTD | NIL | Mentions achieving full and productive employment and decent work for all, including women and young people in respect to the Millennium Development Goals (MDGs). Mention made of climate change in situation analysis. |
| Agriculture Strategic Plan 2013-2016 | LTD | LTD | NIL | S | NIL | Women's and youth groups were consulted in the development of the policy and the section on training and skills has a special emphasis on youth and women. Climate change is addressed as a separate section and mainstreamed with references in many of the sections. |
| Kiribati National Fisheries Policy 2013-2025 | S | LTD | NIL | S | LTD | A section on gender addresses key issues for women in fisheries and makes a couple of references specifically to young women but no youth or disability issues are addressed in the policy. The document states MFMRD will adopt and implement sustainable measures that are equitable for all i-Kiribati and promote gender equality. Strategic action 6 is to undertake a socio-economic analysis of subsistence, artisanal and commercial fisheries in lagoons and inshore water. A separate section addresses climate change and it is mainstreamed throughout the document. |
| Private Sector Development Strategy 2013-2015 | LTD | LTD | NIL | NIL | NIL | Two references to women in respect to earning money to access and repay loans. Several references to youth unemployment and the need for jobs for young people. |

Key to table:

- G: Gender;
- Y: Youth;
- D: Disability;
- CC/ DRR: Climate change/ Disaster risk reduction;
- GSI/ CCDRM: Gender and Social Inclusion issues addressed with climate change/ disaster risk management issues jointly;
- NIL: No references;
- NEGL: Negligible;
- LTD: Limited.

# Appendix 4. Sample of Key CCDRM-related Projects Over 2011 – 2018

| Project/ Programme | Project Description | Principal Source | Sector | Wt. | In Kind | Adaptation | Mitigation | DRR | DRM | Total | Reflected in Budget | Status |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Institutional Strengthening in PICs to address Climate Change | ISACC will support climate finance, capacity building and policy development. | United States | Enabling Environment | 80% | | | 100,000 | | | 100,000 | N | Completed |
| Pacific American Climate Fund (PACAM) | PACAM awards grants to CSOs in 12 Pacific countries to implement and scale-up climate-resilient, community-level adaptation measures. These grants also enable programmes that improves livelihoods, food, water security, and governance in the Pacific Islands. | United States | Agriculture and Food Security | 80% | | | 800,000 | | | 800,000 | N | Current |
| UNDP Sub-Regional Programme 2013-2017 | Improved resilience of PICTs, with a particular focus on communities, through the integrated implementation of sustainable environmental management, climate change adaptation and/or mitigation and disaster risk management. | UNDP | Conservation and Bio-Diversity | 80% | | 939,200 | 939,200 | 939,200 | 939,200 | 3,756,800 | N | Current |
| Pacific Regional Oceanscape Project | The programme aims to help participating countries sustainably increase the benefits from their ocean resources by financing activities at both regional and country levels to: (i) better manage the tuna resources to double access revenues; (ii) work with communities and link coastal fisheries to markets, aiming to sustainably increase catch per unit effort; and (iii) develop sustainable financing models for some of the large marine protected areas that help support these fisheries. | World Bank | Fisheries | 5% | | 150,000 | | | | 150,000 | N | Completed |

| Project/ Programme | Project Description | Principal Source | Sector | Wt. | In Kind | Adaptation | Mitigation | DRR | DRM | Total | Reflected in Budget | Status |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Pacific Islands Pacific Coastal Community Adaptation Project | Coastal Community Adaptation Project (C-CAP) increased the resilience of vulnerable coastal communities in the Pacific region to withstand more intense and frequent weather events and ecosystem degradation in the short term, and sea-level rise in the long term. | United States | DRR/ DRM | 80% | | | - | | | - | N | Completed |
| Japanese Technical Cooperation Project for Promotion of Regional Initiative on Solid Waste Management in Pacific Island Countries (J-PRISM) | Human and institutional capacity base for sustainable Solid Waste Management in the Pacific Region is strengthened through implementation of the Pacific Regional Solid Waste Management Strategy (2010-2015) (RS2010) for 11 Pacific Island Countries. | Japan | Water and Sanitation | 20% | | 131,469 | | | | 131,469 | Y | Completed |
| Climate and Oceans Support Programme in the Pacific | To enhance the capacity of Pacific Islands to manage and mitigate the impacts of climate variability and tidal events. | Australia | Conservation and Bio-Diversity | 50% | | | 465,976 | | | 465,976 | N | Current |
| Pacific - Australia Climate Change Science and Adaptation Planning Project (PACCSAAP) | PACCSAAP supports Government of Kiribati to develop improved climate change projections and adaptation planning activities. | Australia | Enabling Environment | 80% | | 1,312,821 | | | | 1,312,821 | N | Completed |
| Global Climate Change Alliance: Pacific Small Island States | Focuses on: (i) mainstreaming climate change into national and sector-response strategies; (ii) implementing adaptation activities; (iii) enhancing climate change information exchange with Pacific small island countries; (iv) building regional capacity to deliver streamlined adaptation finance and targeted technical assistance to countries. | European Union | Enabling Environment | 80% | | | 1,266,667 | | | 1,266,667 | N | Completed |

| Project/ Programme | Project Description | Principal Source | Sector | Wt. | In Kind | Adaptation | Mitigation | DRR | DRM | Total | Reflected in Budget | Status |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Coping with Climate Change in the Pacific Island Countries Region (CCCPIR) | Covers 12 Pacific island countries and six components, ranging from regional and national mainstreaming of climate change, implementation of adaptation activities on the ground and climate change-related tourism, energy and education. | Germany | Enabling Environment | 80% | | 176,000 | 176,000 | | | 352,000 | N | Completed |
| Building Safety and Resilience in the Pacific (BSRP) | The BSRP project is helping find practical ways to support countries to prepare, respond and recover from disaster. This is done through the implementation of Disaster Risk Reduction (DRR) strategies. | European Union | DRR/ DRM | 80% | | | | 827,733 | | 827,733 | N | Current |
| African, Caribbean and Pacific Group of States (ACP)-EU Building Safety & Resilience in the Pacific | The project's purpose is to strengthen the capacity of PICs to address existing and emerging challenges with regard to the risks posed by natural hazards and related disasters, while maximising synergies between Disaster Risk Reduction (DRR) strategies and Climate Change Adaptation (CCA). | European Union | DRR/ DRM | 80% | | | 806,771 | 806,771 | | 1,613,543 | N | Current |
| USP - EU Global Climate Change Adaptation Project | Addresses the challenges of climate change impacts in the 15 Pacific ACP countries, including Kiribati, through capacity building, community engagement and applied research. The objective of this project is to strengthen the Pacific ACP countries capacity to adapt to the impacts of climate change. | European Union | Enabling Environment | 80% | | 266,667 | 266,667 | | | 533,333 | N | Completed |
| Kiribati Road Rehabilitation Project | Rehabilitation of existing road network. | ADB | Transport and Infrastructure | 20% | | 1,800,000 | | | | 1,800,000 | Y | Completed |
| South Tarawa Sanitation Improvement Sector Project | To improve basic sewerage facilities for South Tarawa. | ADB | Water and Sanitation | 20% | | 4,360,000 | | | | 4,360,000 | Y | Completed |
| Strengthened Economic and Financial Management | To provide timely and focused support for strengthening financial management and infrastructure governance. | ADB | Enabling Environment | 5% | | 40,000 | | 40,000 | | 80,000 | Y | Completed |

| Project/ Programme | Project Description | Principal Source | Sector | Wt. | In Kind | Adaptation | Mitigation | DRR | DRM | Total | Reflected in Budget | Status |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Climate Change Adaptation Project | Support adaptation efforts such as clean energy investments in renewable energy and energy efficiency, which provide a dual benefit to the Pacific in terms of their contribution to climate change mitigation and, more importantly, addressing energy security. | ADB | Energy | 80% | | | 8,000,000 | | | 8,000,000 | Y | Completed |
| Other Sectors | Includes technical and financial support for climate change, health, disability, gender, volunteers and programmes administered by other Australian Government partners. | Australia | Gender and Social Inclusion | 5% | | 828,571 | | | | 828,571 | Y | Completed |
| Road Rehabilitation Project | To improve the condition of South Tarawa's main road network and help strengthen road financing and maintenance capacity. | World Bank | Transport and Infrastructure | 20% | | 4,000,000 | | | | 4,000,000 | Y | Current |
| Kiribati Adaptation Phase III | The objective of the Third Phase of the Kiribati Adaptation Programme is to improve the resilience of Kiribati to the impacts of climate change on freshwater supply and coastal infrastructure. | | | | | | | | | | | |
| World Bank | Water and Sanitation | | | 80% | | 2,160,000 | 2,160,000 | 2,160,000 | 2,160,000 | 8,640,000 | Y | Current |
| Water and Sanitation | Water and sanitation, including rainwater harvesting. | NZ | Water and Sanitation | 50% | | 2,169,872 | 2,169,872 | | | 4,339,744 | Y | Completed |
| Energy | Supporting upgrades to the electricity infrastructure in Kiribati's two urban centres of Tarawa and Kiritimati Island, the latter in partnership with the European Union. | NZ | Energy | 50% | | | 1,116,293 | | | 1,116,293 | Y | Completed |
| Fisheries | Support for fisheries is intended to ensure that (1) Kiribati manages and develops its fisheries resources sustainably, (2) food security is maintained, (3) key fish stocks are maintained or rebuilt, and (4) wealth from sustainable fisheries is increased. | NZ | Fisheries | 5% | | 85,488 | | | | 85,488 | Y | Current |

| Project/ Programme | Project Description | Principal Source | Sector | Wt. | In Kind | Adaptation | Mitigation | DRR | DRM | Total | Reflected in Budget | Status |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Crosscutting | Head of Mission funds and Small Grant projects. | NZ | Gender and Social Inclusion | 5% | | 12,055 | 12,055 | 12,055 | 12,055 | 48,218 | Y | Current |
| Water and Sanitation | Provision of assistance as follows: rainwater catchments; water supply and sanitation; reverse osmosis plant; desalination plants; solar pumps and water tanks. | Taiwan | Water and Sanitation | 20% | | 247,893 | | 247,893 | | 495,786 | Y | Completed |
| Humanitarian | Disaster Assistance Coastal Protection and Climate Change projects. | Taiwan | Transport and Infrastructure | 80% | | 123,947 | 123,947 | 123,947 | 123,947 | 495,786 | Y | Completed |
| Energy | Solar power facility for outer island fish centre. | Taiwan | Transport and Infrastructure | 50% | | | 62,721 | | | 62,721 | Y | Completed |
| Agriculture | Support for: Agriculture Technical Mission; agricultural tools; Outer island food and water projects, and livestock and aquaculture projects. | Taiwan | Agriculture, Fisheries and Food Security | 20% | | 372,583 | | 372,583 | | 745,166 | Y | Completed |
| Education | Support for basic education (primary and secondary - schools, curriculum development, teacher tralng, school materials). | Taiwan | Enabling Environment | 5% | | 361,077 | | | | 361,077 | Y | Completed |
| Government and Civil Society | Funding for: construction and rehabilitation of council offices, community project fund, community integrated farming, and in-service tralng. | Taiwan | Transport and Infrastructure | 5% | | 480,161 | | | | 480,161 | Y | Completed |
| Water and Sanitation | Procurement of garbage truck, and funding of community water and sanitation projects. | Japan | Water and Sanitation | 20% | | 201,138 | | | | 201,138 | Y | Completed |
| Humanitarian | Procurement of chemical fire truck and aggregated humanitarian assistance. | Japan | DRR/ DRM | 80% | | | | | 432,714 | 432,714 | Y | Completed |
| Agriculture and Food Security | Funding support for fisheries development and livestock farming. | Japan | Agriculture, Fisheries and Food Security | 20% | | 1,296,246 | | | | 1,296,246 | Y | Completed |
| Water and Sanitation | Water and sanitation, including rainwater harvesting in outer islands. | European Union | Water and Sanitation | 20% | | 3,886,374 | | | | 3,886,374 | Y | Completed |
| Energy | Funding of outer island solar energy projects. | European Union | Energy | 20% | | | 1,255,976 | | | 1,255,976 | Y | Completed |
| Humanitarian | USAID/ OFDA Mission grant for Kiribati cyclone assistance and recovery. | United States | DRR/ DRM | 80% | | | | | 80,000 | 80,000 | Y | Completed |

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