

Asian Development Bank & Kiribati

FACT SHEET

Table 1. Kiribati: Cumulative ADB Lending by Sector as of 31 December 2012^a

Sector	Loans (no.)	Amount (\$ million)	% ^b
Energy	2	1.60	4.61
Finance	1	1.00	2.88
Transport and ICT	3	14.30	41.21
Water Supply and Other Municipal Infrastructure and Services	2	17.80	51.30
Total	8	34.70	100.00
Total Disbursements		\$14.6 million	

ICT = information and communication technology.

^a Includes sovereign and nonsovereign loans.

^b Total may not add up because of rounding.

Partnerships

The Asian Development Bank (ADB) has partnered with the Government of Kiribati since 1974. The country partnership strategy (CPS), 2010–2014 was prepared in coordination with development partners, civil society organizations, and the private sector.

Cooperation and coordination with Kiribati's development partners is a priority. The government's initiative in calling a meeting of development partners in June 2011, following completion of the public financial management (PFM) plan, was welcomed. An economic working group comprising representatives from development partners and the government has been formed to coordinate PFM reform in Kiribati.

ADB is working closely with the World Bank in Kiribati through the establishment of the ADB and World Bank Group Joint Liaison Office, which opened in September 2011. The office has strengthened the participatory conceptualization, design, management, and monitoring of assistance programs, and the coordination of the country performance assessment processes of both organizations.

ADB and the World Bank Group are jointly supporting the Government of Kiribati to rehabilitate South Tarawa roads. ADB participates as a team member of the International Monetary Fund (IMF) Article IV Mission to Kiribati.

ADB has been working closely with the Australian Agency for International Development (AusAID). Cofinancing from AusAID funded the increased scope of two ADB technical assistance projects—the Economic Management and Public Sector Reform and the Strengthened Public Financial Management projects.

Operational Challenges

Kiribati faces some major development constraints. Limited natural resources—especially land and freshwater—hamper development across widely scattered and sparsely populated islands, making access to international markets difficult, and creating little potential for economies of scale. The economy of the outer islands functions at a subsistence level, with limited opportunities for private sector cash employment.

The provision of education and health services for children—a large expenditure item on both family and national budgets—future employment needs, and adapting to climate change are the most important issues facing the country.

Future Directions

The country operations business plan, 2013–2015, approved in September 2012, is consistent with the focus of the Kiribati Development Plan 2012–2015 as well as ADB's Pacific Approach 2010–2014, and the CPS, with a continued focus on improving public financial management and delivering sustainable infrastructure services.

Kiribati will also benefit from regional projects in the areas of economic management and governance, climate change, and support from the Pacific Infrastructure Advisory Center in the energy and utilities sectors.

Context

ADB has approved 8 loan projects amounting to \$34.70 million, and over 40 technical assistance projects worth \$17.40 million since 1974.

In line with the broad objective of the Kiribati Development Plan, 2012–2015, which focused on enhancing economic growth for sustainable development, ADB's program aims to reduce poverty and promote economic opportunity by improving public financial management and delivering sustainable infrastructure services. As many of the infrastructure services are provided by state-owned enterprises, improving corporate governance arrangements and the commercial focus of these enterprises is a key objective of ADB's support to the government's structural reform program going forward.

ADB-Supported Projects and Programs

ADB support has helped Kiribati move toward a number of Millennium Development Goals.

In October 2011, ADB approved a loan for the South Tarawa Sanitation Improvement Sector Project, which aims to improve sanitation and hygiene practices in South Tarawa and increase access to sanitation from 64% to 80% by 2019. The Road Rehabilitation Project, approved in December 2010, will rehabilitate 32.5 kilometers (km) of main roads and about 8 km of feeder roads. Cofinanced by the World Bank and the Pacific Region Infrastructure Facility, the project will improve socioeconomic conditions for the people of South Tarawa.

Technical assistance provided through the Economic Management and Public Sector Reform program helped strengthen governance of state-owned enterprises.

In 2012, ADB approved the Higher Education in the Pacific Investment Program, a \$2.3 million regional loan that supports the University of the South Pacific in expanding access to higher education in its 12 Pacific member countries by improving physical environments and learning programs. Tranche 1 of the program aims to strengthen regional campuses of USP, including the Kiribati Campus, through construction of additional facilities.

Table 2. Kiribati: Development Indicators

Non-MDG	
Population in millions	0.11 [2012]
Annual population growth rate (%)	2.2 [2010–2012]
Adult literacy rate (%)	...
Population in urban areas (%)	43.9 [2011]
MDG	
Population living on less than \$1.25 (PPP) a day (%)	...
Population living below the national poverty line (%)	21.8 [2006]
Under-5 mortality rate per 1,000 live births	47 [2011]
Population using an improved drinking water source (%)	63 [2006]

... = data not available, MDG = Millennium Development Goal, PPP = purchasing power parity.

Sources: ADB. 2013. *Basic Statistics 2013*. Manila; World Bank. 2013. World Development Indicators Online.

Table 3. Kiribati: Economic Indicators, 2008–2012

Economic Indicator	2008	2009	2010	2011	2012
Per capita GNI, Atlas method (\$)	1,890	1,790	2,000	2,030	...
GDP growth (% change per year)	2.8	(0.7)	(0.5)	3.3	3.0
CPI (% change per year)	11.0	8.4	(2.8)	1.2	(1.8)
Unemployment rate (%)
Fiscal balance (% of GDP)	(19.6)	(12.8)	(10.6)	(14.2)	(20.0)
Export growth (% change per year)	(23.2)	(26.7)	52.4	22.9	9.3
Import growth (% change per year)	5.3	(9.6)	20.4	18.7	14.2
Current account balance (% of GDP)	(34.3)	(30.5)	(22.9)	(27.2)	(26.6)
External debt (% of GNI)	7.9	8.2	9.2	13.5	...

() = negative, ... = data not available, CPI = consumer price index, GDP = gross domestic product, GNI = gross national income.

Sources: ADB. 2013. *Asian Development Outlook 2013*. Manila; ADB staff estimates; World Bank. 2013. World Development Indicators Online.

Table 4. Kiribati: Project Success Rates

Sector	% ^a	No. of Rated Projects/Programs
Energy	100.0	1
Finance	–	1
Transport and ICT	–	1
Water Supply and Other Municipal Infrastructure and Services	–	1
Total	25.0	4
Year of Approval		
1980s	50.0	2
1990s	–	2

– = nil, ICT = information and communication technology.

^a Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PVRs), and project/program performance evaluation reports (PPERs) using PVR or PPER ratings in all cases where PCR and PVR/PPER ratings are available.

Sources: PCRs, PVRs, and PPERs containing a rating circulated as of 31 December 2012.

Table 5. Kiribati: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2011–2012

	Number of Ongoing Loans (as of 31 Dec 2012)	
	2011 (\$ million)	2012 (\$ million)
Contract Awards/Commitments ^{a,b}	2.3	–
Disbursements ^a	0.8	0.1
Number of Ongoing Grants (as of 31 Dec 2012) ^c		
	2011 (\$ million)	2012 (\$ million)
Contract Awards/Commitments ^{a,b}	–	–
Disbursements ^a	–	–
Projects at Risk (%)		50.0

– = nil.

Note: Totals may not add up because of rounding.

^a Includes closed loans that had contract awards or disbursements during the year.

^b Excludes policy-based lending/grants.

^c Includes only Asian Development Fund and other ADB Special Funds.

Cofinancing

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in the financing of ADB projects. The additional funds are provided in the form of official loans and grants, and commercial financing, such as B loans, risk transfer arrangements, parallel loans, and cofinancing for transactions under ADB's Trade Finance Program.

By the end of 2012, cumulative direct value-added official cofinancing for Kiribati amounted to \$34.6 million for two investment projects, and \$3.7 million for eight technical assistance projects.

A summary of projects with cofinancing from 1 January 2008 to 31 December 2012 is available at www.adb.org/countries/kiribati/cofinancing

Procurement

From 1 January 1966 to 31 December 2012, contractors and suppliers were involved in 185,090 contracts for ADB loan projects worth \$116.58 billion. During the same period, contractors and suppliers from Kiribati were involved in 19 contracts for ADB loan projects worth \$1.58 million.

From 1 January 1966 to 31 December 2012, consultants were involved in 26,546 contracts for ADB technical assistance projects worth \$3.1 billion. During the same period, consultants from Kiribati were involved in 11 contracts for ADB technical assistance projects worth \$0.15 million.

Table 6. Kiribati: Projects Cofinanced, 1 January 2008–31 December 2012

Cofinancing	No. of Projects	Amount (\$ million)
Projects*	2	34.56
Grants	2	18.56
Official loans	1	16.00
Technical Assistance Grants	6	3.41

*A project with more than one source of cofinancing is counted once.

Table 7. Kiribati: Share of Procurement Contracts

Item	2011		2012		Cumulative (as of 31 Dec 2012)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	–	0.00	–	0.00	1.58	0.00
Consulting Services	–	0.00	0.07	0.01	0.15	0.00

– = nil, 0.00 = less than 0.01%.

Table 8. Kiribati: Top Individual Consultants Involved in ADB Technical Assistance Projects, 1 January 2008–31 December 2012

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Individual consultants	5	0.10

Table 9. ADB Assistance to Developing Member Countries, 2011–2012^a

	2011 (\$ million)	2012 (\$ million)	Change (%)
Lending	12,605.46	11,717.58	(7.04)
ADF, Sovereign	1,954.85	2,315.85	18.47
OCR, Sovereign	9,050.61	8,294.89	(8.35)
OCR, Nonsovereign	1,600.00	1,106.84	(30.82)
Public Sector ^b	600.00	44.00	(92.67)
Private Sector ^c	1,000.00	1,062.84	6.28
Equity Investments	239.00	131.00	(45.19)
Guarantees	416.61	403.00	(3.27)
Grants ^d	844.14	969.77	14.88
Technical Assistance Grants	357.39	297.78	(16.68)

() = negative, ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Excludes terminated loans, grants, equity investments, and technical assistance grants.

^b Includes nonsovereign public sector loan processed by regional departments and ADB's Private Sector Operations Department.

^c Includes \$35 million investment in debt securities.

^d Excludes grant cofinancing not administered by ADB.

About Kiribati and ADB

ADB Membership

Joined 1974

Shareholding and Voting Power

Number of shares held: 426 (0.004% of total shares)
Votes: 40,030 (0.30% of total membership,
0.46% of total regional membership)
Overall capital subscription: \$6.55 million
Paid-in capital subscription: \$0.32 million

Anthony Baker is the Director and **Richard Sisson** is the Alternate Director representing Kiribati on the ADB Board of Directors.

The Pacific Subregional Office (SPSO) was opened in 2004 and provides the primary operational link between ADB and the government, private sector, and civil society stakeholders in its activities. SPSO engages in policy dialogue and acts as a knowledge base on development issues in the Cook Islands, Fiji, Kiribati, Samoa, Tonga, and Tuvalu.

Adrian Ruthenberg is the Regional Director of SPSO.

The Kiribati government agency handling ADB affairs is the Ministry of Finance and Economic Development.

About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2012, lending volume was \$11.72 billion (110 projects), with TA at \$150.96 million (237 projects) and grant-financed projects at \$696.94 million (27 projects). In addition, \$8.3 billion was generated in direct value-added cofinancing in the form of official loans and grants and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2008 to 31 December 2012, ADB's annual lending volume averaged \$11.78 billion. In addition, investment grants and TA funded by ADB and special funds resources averaged \$778.77 million and \$172.56 million in TA over the same period. As of 31 December 2012, the cumulative totals excluding cofinancing were \$191.47 billion in loans for 2,531 projects in 44 countries, \$5.67 billion in 287 grants, and \$3.44 billion in TA grants, including regional TA grants.

Contacts

Pacific Subregional Office

Level 5, Ra Marama Building
91 Gordon Street, Private Mail Bag
Suva, Fiji
Tel +679 331 8101
Fax +679 331 8074
adbpsso@adb.org
www.adb.org/kiribati

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444

Ministry of Finance and Economic Development

P.O. Box 67, Bairiki, Tarawa, Kiribati
Tel +686 21809/21802/21804/21806
Fax +686 21307/21089

Useful ADB websites

Asian Development Bank
www.adb.org

Asian Development Outlook

www.adb.org/publications/series/asian-development-outlook

Annual Report

www.adb.org/documents/series/adb-annual-reports

Depository Libraries

www.adb.org/publications/depositories/kir