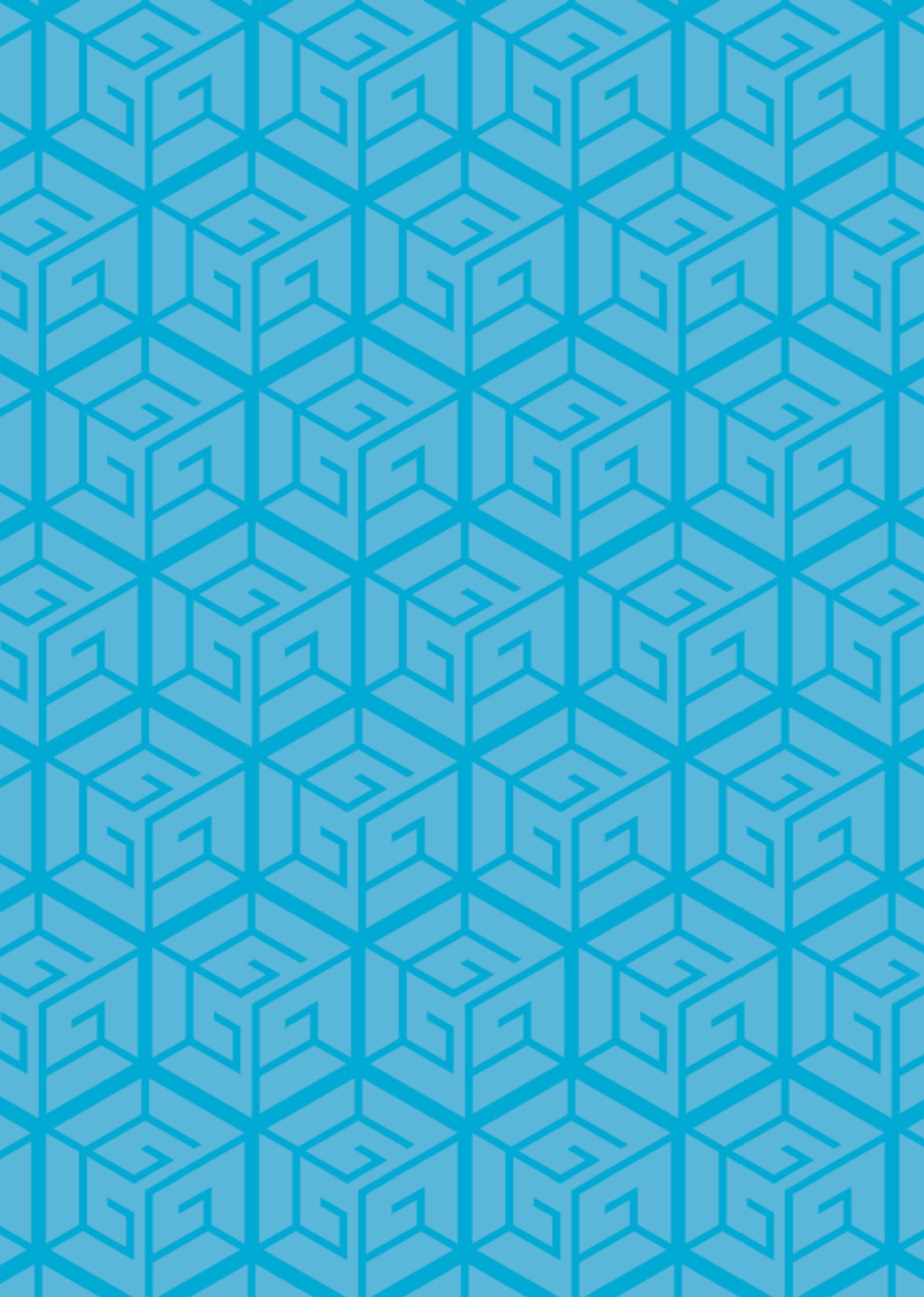




# GGGI

## Kiribati Country Planning Framework 2019 - 2023







## Foreword

Kiribati is pursuing an avenue of green growth that highlights the country's traditional values. Te Mauri Te Raoi Ao Te Tabomoa, "Health, Peace and Prosperity" is a traditional blessing present in the national emblem and in the spirit that drives development efforts in the country. The Kiribati 20-Year Vision, also known as the KV20, "Kiribati's long-term development blueprint for the period 2016-2036" aims to lead Kiribati to a "healthier, wealthier, peaceful country".

The Republic of Kiribati is a founding member of GGGI and deposited its Instrument of Ratification in 2012. Over the years, Kiribati has shown its clear commitment to the principles of green growth as an integral part of resilient development in the face of the climate change impacts threatening the country. Over the next five years, GGGI and Kiribati commit to working together to reach targets set out in the KV20, the Kiribati Development Plan and other key policies and strategies, and meet Sustainable Development Goals, in the areas of agriculture development, health and nutrition, domestic trade, private sector development and job creation.

In this context, GGGI and the Government of Kiribati will pursue the strategic objectives outlined in this Country Planning Framework (2019-2023) in support of achieving Kiribati's development goals. The CPF will build on Kiribati's successes so far and will promote an impact-driven climate resilient and inclusive green growth pathway focusing on green jobs and climate change adaptation.

Climate change resilient, diversified and secure livelihoods within the agricultural sector can increase food security, as well as the availability of products to foster domestic trade, provide the population with agriculture products necessary for an improved diet leading to improved nutrition and health, and opportunities for green private sector development along the value chain.

The Government of Kiribati and GGGI have agreed that the approach established in this five-year framework will support Kiribati's transition to a model of climate resilient, inclusive and green growth. We would like to extend our appreciation to the line ministries, stakeholders and development partners who actively engaged in the development of this CPF.

Signed by two parties,



**Dr. Frank Rijsberman**  
Director General  
Global Green Growth Institute



**Honorable Alexander Teabo**  
Minister of Environment, Lands and  
Agriculture Development  
Government of Kiribati

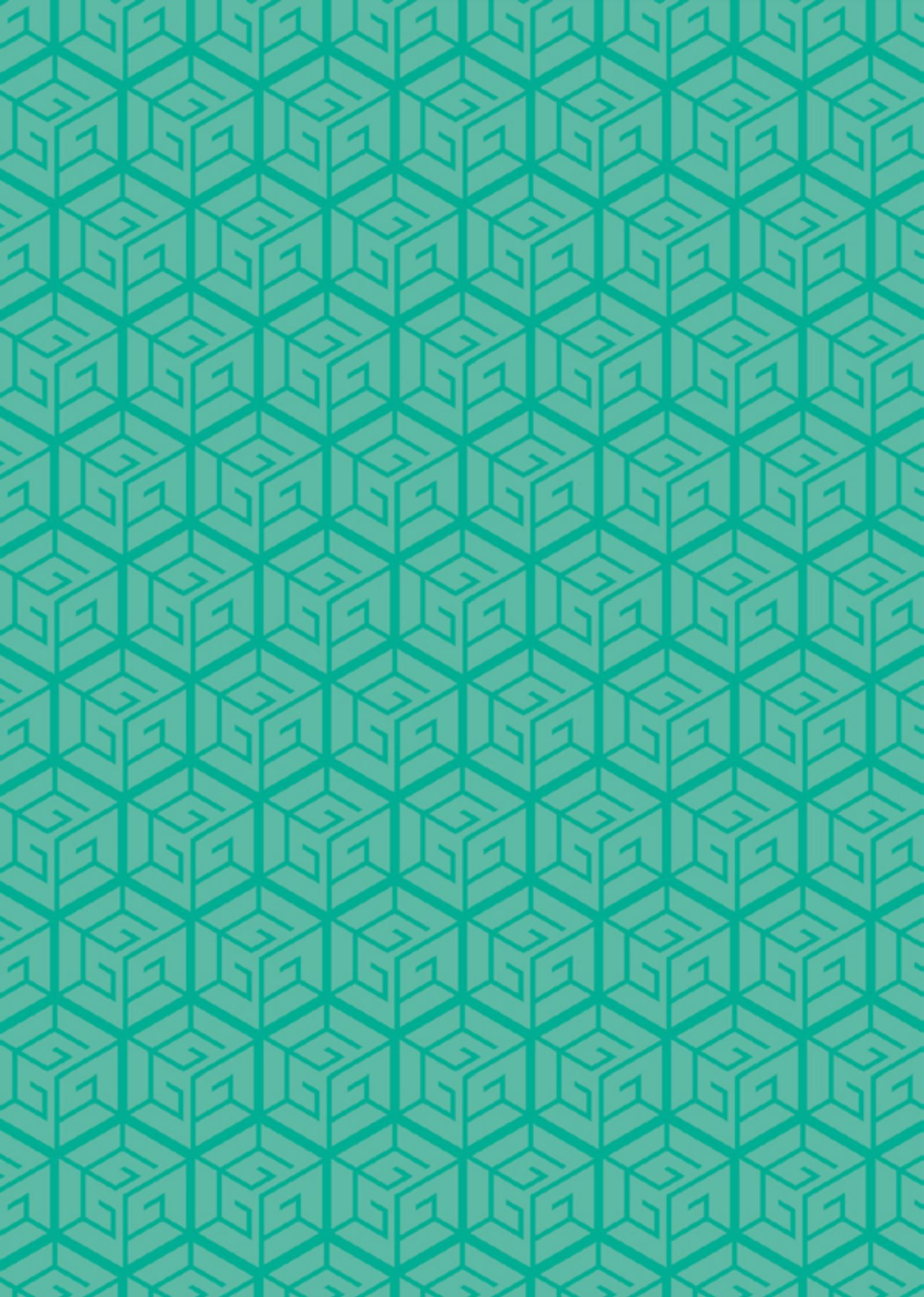


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## Abbreviations and Acronyms

<b>ALD</b>	Agriculture and Livestock Division of MELAD
<b>BAU</b>	Business as Usual
<b>CPF</b>	Country Planning Framework
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>GDP</b>	Gross Domestic Product
<b>GGGI</b>	Global Green Growth Institute
<b>GHG</b>	Greenhouse Gas
<b>GoK</b>	Government of the Republic of Kiribati
<b>HDI</b>	Human Development Index
<b>HIES</b>	Household Income and Expenditure Survey
<b>IDA</b>	International Development Association
<b>IMF</b>	International Monetary Fund
<b>KCCP</b>	Kiribati Climate Change Policy
<b>KDP</b>	Kiribati Development Plan 2016-2019
<b>KJIP</b>	Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management
<b>KV20</b>	Kiribati 20-Year Vision 2016-2036
<b>LDC</b>	Least Developed Country
<b>MCIC</b>	Ministry of Commerce, Industry and Cooperatives
<b>MELAD</b>	Ministry of Environment, Lands & Agricultural Development
<b>MFED</b>	Ministry of Finance and Economic Development
<b>NCDs</b>	Non-communicable Diseases
<b>NDC</b>	Nationally Determined Contribution
<b>PIPA</b>	Phoenix Island Protected Area
<b>SDGs</b>	Sustainable Development Goals
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>SOEs</b>	State-Owned Enterprises
<b>tCO<sub>2</sub>e</b>	Ton Carbon Dioxide Equivalent
<b>TPF</b>	Trade Policy Framework
<b>UNDP</b>	United Nations Development Program
<b>US\$</b>	US Dollars
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>WHO</b>	World Health Organization



# Executive Summary

## Background

1. Kiribati is an island republic located in the central Pacific consisting of 33 islands, with a total land area of 810 km<sup>2</sup> scattered across 3.5 million km<sup>2</sup>. Economic development in Kiribati is constrained by geographic isolation, high transport and shipping costs, extreme vulnerability to climate change, and a low population base of 116,398 people.<sup>1</sup>
2. Economic growth has remained stable in recent years, with gross domestic product (GDP) growth of 2.5% in 2017 and growth of 2.3% projected for 2018 and 2019.<sup>2</sup> Kiribati is a Least Developed Country (LDC), and its economy remains highly vulnerable to economic shocks, climate change, and natural disasters, and is reliant on copra production, fishing licenses, remittances and overseas aid.
3. With its limited natural resource base, Kiribati is highly dependent on imports, predominantly foodstuffs. The key exports are limited to coconut products and fish and therefore the country experiences consistently high trade deficits.
4. While Kiribati has made progress in increasing energy security, building climate resilient infrastructure, and improving economic management, the country continues to face a range of development issues, including:
  - Economic challenges given its remoteness, small market size, and limited institutional capacity.
  - Extreme vulnerability to climate change, including rising sea levels and erosion of the shoreline, seawater inundation of freshwater resources, reduced food security and increasingly frequent and severe storms.
  - High rates of poverty, with approximately 22% of the population below the Basic Needs Poverty Line.<sup>3</sup> And with high morbidity from non-communicable diseases, poverty in Kiribati is closely linked to health and food security.

## National Priorities

5. The Kiribati 20-year Vision 2016-2036 (KV20) is the long-term development blueprint for the country. The vision of the KV20 is for Kiribati to become a “wealthy, healthy and peaceful nation”. The vision is based on four pillars: wealth, peace and security, infrastructure, and governance. The wealth pillar will directly contribute to achieving green growth through developing natural capital, human capital and cultural capital to improve economic growth and reduce poverty. The development of natural capital will include implementing measures aimed at improving the contribution of the tourism sector to GDP and implementing strategies to support the development of an inclusive trade and private sector.
6. The Kiribati Development Plan 2016-2019 (KDP) guides the formulation of policies and programs to advance economic development in Kiribati. Currently, it serves as a mid-term implementation framework for the KV20. The vision of the KDP is “towards a better educated, healthier, more prosperous nation with a higher quality of life”. The mission of the KDP is to achieve improved education and health outcomes and achieve inclusive sustainable economic growth. The KDP focuses on implementing international commitments of the Government of the Republic of Kiribati (GoK), including the Sustainable Development Goals (SDGs) and the Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway and the Framework for Pacific Regionalism.
7. The Kiribati Climate Change Policy (KCCP), launched in 2018, is the overarching strategy for the implementation of adaptation, mitigation and disaster risk reduction actions. The implementation plan for the KCCP is the Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management (KJIP), which sets out a holistic approach to integrate climate change and disaster risks into all sectors and coordinate priorities for action in accordance with KV20 and the KDP.

<sup>1</sup> “World Bank Data 2018”, accessed 1 December 2018, <https://data.worldbank.org>.

<sup>2</sup> “Kiribati Country Profile,” Asian Development Bank, accessed 20 November, 2018, <https://www.adb.org/countries/kiribati/economy#tabs-0-1>.

<sup>3</sup> Government of Kiribati, “Household Income and Expenditure Survey”, 2006.

8. The Nationally Determined Contribution (NDC) of Kiribati has a focus on reducing emissions through adopting renewable energy (solar and coconut biodiesel), the use of coconut biodiesel for transport fuel, and enhancing mangrove growth. Given the climate vulnerability of Kiribati, the NDC also has a strong adaptation component – with a focus on improving food and water security, building resilient infrastructure, and strengthening planning capacity.
9. Lastly, the Global Green Growth Institute's (GGGI) program will contribute to implementing the country's policy frameworks and sectoral plans, including the Ministry of Environment, Lands & Agricultural Development (MELAD) Strategic Plan 2016-2019 and the Trade Policy Framework (TPF) 2017-2027. The MELAD Strategic Plan includes goals for improving environmental quality and increasing agricultural and livestock production to ensure food and nutrition security. The TPF states that the agriculture sector requires careful conservation of scarce land and water resources and that “a prosperous and wealthy Kiribati requires a vibrant, dynamic and efficient private sector.”<sup>4</sup> The TPF also includes actions for developing an agricultural sector that emphasizes agribusiness, increasing supply capacity, and catalyzing private sector movement towards a green economy, including small-scale businesses.

## About the Country Planning Framework

10. In line with the KV20, KDP and other national priorities, GGGI's 2019-2023 Country Planning Framework (CPF) of Kiribati will focus on agriculture development in support of food security and the improvement of public health outcomes and achieving private sector-led green growth. Achieving these outcomes will help Kiribati advance a climate resilient and inclusive green growth pathway that results in green job development, improved livelihoods, reduced poverty and contributes to achieving the NDC and the Sustainable Development Goals (SDGs).

## GGGI's Impact Pathway<sup>5</sup>

### Strategic Outcome 1: Climate-resilient agriculture and food systems are established

*GGGI's interventions will support the Government's goals of:*

Increasing volume of domestic trade to 81 metric tons by 2036 (KV20).

- Incidence of non-communicable diseases (NCDs) reduced, resulting in a reduction of the adult mortality (30-69-year-old per 100,000 population) rate to 25% by 2036 (KV20).
  - Improved food, nutrition, and water security through increasing crop and livestock diversity, increasing the contribution of agriculture to household income, and developing integrated and sector-specific approaches (KDP and KJIP).
  - Achieving a food and nutrition secured nation through improving production systems and community mobilization (MELAD Strategic Plan).
  - Increased agricultural & livestock production (MELAD Strategic Plan).
11. Kiribati has committed domestically in the KDP and KV20 to improve food security and increase the supply of nutritious food. The KDP includes goals and strategies for increasing crop and livestock diversity and increasing the contribution of agriculture to household income and reducing the adult mortality rate from NCDs. The KV20 further states that agricultural development requires a comprehensive agriculture strategy that takes into consideration the prioritization of crops and livestock development and increasing climate resilience of rainfed agriculture. To achieve these priorities, the GoK will need to improve farming techniques, develop the market for locally grown food, strengthen the policy environment, and formulate a pipeline of agriculture, health and nutrition projects with associated financing.

<sup>4</sup> Government of Kiribati, “Trade Policy Framework 2017-2027”, 2017.

<sup>5</sup> A number of national plans and priorities of GoK do not include quantified goals, targets and indicators. This CPF will therefore primarily contribute to achieving qualitative government goals.

GGGI will support these efforts by:

- Developing the Agriculture Addendum for KV20, a policy document with an associated implementation plan for achieving agricultural-sector led green growth and improved food security and public health outcomes.
  - The Agriculture Addendum will identify, develop and design a priority list of gender aware and inclusive projects that highlight the nexus between agriculture, food security, livelihoods and public health and nutrition.
  - Supporting GoK with mobilizing finance to implement the Agriculture Addendum and associated projects.
  - Develop climate change resilient, diversified and secure agriculture-related livelihoods through support to green micro-businesses.
  - Identifying interventions for market development and strengthened agricultural value chains, including policies and projects to improve economic connectivity and bring domestically grown produce to market.
  - Support government efforts to build awareness and develop knowledge on improving local food systems.
12. These interventions will support Kiribati in reducing its reliance on imported foods; build the resilience of the agricultural sector to climate change; achieve sustainable development in the outer islands; and improve the nutrition security of households, which will contribute to reducing the high incidence of non-communicable diseases. In the medium term, GGGI will contribute to Kiribati achieving its commitments in KV20 and the KDP and assist with achieving SDG 2 on promoting sustainable agricultural practices; SDG 3 on good health and well-being; SDG 8 on sustained, inclusive and sustainable economic growth and decent work; and SDG 13 on climate action.

## Strategic Outcome 2: The private sector is climate resilient and resource efficient, fostering green jobs development

GGGI's interventions will support the Government's goals of:

- Volume of domestic trade increased to 81 metric tons by 2036 (KV20).
  - Increase of private sector contribution to GDP to 65% by 2036 (KV20).
  - Promotion of private sector development, with private sector employment growth of at least 20% between 2016-2019, and a reduction in the national unemployment rate to 5% by 2036 (KDP and KV20).
  - Implementing strategies to support the development of an inclusive trade and private sector that drives green growth (KV20, KJIP and TPF).
  - Contribution of tourism to GDP increased to 50% by 2036 (KV20).
13. The key national plans of Kiribati, KV20 and KDP, recognize the role of the private sector as an engine of economic growth. These plans have a focus on private sector job creation, achieving growth in the tourism and agricultural sectors, improving the performance of state-owned enterprises (SOEs), and achieving inclusive green growth in the outer islands through private sector development. The TPF includes goals for supporting waste management and pollution control and increasing the number of businesses adopting green initiatives through developing climate resilient infrastructure, addressing logistical barriers, developing sectoral policies, and improving access to financing.

*GGGI will support these efforts by:*

- Developing an action plan with financing identified for strengthening supply chains and building the circular economy that has a pipeline of climate resilient small-scale infrastructure projects in the water, energy, and waste management sectors. In particular, these projects will have a focus on building the productive capacity of the agriculture and tourism sectors.
  - Entrepreneurs and communities are supported in the development of green business plans and proposals and accessing finance.
  - The private sector (including small businesses and SOEs) is supported to become more resource efficient, with green growth mainstreamed into business processes.
  - Capacity building and technical assistance is provided to government and the private sector (including the Ministry of Commerce, Industry and Cooperatives, small businesses and green entrepreneurs) and other key stakeholders on knowledge sharing and strengthening coordination and partnership development.
14. These interventions will assist the country with generating jobs in the private sector, contributing to developing and greening the agriculture, tourism, and commerce sectors, and moving the country towards a climate resilient green growth pathway in accordance with the ambitions articulated in KV20, the KDP and the NDC of Kiribati.
15. Over the medium term, GGGI will contribute to achieving SDG 8 on sustained, inclusive and sustainable economic growth and decent work; SDG 12 on responsible consumption and production; and SDG 13 on climate action.



# 1. Introduction to the Country Planning Framework

16. The Country Planning Framework (CPF) lays out the Global Green Growth Institute's (GGGI) green growth objectives and interventions that aim to support the Government of the Republic of Kiribati (GoK) in the 2019-2023 period. The CPF objectives are derived from the GGGI Strategic Plan, reflect GGGI's comparative advantage, and are in alignment with national goals and priorities of economic growth, poverty reduction, social inclusion and environmental sustainability.
17. Central to the CPF is joint ownership between GGGI and the government. The CPF formulation is undertaken by GGGI's country team in close dialogue with government counterparts and other national stakeholders. The document is co-owned and endorsed by the government, demonstrating commitment among both parties to collaborate on mutual goals.
18. The CPF is aligned with GGGI's corporate values, demonstrating:
  - **Transformational outcomes:** GGGI takes a long-term outlook and aims for catalytic CPF outcomes that can trigger transformational change. The achievement of these outcomes is enhanced through partnership and synergy with other development actors;
  - **Boldness:** GGGI solves problems with impatient optimism. CPF outcomes seek to design and scale up creative new solutions and continually learn and adapt to evolving local contexts;
  - **Excellence:** the CPF process is underpinned by technical rigor, demonstrating thought leadership and drive towards continuous improvement;
  - **Inclusiveness:** GGGI respects and prioritizes diversity, information sharing among a broad set of stakeholders and equal opportunity in its collaboration and interventions. CPFs are designed to respond to national poverty reduction and social inclusion challenges;
  - **Integrity:** GGGI upholds high standards for transparency and accountability. CPF analysis is balanced by a collection of analytical reports, data and stakeholder feedback.
19. In drafting the Kiribati CPF, GGGI has consulted extensively with green growth stakeholders from across government, civil society, private sector, and development partners – including the Ministry of Environment, Lands and Agriculture Development (MELAD); Ministry of Finance and Economic Development (MFED); the Ministry of Commerce, Industry and Cooperatives (MCIC); and the Kiribati Chamber of Commerce and Industries.

20. Consultations were held via bilateral meetings and workshops, hosted jointly by GGGI and its partners in Kiribati. The CPF aligns with national development policies and strategies, including the Kiribati's 20-Year Vision (KV20) 2016-2036 and Kiribati Development Plan (KDP) 2016-2019, the Kiribati Joint Implementation Plan (KJIP) as well as international commitments under the Sustainable Development Goals (SDGs) and Kiribati's Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC).
21. GGGI's ability to achieve the long-term outcomes of the CPF will depend on resource mobilization and the anticipated cooperation and support of the government and other relevant stakeholders. The CPF serves as a basis for GGGI earmarked resource mobilization in Kiribati. At the same time, GGGI core resources will be allocated under the CPF through the Institute's Work Planning and Budget process, in line with the resource allocation targets in the GGGI Strategic Plan 2015-2020. Indicative criteria for the allocation of core resources include International Development Association (IDA) criteria and the country's income group (low, middle or high income), development status (e.g. Least Developed Country), government commitment to green growth, government's absorption capacity, human development, economic vulnerability, vulnerability to climate change, being landlocked or sea-locked, status as a Small Island Development State, and other special conditions impacting on the needs and green growth potential of a country.

### Box 1. About GGGI

GGGI was founded to support and promote a model of economic growth known as “green growth”, which targets key aspects of economic performance such as poverty reduction, job creation, social inclusion and environmental sustainability.

GGGI envisions a resilient world achieved through strong, inclusive and sustainable green growth, and is dedicated to supporting the transition of partner countries toward a green growth model. In pursuit of these goals, GGGI works with developing and emerging countries to design and deliver programs and services that demonstrate new pathways to pro-poor economic growth.

GGGI supports stakeholders through two complementary and integrated work streams—Green Growth Planning & Implementation and Investment & Policy Solutions—that deliver comprehensive products and services designed to assist in developing, financing and mainstreaming green growth into national economic development plans.

GGGI's interventions emphasize change in four priority areas considered to be essential to transforming countries' economies including energy, water, sustainable landscapes and green cities. GGGI measures its success against six global Strategic Outcome targets related to GHG emission reduction, creation of green jobs, increased access to sustainable services, improved air quality, adequate supply of ecosystem services and enhanced adaptation to climate change.

Headquartered in Seoul, Republic of Korea, GGGI also has representation in a number of partner countries.



## 2. Kiribati's Green Growth Context

22. Kiribati is an island republic located in the Central Pacific consisting of 32 atoll islands and one raised coral island, with a total land area of 810 Km<sup>2</sup> scattered across 3.5 million km<sup>2</sup> of ocean. Economic development in Kiribati is constrained by geographic isolation, high transport and shipping costs, and a low population base. The country's population of 116,000 people is heavily concentrated in the urban areas of the capital, South Tarawa, where approximately 53% of the population lives.<sup>6,7</sup>
23. While Kiribati has made progress in increasing energy security, building climate resilient infrastructure, and improving economic management, the country continues to face a range of development issues, including:
- Economic challenges given its remoteness, small market size, and limited institutional capacity.
  - An infrastructure deficit in South Tarawa, especially in sanitation and water, which is exacerbated by population growth.

- Extreme vulnerability to climate change, including rising sea levels and erosion of the shoreline, seawater inundation of freshwater resources, reduced food security and increasingly frequent and severe storms and king tides.
- High rates of poverty, with approximately 22% of the population below the Basic Needs Poverty Line.<sup>8</sup> And with high morbidity from non-communicable diseases, poverty in Kiribati is closely linked to health and food security.

### Macro-Economic and Fiscal Trends

24. Kiribati is a Least Developed Country (LDC), and the UN expects that Kiribati will graduate from this group to become a Middle-Income Country by 2024.<sup>9</sup> While economic growth fluctuated in the 2000s, gross domestic product (GDP) growth has remained stable in recent years. In 2017, GDP growth was 2.5%, with growth of 2.3% projected for 2018 and 2019. The GDP per capita of Kiribati is among the lowest of Pacific island countries.<sup>10</sup>

<sup>6</sup> The population for Kiribati is from 2017. Data sourced from: "World Bank Data 2018", accessed 1 December 2018, <https://data.worldbank.org>.

<sup>7</sup> In 2015, approximately 51% of Kiribati population lived in South Tarawa. Data sourced from: National Statistics Office, "2015 Population and Housing Census", 2016.

<sup>8</sup> Government of Kiribati, "Household Income and Expenditure Survey", 2006.

<sup>9</sup> Government of Kiribati, "Kiribati 20-Year Vision 2016-2036", 2016.

<sup>10</sup> "Kiribati Country Profile", Asian Development Bank, accessed 20 November 2018, <https://www.adb.org/countries/kiribati/economy#tabs-0-1>.

25. With a number of reforms undertaken and the tax base broadened, Kiribati has seen improved economic management and government surpluses are now being experienced. While the government has adopted a policy of taking on no non-concessional loans, levels of central government debt have increased in recent years, reaching 25% of GDP in 2016; and the International Monetary Fund (IMF) has projected increasing levels of government debt into the future.<sup>11</sup>
26. The economy of Kiribati remains highly vulnerable and is reliant on copra production, fishing licenses, remittances, and overseas aid. Kiribati waters supplied one-quarter of the tuna in the global market in 2014, and fishing activity provided approximately 80% of the government's revenue in 2017. Since 2015, fish stocks in the Kiribati EEZ have been stronger than historical averages due to the warm and rainy El Niño. If drought conditions of La Niña prevail, Kiribati could see a sharp decline in fishing volumes and this could impact future economic growth potential.<sup>12</sup>
27. With its limited natural resource base, Kiribati is highly dependent on imports, predominantly food items. The key exports are limited to coconut and fish products, and the country therefore experiences consistently high trade deficits.<sup>13</sup>
28. Most of the economic activity of Kiribati is centered on the capital, South Tarawa, which had a population of about 56,000 people in 2015, and is thus home to close to half the population.<sup>14</sup> The main employer in South Tarawa is the public sector. While the private sector remains small in South Tarawa, there has been strong private sector-led growth over the past five decades. Additional income sources are fisheries and agriculture, however, due to the growing population, land scarcity is constraining agricultural led-growth and inshore fisheries have been greatly depleted. The outer islands, in comparison, remain economically underdeveloped, and most economic activities are centered on the subsistence economy.<sup>15</sup>
29. The extreme remoteness and limited natural and economic resource base of the outer islands results in high vulnerability to the impacts of climate change. Moreover, a lack of education and health services and opportunities for employment in outer islands are the main causes for internal migration, which is leading to overcrowding in South Tarawa.

## Environmental Sustainability

30. Kiribati is geographically isolated with low-lying atolls, small land areas separated by a vast ocean, and a high population concentration, in the capital of South Tarawa, making it especially vulnerable to the adverse impacts of climate change.
31. The per capita greenhouse gas (GHG) emissions of Kiribati are among the lowest in the world, at approximately 0.6 tCO<sub>2</sub>e per capita in 2014. The only major sector of emissions for Kiribati is energy (including transport), with slight contributions from agriculture and forestry. The impacts of climate change will disproportionately affect vulnerable communities that are heavily reliant on climate-sensitive sectors such as rainfed agriculture, tourism, fisheries and that have a limited asset base and therefore low adaptive capacity. An economic evaluation has estimated that the cost of climate change related risks is 35% of Kiribati GDP.<sup>16</sup>
32. The increasing population of South Tarawa causes a myriad of environmental challenges, as pressure to provide water, energy, housing is resulting in resource scarcity and putting stress on vulnerable island ecosystems. There is limited access to climate resilient and green infrastructure in Kiribati, with the outer islands, in particular, facing a lack of access to water and sanitation, modern energy and other enabling infrastructure.<sup>17</sup>
33. While Kiribati continues to face environmental challenges, progress has been made on improving environmental management. Waste management has improved, with upgrades to landfill areas and schemes launched for processing private waste, recycling, and e-waste. Fish stocks have been safeguarded with the closure of the Phoenix Island Protected Area (PIPA) to commercial fishing, and coastal resilience has improved with expanded planting of mangroves, construction of seawalls, and alternatives to beach mining developed.

<sup>11</sup> International Monetary Fund, "Article IV consultation with Kiribati", 2017.

<sup>12</sup> Ibid.

<sup>13</sup> Government of Kiribati, "Trade Policy Framework 2017-2027", 2017.

<sup>14</sup> National Statistics Office, "2015 Population and Housing Census", 2016.

<sup>15</sup> Government of Kiribati, "Kiribati 20-Year Vision 2016-2036", 2016.

<sup>16</sup> Government of Kiribati, "Intended Nationally Determined Contribution", 2015.

<sup>17</sup> International Renewable Energy Agency, the Pacific Community and the Pacific Power Association, "Kiribati Integrated Energy Roadmap: 2017-2025", 2017.

## Poverty Reduction and Social Inclusion

34. Poverty and hardship are widespread in Kiribati, with 22% of the population under the Basic Needs Poverty Line in 2006. Poverty in 2006 was highest in South Tarawa (22.4%) and the lowest in the Line and Phoenix Islands (8.9%).<sup>18</sup>
35. Health issues in Kiribati contribute to a loss of productivity and impact people's wellbeing. There are linkages between climate change, food security and public health outcomes in Kiribati – with non-communicable diseases, resulting in part from poor nutrition and food insecurity, a major source of morbidity.<sup>19</sup>
36. Based on the 2006 Household Income and Expenditure Survey (HIES), Kiribati had a national Gini coefficient of 0.39, and the HIES indicated a lower degree of inequality in South Tarawa than in the rest of the Gilbert group of islands.<sup>20</sup> Unemployment remains very high; and outside the public service (by far the highest employer in Kiribati) formal employment is rare. In 2010, the total unemployment rate was 30.6% and the youth unemployment rate was 54%.<sup>21</sup>
37. In Kiribati, gender inequality – one of the three dimensions of the Human Development Index (HDI) – is a major barrier to development. Discrimination against women and girls occurs in labor markets and political representation, with only 7% of seats in parliament held by women in 2015, and gender-based violence is prevalent (68% of women have experienced physical and/or sexual violence by a partner in 2008).<sup>22</sup> There is no significant discrimination in education outcomes (in 2015, 999 males and 948 females had attained higher education). The gender gap is also narrow in government employment (53% male, 47% female), but higher in the private sector (60% male, 40% female).<sup>23</sup>

<sup>18</sup> Government of Kiribati, "Household Income and Expenditure Survey", 2006.

<sup>19</sup> Government of Kiribati, "Kiribati 20-Year Vision 2016-2036", 2016.

<sup>20</sup> Kiribati National Statistics Office and UNDP Pacific Centre, "Kiribati: Analysis of the 2006 Household Income and Expenditure Survey", 2010.

<sup>21</sup> International Labour Organization, "Kiribati Employment and Environmental Sustainability Fact Sheets", 2017.

<sup>22</sup> Ministry of Finance and Economic Development, "Kiribati Gender Statistics Abstract", 2017.

<sup>23</sup> Kiribati National Statistics Office and SPC Statistics for Development Program, "Kiribati 2010 Census Volume 2: Analytical Report", 2012.

Table 1: Kiribati at a Glance

	Data	Year	Source
Population	116,398	2017	World Bank
Land area (sq. km)	810	N/D	FAO
Ocean area (sq. km)	3,550,000	N/D	FAO
GDP per capita, PPP (current international \$)	2,180.4	2017	World Bank
World Bank income group classification	Least Developed Country	2018	World Bank
Incidence of basic needs poverty (%) <sup>24</sup>	21.8	2006	GoK
Unemployment total (% of total labor force) <sup>25</sup>	41%	2015	GoK
Inflation, consumer prices annual (%)	0.57	2015	World Bank
Central government revenue (% GDP)	116.4	2016	IMF
Central government expenditure (% GDP)	112.3	2016	IMF
Public sector debt (% GDP)	25	2016	IMF
External grants as a percentage of total government revenue (%)	28	2016	IMF
Foreign direct investment, net inflows (% of GDP)	0.74	2017	World Bank
Human Development Index	0.612 (134 <sup>th</sup> )	2017	UNDP
CO <sub>2</sub> e emissions (metric tons per capita) <sup>26</sup>	0.6	2014	GoK
Forest area (% of land area)	15	2017	World Bank
Agricultural land (% of land area)	41.98	2015	World Bank
Agriculture, forestry, and fishing, value added (% of GDP)	30.79	2017	World Bank
Terrestrial and marine protected areas (% of total territorial area)	11.82	2017	World Bank
Renewable energy consumption (% total final consumption)	4.25	2015	World Bank
Energy use (kg of oil equivalent per capita)	114.21	2007	World Bank
Urban population growth (annual %)	3.27	2017	World Bank
Urban population (% of total)	53.26	2017	World Bank
Environmental Performance Index	55.26 (95 <sup>th</sup> )	2018	Yale
Gini coefficient <sup>27</sup>	0.39	2006	GoK
Basic sanitation facilities (% of population with access)	39.77	2015	World Bank
Trade balance (% GDP)	-53.1	2016	IMF Article IV
Diabetes incidence (% of adults over 18 years) <sup>28</sup>	22	2016	WHO
Private sector contribution to GDP (%) <sup>29</sup>	54.5	2015	KV20
Private sector employment (% of formal employment) <sup>30</sup>	35	2017	TPF

<sup>24</sup> Government of Kiribati, "Household Income and Expenditure Survey", 2006.

<sup>25</sup> Kiribati National Statistics Office, "2015 Population Census Report", 2015.

<sup>26</sup> Government of Kiribati, "Intended Nationally Determined Contribution", 2015.

<sup>27</sup> Government of Kiribati, "Household Income and Expenditure Survey", 2006.

<sup>28</sup> World Health Organization, Global report on diabetes (Geneva, Switzerland; 2016).

<sup>29</sup> Government of Kiribati, "Kiribati 20-Year Vision 2016-2036", 2016.

<sup>30</sup> Government of Kiribati, "Trade Policy Framework 2017-2027", 2017.



## 3. National Priorities

### Kiribati 20-Year Vision (2016-2036)

38. The KV20 is the long-term development blueprint for Kiribati, which demonstrates the desire of the GoK to move forward with green growth. The vision of the KV20 is for Kiribati to become a “wealthy, healthy and peaceful nation” through maximizing development benefits from fisheries and tourism as key productive sectors. The development of the fisheries and tourism sectors is also envisaged to result in broad-based economic growth through backward and forward sectoral linkages.
39. The Vision is based on four pillars: Wealth; Peace and Security; Infrastructure; and Governance. The “wealth pillar” will directly contribute to achieving green growth, and aims to develop natural capital, human capital and cultural capital to improve economic growth and reduce poverty. The development of natural capital will include implementing measures aimed at maximizing revenue from fisheries and marine resources, improving the contribution of the tourism sector to GDP, and implementing strategies to support the development of an inclusive trade and private sector.

### Kiribati Development Plan (2016-2019)

40. The Kiribati Development Plan (KDP) guides the formulation of policies and programs to advance economic development in Kiribati and implement the KV20. The vision of the 2016-2019 KDP is “towards a better educated, healthier, more prosperous nation with a higher quality of life”.
41. The mission of the KDP is to achieve improved education and health outcomes and achieve inclusive sustainable economic growth. The KDP recognizes the committed engagement by households, communities, local and national governments, civil society and the private sector towards the future development of Kiribati.
42. The KDP also contributes to the implementation of GoK’s international commitments, including the SDGs and the Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway and the Framework for Pacific Regionalism.

## Kiribati Climate Change Policy and Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management

43. The Kiribati Climate Change Policy (KCCP), which was launched in 2018, is the overarching strategy for the implementation of adaptation, mitigation and disaster risk reduction actions. The KCCP includes objectives for improving food, water, energy and health security; achieving coastal protection and building resilient infrastructure; developing environmental resilience; and improving disaster risk management.
44. The implementation plan for the KCCP is the KJIP, which sets out a holistic approach to integrate climate change and disaster risks into all sectors and coordinate priorities for action in accordance with KV20 and the KDP.
45. To build climate resilience and respond to the impacts of climate change, the KJIP identifies 12 major strategies that include: increasing water and food security with integrated and sector-specific approaches and promoting healthy and resilient ecosystems; promoting sound and reliable infrastructure development and land management; promoting the use of sustainable renewable sources of energy and energy efficiency; and strengthening and greening the private sector, including small-scale business.

## Nationally Determined Contribution of Kiribati

46. Kiribati has committed under its NDC to reduce emissions by 13.7% by 2025, and 12.8% by 2030 compared to a business-as-usual (BAU) projection. Conditionally, with international assistance to access financial and technical resources, Kiribati can contribute a further 48.8% reduction in greenhouse gas emissions by 2025; and a 49% reduction in greenhouse gas emissions by 2030, compared to the BAU projection. Therefore, with appropriate international assistance, Kiribati can reduce its emissions by 61.8% by 2030.
47. The NDC of Kiribati has a focus on reducing emissions by adopting renewable energy (solar and coconut biodiesel), the use of coconut biodiesel for transport fuel, and enhancing mangrove growth. Given the climate vulnerability of Kiribati, the NDC also has a strong adaptation component – with a focus on improving food and water security, building resilient infrastructure, and strengthening planning capacity.

Table 2: National Green Growth Targets

National Plans	Key Targets
Kiribati 20-year Vision 2016-2036 (KV20)	<ul style="list-style-type: none"> <li>Increasing volumes of domestic trade to 81 metric tons by 2036.</li> <li>Incidence of NCDs reduced, resulting in a reduction of the adult mortality rate to 25% by 2036.</li> <li>Reduction in national unemployment rate to 5% by 2036.</li> <li>Developing inclusive sustainable trade and private sector, with the private sector contributing 65% of GDP by 2036.</li> <li>Contribution of tourism to GDP increased to 50% by 2036.</li> </ul>
Kiribati Development Plan (KDP) for 2016-19	<ul style="list-style-type: none"> <li>Improved food and nutrition security through increasing crop and livestock diversity and increasing the contribution of agriculture to household income.</li> <li>Promotion of private sector development, with private sector employment growth of at least 20% between 2016-2019.</li> </ul>
Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management (KJIP)	<ul style="list-style-type: none"> <li>Increasing water and food security with integrated and sector-specific approaches.</li> <li>Strengthening and greening the private sector.</li> </ul>
International Commitments	Key Targets
First Intended Nationally Determined Contribution	<ul style="list-style-type: none"> <li>Reduce emissions by 13.7% by 2025, and 12.8% by 2030 compared to BAU.</li> <li>Conditionally, there is a target to reduce emissions by 61.8% by 2030.</li> </ul>

## Sectoral Plans and Policies

48. Lastly, GGGI's program will contribute to implementing the country's policy frameworks and sectoral plans, including the MELAD Strategic Plan 2016-2019 and the Trade Policy Framework (TPF) 2017-2027.

49. The MELAD Strategic Plan includes goals for improving environmental quality and increasing agricultural and livestock production to ensure food and nutrition security.

50. The TPF states that the agriculture sector requires careful conservation of scarce land and water resources and that "a prosperous and wealthy Kiribati requires a vibrant, dynamic and efficient private sector."<sup>31</sup> The TPF also includes actions for developing an agricultural sector that emphasizes agribusiness, increasing supply capacity, and catalyzing private sector movement towards a green economy, including small-scale businesses.

<sup>31</sup> Government of Kiribati, "Trade Policy Framework 2017-2027", 2017.



## 4. GGGI's Engagement in Kiribati

51. The Republic of Kiribati is a founding member of GGGI and deposited its Instrument of Ratification in 2012. The Kiribati program commenced in 2016, following a scoping assessment conducted in 2015. Host Country Agreement was signed in 2018 alongside the official launch of GGGI's presence in Kiribati.

### GGGI's Achievements to Date

52. In 2016, GGGI approved the 2017-2018 work plan to begin work on its first joint program with the GoK: Green and Climate Resilient Island Development. This project supported Kiribati towards the development of green micro businesses with the aim of developing climate resilient, diversified and secure livelihoods in Kiribati's outer islands. It is also contributing to achieving adaptation by developing the climate resilient infrastructure that is required to foster green micro business growth. GGGI did so by:

- Identifying sustainable micro-scale income generation opportunities and developing concept notes for potential income generating activities and identification of supporting green infrastructure needs.

- Sharing knowledge on integrated planning approaches on climate change adaptation and green growth. GGGI's support included (i) evaluating the Whole of Island Approach pilot in Abaiang, and (ii) conducting trainings to government officials on cost-benefit analysis and value chain analysis for identifying green and climate resilient projects.

### GGGI's Comparative Advantage in Kiribati

53. GGGI defines green growth as "a development approach that seeks to deliver economic growth that is both environmentally sustainable and socially inclusive." Accordingly, GGGI's theory of change is rooted in the economic and political realities that guide developing countries' responses to climate change, environment, poverty reduction and social inclusion.

54. To accomplish change, GGGI's work brings together many of the environmental and social objectives of other international organizations, and the economic growth and poverty reduction objectives of development banks and investors. This innovative approach allows GGGI to provide more holistic, results-oriented technical assistance to governments, and distinguishes GGGI from more traditional development partners.

55. A key feature of GGGI's approach is its emphasis on sustainable long-term results, which requires a fundamental shift toward not only integrated planning and greener investment, but also stronger governance and implementation. For this reason, GGGI aims to strengthen the institutional capacity of governments to better understand the value of green growth, and implement their green growth objectives in an inclusive, effective and efficient manner. GGGI is vigilant to develop country capacities, not substitute them. GGGI emphasizes mainstreaming and capacity development throughout its interventions and works jointly with government day-to-day. This allows the build-up of sustainable technical and institutional capabilities and strengthens the long-term enabling environment for green growth. In its interventions, the institute aims for a medium-term hand-over of responsibilities to government, for implementation and upscaling of successes.
56. GGGI works along the full value chain of green growth activities in Kiribati, which includes policy analysis, recommendations, strategic support and green investment services. GGGI works closely with national government actors and local government to provide technical and policy support; develop strong governance mechanisms and implementation tools; build capacity through training and knowledge sharing; and support the development of projects and mobilization of finance for green growth.
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58. In Kiribati, GGGI is the only development partner embedded within the Ministry of Environment, Lands & Agriculture Development, allowing GGGI to provide trusted advice and focused technical assistance. Given the ministry's pivotal role in the country's sustainable development agenda, including in green growth planning and development of the agriculture sector, GGGI is strategically placed to support the government with the delivery of its green growth objectives.



## 5. Impact Pathway

### Strategic Outcome 1: Climate resilient agriculture and food systems are established

#### 59. GGGI's interventions will support the Government's goals of:

- Increasing volumes of domestic trade to 81 metric tons by 2036 (KV20).
- Incidence of NCDs reduced, resulting in a reduction of the adult mortality (30-69 year old per 100,000 population) rate to 25% by 2036 (KV20).
- Improved food, nutrition, and water security through increasing crop and livestock diversity, increasing the contribution of agriculture to household income, and developing integrated and sector-specific approaches (KDP and KJIP).
- Achieving a food and nutrition secured nation through improving production systems and community mobilization (MELAD Strategic Plan).
- Increased agricultural & livestock production (MELAD Strategic Plan).

### National Objectives

60. With poor nutrition, limited land, and inadequate soils, improving food and nutrition security is a key development priority. Kiribati has committed domestically in the KDP and KV20 to improve food security and increase the supply of nutritious food.
61. The agriculture sector is one of the largest employers in Kiribati, and the majority of households continue to rely on small-scale production for their livelihoods and food security. The commercialization of agriculture has been limited in Kiribati to small-scale government and donor-led initiatives, with a predominant focus on South Tarawa.
62. Improving agricultural production is difficult due to limited land availability, poor soil, and scarce water resources. There is the potential, however, to improve production for crops and livestock in some selected outer islands. Possible crops may include banana, breadfruit, coconut, pandanus, pawpaw, pumpkin, and sweet potato.<sup>32</sup>
63. The development of green tourism can stimulate the development of the agricultural sector through sectoral value chain linkages. Growth in the tourism sector can result in increased demand for locally grown food and stimulate production, but this will require strengthening of supply chains from the outer islands to South Tarawa.<sup>33</sup>

<sup>32</sup> Government of Kiribati, "Trade Policy Framework 2017-2027", 2017.

<sup>33</sup> Government of Kiribati, "Kiribati 20-Year Vision 2016-2036", 2016.

64. Communities in the outer islands are especially reliant on subsistence agriculture at the household level; the development of commercial agricultural projects can contribute to outer island development. There is also the potential for outer islands to supply food to domestic markets, which could contribute to increasing employment and reduce the high rates of migration to South Tarawa.
65. Increased local food consumption can reduce the dependence of Kiribati on imported food, such as rice and flour, and thus build resilience to international shocks, such as increases in global food prices. While hunger is not prevalent in the country, poor nutrition continues to be a major issue – increases in non-communicable diseases and other nutritionally-related issues, such as vitamin A deficiency, are a major public health challenge.<sup>34</sup>
66. Building climate resilience in the agriculture sector and food systems is also a priority. Climate change is expected to result in decreasing agricultural productivity and increasingly variable rainfall patterns, which will disproportionately affect households reliant on rainfed agriculture.<sup>35</sup>
67. The KDP includes goals and strategies for improving crop and livestock diversity, increasing the contribution of agriculture to household income, and reducing the adult mortality rate from non-communicable diseases. The Agriculture and Livestock Division of MELAD strategic plan for KDP 2016–2019, moreover, emphasizes the goal of achieving a food and nutrition secured nation through improving production systems and developing partnerships with relevant stakeholders across the agricultural value chain to promote synergies and collaboration.

## Barriers

68. **Lack of plans and policies for agricultural sector development.** GoK lacks an overarching agriculture strategy for prioritizing crop and livestock development resulting in government programs and development assistance being poorly coordinated and a lack of financing for the sector. In addition, responsibilities for different areas are shared between a number of different agencies including between the Agriculture and Livestock Division (ALD) of MELAD for agricultural production issues, and MCIC for domestic and international marketing. The key development plan of Kiribati, KV20, also does not have a strong agricultural and food system focus, and thus there is a need to develop a national agricultural planning framework linked to KV20.
69. **Insufficient support provided to farmers on building climate resilient agriculture and food systems.** Farmers in Kiribati lack support for adapting to climate change, improving cultivation methods, increasing soil quality, sustainably accessing water, and facilitating large scale production of food. The MELAD's Agriculture and Livestock Division and development partners have projects underway on compost development, soil health, identifying climate resilient crop varieties, and livestock diversification, but further support and financing is required, especially in outer islands.
70. **Poor quality agricultural value chains.** The poor quality of linkages between the outer islands and South Tarawa constrain the development of supply chains. In particular, agricultural development is limited by infrequent shipping schedules, and a lack of refrigerated shipping options. Food producers also do not have the capacity to process and preserve food, which can add value to products and reduce perishability.
71. **Inadequate knowledge of food systems.** There is a need to promote and sustain knowledge, information and good practices for agricultural development. Kiribati has experienced a loss of traditional skills and knowledge on agriculture and food preparation and preservation, and the revival of this knowledge could be useful for overcoming the unique challenges faced in Kiribati.

<sup>34</sup> Government of Kiribati, "Kiribati Voluntary National Review and Kiribati Development Plan Mid-Term Review", 2018.

<sup>35</sup> Government of Kiribati, Intended Nationally Determined Contribution, 2015.

### GGGI's Response

72. In order to achieve this outcome, GGGI will provide the following services in the areas of sectoral policy and planning, project development and financing, implementation support, and capacity enhancement:

- Developing the Agriculture Addendum for KV20, a policy document with an associated implementation plan for achieving agricultural-sector led green growth, and improved food security and public health outcomes. GGGI will provide support to MELAD, and other key stakeholders, on policy analysis, consultations and drafting the addendum.
- The Agriculture Addendum will identify, develop and design a priority list of gender aware and inclusive projects that highlight the nexus between agriculture, food security, livelihoods, and public health and nutrition.
- Supporting GoK with mobilizing finance to implement the Agriculture Addendum and associated projects. GGGI will assist GoK with accessing finance from development partners and global climate funds.
- Develop climate change resilient, diversified and secure agriculture-related livelihoods through support to green micro-businesses. This will include workshops on green entrepreneurship to catalyze the role of the private sector in the development of climate resilient agriculture and food systems.
- Identifying interventions for market development and strengthened agricultural value chains, including policies and projects to improve economic connectivity and bring domestically grown produce to market.
- Support government efforts to build awareness and develop knowledge on improving local food systems.

### Results

73. GGGI will contribute to the GoK achieving its objectives to strengthen agricultural development, improve food security and build climate resilience. Immediate outcomes of the CPF will be:

- The development of an Agriculture Addendum that is linked to KV20 and includes an implementation plan with a priority list of gender aware and inclusive projects.
- Finance mobilized to implement the Agriculture Addendum and associated projects.
- Support provided to green micro-businesses to strengthen value chains and access green finance.
- Awareness and knowledge built to strengthen agricultural development and food systems.
- These results will contribute to GoK achieving its goals under KV20 to increase the volume of domestic trade to 81 metric tons by 2036 and to reduce the adult mortality (30-69 year old per 100,000 population) rate to 25% by 2036.

74. These interventions will support Kiribati in reducing its reliance on imported foods; build the resilience of the agricultural sector to climate change; achieve sustainable development in the outer islands; and improve the nutrition security of households, which will contribute to reducing the high incidence of non-communicable diseases.

75. In the medium term, GGGI will contribute to Kiribati achieving its commitments in KV20 and the KDP and assist with reaching SDG 2 on promoting sustainable agricultural practices; SDG 3 on good health and well-being; SDG 8 on sustained, inclusive and sustainable economic growth and decent work; and SDG 13 on climate action.

## Strategic Outcome 2: The private sector is climate resilient and resource efficient, fostering green SMEs and jobs development

### 76. GGGI's interventions will support the Government's goals of:

- Volume of domestic trade increased to 81 metric tons by 2036 (KV20).
- Increase of private sector contribution to GDP to 65% by 2036 (KV20).
- Promotion of private sector development, with private sector employment growth of at least 20% between 2016-2019, and a reduction in the national unemployment rate to 5% by 2036 (KDP and KV20).
- Implementing strategies to support the development of an inclusive trade and private sector that drives green growth (KV20, KJIP and TPF).
- Contribution of tourism to GDP increased to 50% by 2036 (KV20).

## National Objectives

77. A key goal of KV20 is the development of an inclusive and sustainable private sector.<sup>36</sup> The private sector in Kiribati remains underdeveloped although it has experienced growth in recent years with the sectors contribution to GDP increasing from 47.3% in 2005 to 54.5% in 2015. In the formal sector, private sector employment has grown at a rate of over 12% per annum since 2010 and the total share of private sector employees has increased from 24% in 2010 to 35% in 2017.<sup>37</sup> The majority of private sector employees are in the informal sector and are engaged in farming, copra production, market stalls, and handicraft production.<sup>38</sup>
78. Private sector activity is not evenly distributed across the country, with 80% of businesses in South Tarawa and a further 10% in Kiritimati. Almost all businesses in Kiribati are small and medium-sized enterprises (SMEs): out of the approximately 2000 businesses in the country, only two employ more than 200 employees.<sup>39</sup> The development of a climate resilient and inclusive private sector will require increased investment to support private sector development in the outer islands, which have experienced particularly low rates of private sector growth.
79. Private sector development will require a combination of public and private sector financing, including from development partners and international climate funds. Difficulty accessing financing and a high cost of credit are constraints to business growth. GoK and development partners could provide start-up capital and support banks to provide concessional financing for green business activities. While foreign private investment can be an important driver of growth, only 18 foreign investors have established their enterprises in Kiribati.<sup>40</sup>

<sup>36</sup> Government of Kiribati, "Kiribati 20-Year Vision 2016-2036", 2016.

<sup>37</sup> Government of Kiribati, "Trade Policy Framework 2017-2027", 2017.

<sup>38</sup> Ibid.

<sup>39</sup> Ibid.

<sup>40</sup> Government of Kiribati, "Kiribati 20-Year Vision 2016-2036", 2016.

80. The dominant industries in Kiribati are in the agriculture and fisheries, retail and sales, and small-scale manufacturing sectors. While the tourism sector is currently small, the government has identified the sector as a key driver of future economic development in KV20.
81. Improving the performance of state-owned enterprises (SOEs) is also a priority of GoK. There is the potential for SoEs to improve service delivery, including electricity, water and sanitation, technological services, and infrastructure development to strengthen the enabling environment for private sector development. SOEs can also green their processes, including through procuring renewable energy, improving energy efficiency and reducing waste.
82. As outlined in the TPF, the GoK aims to catalyze the private sector as a driver of the green economy, including through small scale business development. The TPF also includes goals for supporting waste management and pollution control and increasing the number of businesses adopting green initiatives through developing climate resilient infrastructure, addressing logistical barriers, developing sectoral policies, and improving access to financing.<sup>41</sup>
83. The key national plans of Kiribati, KV20 and KDP, recognize the role of the private sector as an engine of economic growth. These plans have a focus on inclusive private sector development for job creation, achieving growth in the tourism, fisheries and agriculture sectors, and achieving inclusive green growth in the outer islands through private sector development.

## Barriers

84. **Lack of support on developing supply chains and the circular economy.** The private sector lacks support on improving domestic supply chains, recycling and reusing products, and accessing affordable infrastructure services. This barrier can be overcome through improving transport linkages between outer islands and South Tarawa, developing markets, improving waste management, and increasing the provision of small-scale infrastructure.
85. **The private sector lacks the capacity to develop business plans and proposals and access finance.** Businesses require support in developing concepts and plans, understanding business development, and accessing finance from banks, development partners, climate funds and the government.
86. **Businesses are not resource efficient.** Private sector development is constrained by unreliable and high cost electricity supply, inadequate access to water and sanitation, and a high reliance on imported goods. Businesses are also not aware of the potential savings from reducing energy and water use, and how to implement and finance green business practices.
87. **Poor coordination between government and the private sector.** There is a need to implement measures to ensure that the voice of the private sector is fully represented in government decision-making. The dialogue between the private sector and GoK needs to be strengthened to improve policy design, enhance regulatory frameworks, and ensure the needs of the private sector are better met to promote sustainable and inclusive green growth.

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<sup>41</sup> Government of Kiribati, "Trade Policy Framework 2017-2027", 2017.

### GGGI's Response

88. GGGI will support these efforts by:

- Developing an action plan with financing identified for strengthening supply chains and building the circular economy that has a pipeline of climate resilient small-scale infrastructure projects in the water, energy, and waste management sectors. In particular, these projects will have a focus on building the productive capacity of the agriculture, commerce and tourism sectors.
- Entrepreneurs and communities are supported in the development of green business plans and proposals and accessing finance. GGGI will continue to provide support through its regional green entrepreneurs' program, which cultivates the development of local businesses and supports them to address environmental and social issues in their business model.
- The private sector and SOEs are supported to become more resource efficient, with green growth mainstreamed into business processes.
- Capacity building and technical assistance is provided to government and the private sector (including the Ministry of Commerce, Industry and Cooperatives, SMEs and green entrepreneurs) and other key stakeholders on knowledge sharing and strengthening coordination and partnership development.

### Results

89. GGGI will contribute to the GoK developing a climate resilient and resource efficient private sector, developing green SMEs and developing green jobs. Immediate outcomes of the CPF will be:

- Action plan developed for strengthening supply chains and building a circular economy, which will contribute to increasing the private sectors contribution to GDP and the development of green jobs.
- Entrepreneurs and communities supported to develop green business plans and proposals and accessing public and private finance. This support will also contribute to green job growth.
- The private sector will become more resource efficient with green growth mainstreamed into business processes. Businesses will also become more aware of opportunities to make savings through improving water use and increasing energy efficiency.
- Strengthened partnerships between government and the private sector, with business having the opportunity to provide input on policy and regulatory design. Both the GoK and the business community will have increased knowledge of the processes for achieving green growth.
- These results will contribute to GoK achieving its goals under KV20 to increase the volume of domestic trade to 81 metric tons by 2036, increase private sector contribution to GDP to 65% by 2036, and increase the contribution of tourism to GDP to 50% by 2036.

90. These interventions will assist the country with generating jobs in the private sector, contributing to developing and greening the agriculture, tourism, and commerce sectors, and moving the country towards a climate resilient green growth pathway in accordance with the ambitions articulated in KV20, the KDP and the NDC of Kiribati.

90. Over the medium term, GGGI will contribute to achieving SDG 8 on sustained, inclusive and sustainable economic growth and decent work; SDG 12 on responsible consumption and production; and SDG 13 on climate action.

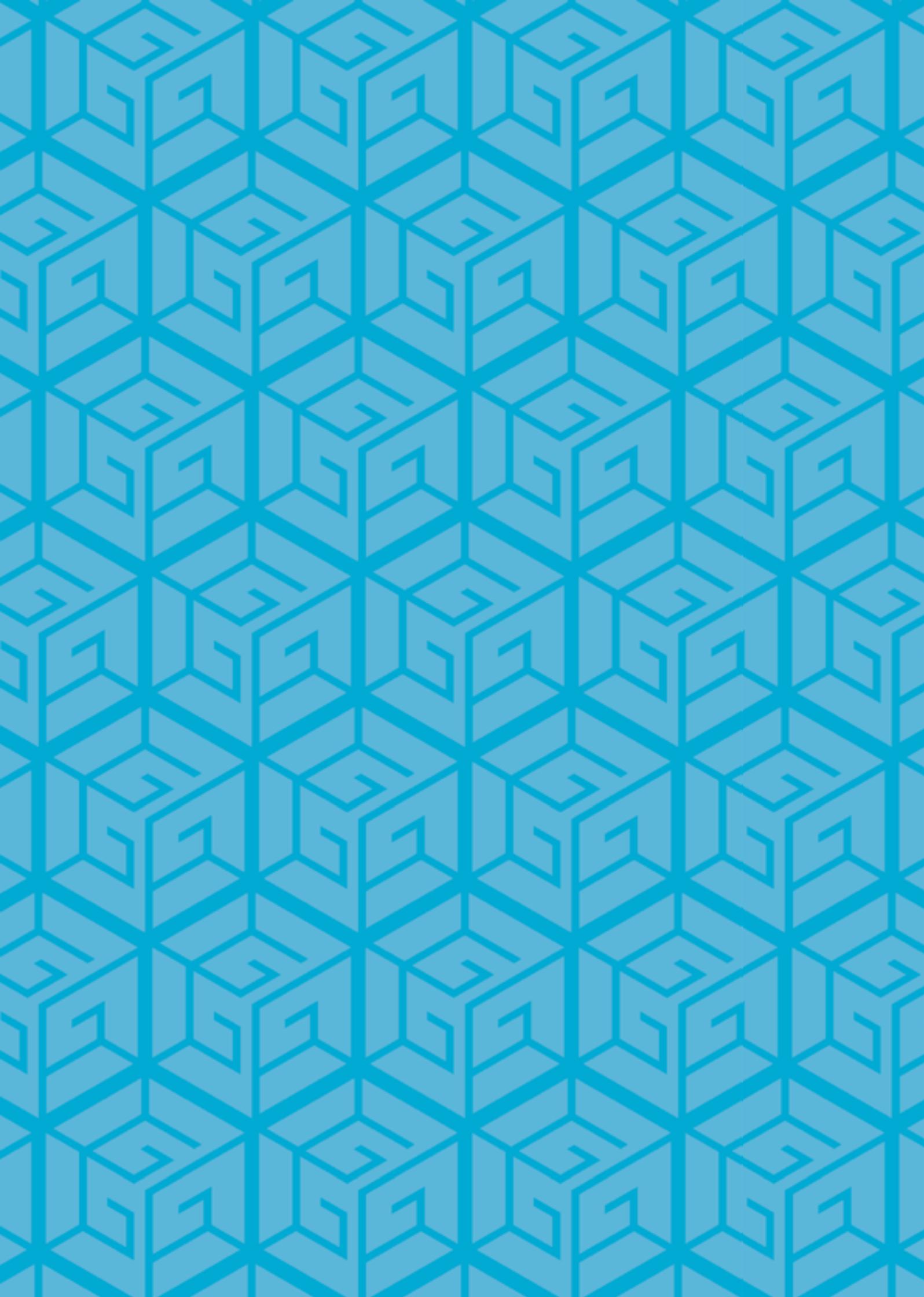




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