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Mr. Eriati Manaima
Secretary
Ministry for Finance & Economic Development
P.O Box 67
Bairiki, Tarawa,
KIRIBATI

Dear Mr. Manaima,

Kiribati: Aide Memoire from Joint Health Donor Mission, 15 August to 1 September 2016

I am pleased to provide you with a copy of the Aide Memoire from the recent joint health development partner mission to Kiribati. The main purpose of the visit was to assist the Ministry of Health and Medical Services (MHMS) to: (i) review progress over the first six months of 2016 in implementing activities under the Kiribati Health Strategic Plan (KHSP) programs of work, including specific activities funded by development partners (DPs) and/or implemented with their technical support; and (ii) prepare its 2017 budget submission. These themes also formed the agenda for discussions at the Health Sector Coordination Committee (HSCC) meeting hosted by MHMS on 25 August.

Key points from the Aide Memoire that may be of particular interest include:

1. **MHMS continues to make good progress monitoring health sector performance against the Kiribati Health Strategic Plan and key indicators from the Kiribati Development Plan.** We congratulate MHMS on its ongoing effort to monitor health sector performance more systematically. The recently developed service delivery statements and regular HSCCs reflect this commitment. These steps MHMS is taking to regularly review how it allocates and uses its resources to achieve better quality health services and outcomes is an essential part of improving overall quality of expenditure within Government. More detail is provided in paragraphs 4-6 and Annex 1.
2. **The limitations with the current financial management information systems (FMIS) arrangements continue to hamper MHMS' ability to have accurate and up to date financial reports.** The lack of up-to-date accurate reporting on both recurrent and development¹ funds limits MHMS managers' ability to assess how available resources are being allocated and spent to achieve the KHSP strategic objectives and to make more timely, evidence-informed modifications to financing and implementation arrangements where

¹ Development funds from external sources accounts for an estimated 20% of the total health budget so is a significant contribution to manage.

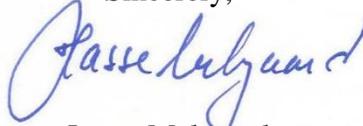
needed. It is encouraging to hear the plans for review of the FMIS will proceed over the coming year. More detail is provided in paragraphs 26 and 27.

3. **MHMS is taking steps to manage increasing expenditure pressures as Kiribati graduates from eligibility for some donor financed health programs; this will require Government to increase its funding for certain items (goods, services, payroll etc.) in 2017 and later years.** As income levels rise, Kiribati's eligibility for donor funding in some health programs is changing. MHMS, with support from development partners, is taking steps to explore options for keeping vaccine and related costs at a sustainable level. More detail is provided in paragraph 43 and Table 3.
4. **A workshop to explore sustainable health financing options for Kiribati is planned for 1 December in Tarawa. It is hoped that Ministry of Finance will be able to participate at a senior level in some panel discussions at this workshop.** Our World Bank team is working with MHMS and DPs to shape a draft program for what is planned to be a very participative discussion with Government and DPs.

As agreed with MHMS the next joint health partner mission is planned for 28 November through to 4 December. A small World Bank mission will precede this in October.

We would like to thank the Government of Kiribati for the meeting arrangements and productive discussions.

Sincerely,



Lasse Melgaard

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- cc Ms. Saitofi Mika, Acting Secretary to the Cabinet, Office of Te Beretitenti
Hon. Dr. Teuea Toatu, Minister, Ministry of Finance and Economic Development
Hon. Dr. Kobebe Tetaua, Minister, Ministry of Health and Medical Services
Dr. Teatao Tiira, Secretary, Ministry of Health and Medical Services
Mr. Bruce Cowled, Australian High Commissioner to Kiribati
Mr. Don Higgins, New Zealand High Commissioner to Kiribati