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**PRIVATE SECTOR DEVELOPMENT  
STRATEGY 2013 - 2015**

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**June, 2013**



**MINISTRY OF COMMERCE, INDUSTRY AND  
COOPERATIVES**

**IN COLLABORATION WITH**



**KIRIBATI CHAMBER OF COMMERCE AND  
INDUSTRY**

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## ***Foreword***

It is indeed a privilege to have this opportunity for me, on behalf of the Ministry, to convey my appreciation and a few observations in regards to the attainment of one of our major tasks of completing this important Private Sector Development Strategy (PSDS). This is a milestone achievement to have this important document finally produced and published for the first time in the history of the Ministry. As I have been made aware, the idea was originally conceived way back in 2005 when the then, Kiribati Chamber of Commerce (KCC) complained of very high licences and fees and after confirmation by my Ministry of their impediment to starting a business that then preparatory consultations on the PSDS was first started with the National Convention held 27-29 July, 2005, co-financed by KCC, Pacific Islands Forum Secretariat (PIFS) and my Ministry and then followed by another consultation in December 2006. The first draft of the PSDS was completed in 2007 and disseminated for comments to various stakeholders in Kiribati.

I am very pleased to learn that constructive comments on the PSDS were not only received from our stakeholders within Kiribati but also comments were received from the World Bank and International Monetary Fund (IMF). I am very grateful that my Ministry, with the assistance of the technical advisor from PIFS, we have managed to jointly conduct the Validation Workshop in March 2009 with the intact support from the Kiribati Chamber of Commerce and Industry (KCCI) to further review and validate the draft PSDS.

I must personally acknowledge the contribution of those involved in the convention and consultations and those who have contributed in one way or another as we, from the Ministry alone, cannot do much to get this PSDS completed and published. *Kam bati n rabwa.*

I would encourage people and users of the PSDS, especially my officials, in mobilising the implementation of the PSDS with the support of the KCCI to make use of it so that it can be seen as a living document to guide our efforts to improve and stimulate growth of the private sector. I would therefore strongly urge responsible entities to work together as a team to come up with the best way forward that would enable us to implement proposed activities in the PSDS. The completion of this PSDS marks the beginning of what would be the hard work that lies ahead to actually put strategies into actual works and actions to implement activities. This however cannot be done without the persistent support, both technical and financial, from Government and our development partners.

I hope that this document would be widely disseminated to all stakeholders to make them aware of their important roles in implementing the PSDS and to acquaint themselves with the underlying issues and constraints faced by the Private Sector. Thank you again for your interest and contributions and I look forward for your cooperation and support.

*Te Mauri, Te Raoi ao Te Tabomoa*

**Hon. Pinto Katio**

Minister for Commerce, Industry and Cooperatives.

## Executive Summary

Kiribati is proud of having called a nation of water given her largest maritime state in the Pacific region and in the world. It comprises three groups of archipelagos known as the Gilbert, Phoenix and Line groups. According to the latest 2010 census, the population has reached 103,058 with female population of 52,262 outnumbered male's population of 50,796.

Private sector development (PSD) is widely recognised as the engine of economic growth. It is absolutely essential for the wellbeing of Kiribati that there be an expanding community of healthy growth-oriented private sector businesses, as these:

- a) provide jobs, particularly to the increasing number of unemployed youths,
- b) provide certain essential goods and services more efficiently than the public sector,
- c) provide revenue for government in the form of taxes and fees that enables provision of the goods and services (infrastructure, schools, hospitals, etc) where the private sector fails to provide efficiently, and
- d) create wealth that is spread across the whole community.

This Private Sector Development Strategy (PSDS) is based on goal set out in the Government's National Development Plan (Kiribati Development Plan 2012-2015). The goal envisions enhancing economic growth for sustainable development, a vibrant economy for the people of Kiribati.

The PSDS identifies three key objectives, i) Creating an enabling environment, ii) Generating business opportunities for Small Medium Enterprises (SMEs) as guiding factors for promoting the private sector, and (iii) Strengthening Public and Private Sector Partnership (PPP). There are strategies and key activities identified and presented in an action matrix as a means to achieving these objectives.

These strategies and activities have been prioritised jointly by the Ministry of Commerce, Industry and Cooperatives (MCIC) working with the private sector. Acknowledgement is given to the important role taken by the Kiribati Chamber of Commerce and Industry (KCCI) in undertaking these tasks.

Attention is given to the participation of government owned enterprises in areas that might be better served by private sector businesses. Activities have been listed that will help to promote a healthy balance between the role of government and the role of the private sector.

The final section of this document looks at how to measure whether the PSDS is achieving the desired results. To do this it proposes using both national statistics and an annual survey of stakeholders. In addition, the competitiveness of the private sector in Kiribati as a

whole will be assessed using the World Bank's *Ease of Doing Business* indicators. With an internationally competitive private sector, Kiribati will be able to increase both export trade and import substitution.

## **1. Kiribati overview**

The Republic of Kiribati is home to the South Pacific's largest marine reserve and is proudly known as the nation of water. It comprises of 32 low lying coral atolls with one volcanic island with a total land area of 811 square kilometers. Kiribati islands are scattered over 3.5 million square kilometers of the Pacific Ocean which is the largest maritime area in the world. Kiribati (pronounced Kiribas) used to lie either side of the International Date Line, but the government unilaterally moved the line eastwards in 1995 to ensure the day was the same in the whole country. Geographically, it has some of the world's smallest islets, and also the world's largest atoll (Kiritimati Island). The atoll islands broadly form three groups of islands known as the Gilbert, Phoenix and Line groups. The atolls have a maximum height of 3 to 4 meters above mean sea level. The capital, Bairiki is situated on South Tarawa Atoll in the Gilbert group.

According to the 2010 census, the population has reached 103,058 with female population of 52,262 outnumbered male's population of 50,796. The average population density is 127 per square kilometre, but this varies widely between islands. The young population within the age group of 5-19 is added up to 34,188 which is equivalent to 33% of the total entire population so the bulk of the people are absorbed within this young teenage group. The population on South Tarawa stands at 50,182 which is equivalent to 49% or half of the national population. It is clear therefore that the distribution of population in Kiribati is highly skewed to the young age group while half of the national population resided on South Tarawa.

## **2. Public and Private Sector Overview in Kiribati.**

From the outset, Kiribati economy is dominated by the public sector, accounting for more than half of estimated GDP. Private sector is thereby small but growing. Sectors that tend to grow albeit at slow pace (and fluctuating but generally upward trend at the latter half of the 2000s) are transport, wholesale, retail, manufacturing, copra, and fishing.

Public enterprises continue to operate in a number of economic sectors: marine services, fisheries, fuel supply, insurance services, hotels and export of copra and copra byproducts. Public enterprises also control public utilities, telecommunications, domestic airline, port operations and development banking. Whereas, the private sector is largely engaged in public transport, motor vehicle importing, constructions, light engineering, wholesale and retail stores, bakeries, restaurant, furniture making, guest houses and accommodations, computer services, internet café's, music and entertainment, garments, domestic fisheries, export of beache-de-mer and licensed money lending (DTIS 2010). Government current policy is to shift less strategic state owned enterprises to private ownership and SOE Reform program.

Although the private sector plays smaller role relative to the public sector in Kiribati, private sector development is widely recognized as the engine of economic growth. It is absolutely essential for the well being of Kiribati that there will be an expanding community of healthy

growth-oriented private sector businesses, as these:

- a) provide jobs, particularly to the increasing number of unemployed youths,
- b) provide certain essential goods and services more efficiently than the public sector,
- c) provide revenue for government in the form of taxes and fees that enables provision of the goods and services (infrastructure, schools, hospitals, etc) where the private sector fails to provide efficiently, and
- d) create wealth that is spread across the whole community.

This strategy paper is the outcome of the National Summit on Private Sector Development held 27-29 July, 2005, and a subsequent consultative workshop held in December, 2006. It provides a direct response to the challenges posed in the past Kiribati Development Plans (KDP) and the current KDP 2012 – 2015.

The strategies and activities contained in this plan were further refined at a joint public-private sector Validation Workshop held on 27<sup>th</sup> March 2009 with the assistance of the Pacific Islands Forum Secretariat (PIFS). Given the need to update the initial Draft PSDS, the draft PSDS was updated using updated information available from relevant Ministries and KCCI<sup>1</sup>. The updated draft PSDS was discussed at the Secretaries meeting in July 2013 where further work mainly on refining the Action Matrix (Appendix 1) in terms of plausible activities, indicators, and so forth are needed. These comments have been incorporated in the PSDS and have been validated as well with Stakeholders in a half-day Validation meeting held in November 2013 at KCCI Boardroom.

In addition, the KCCI Bill that has been enacted in Parliament in December 2013, highlights the key roles of KCCI and commitments of the Government to give a legal recognition of KCCI as the National Private Sector Organisation and Employer's Organization in Kiribati.

### **3. Rationale**

#### ***3.1 Past economic performance***

To support the case for private sector led growth, it is useful to examine the past performances of the economy and to differentiate the sectors that contribute to such performance placing emphasis on the contribution of the private sector. Table 1 shows the relative performance of the private sector against that of the government sector over the period 2000 to 2011. This is further compared to GDP, GNP and population growth. As clearly depicted in Fig.1, private sector growth in Kiribati has been fluctuating between 2000 and 2005 and then generally increased by 27.5% thereafter from 2005 to 2011. Such an increase was attributable mainly to growths in private sector component of the following

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<sup>1</sup> Update information from KCCI 2012 Business Survey Report and Consultative meetings with KCCI Executive members in 2011 and March 2012 were also used.

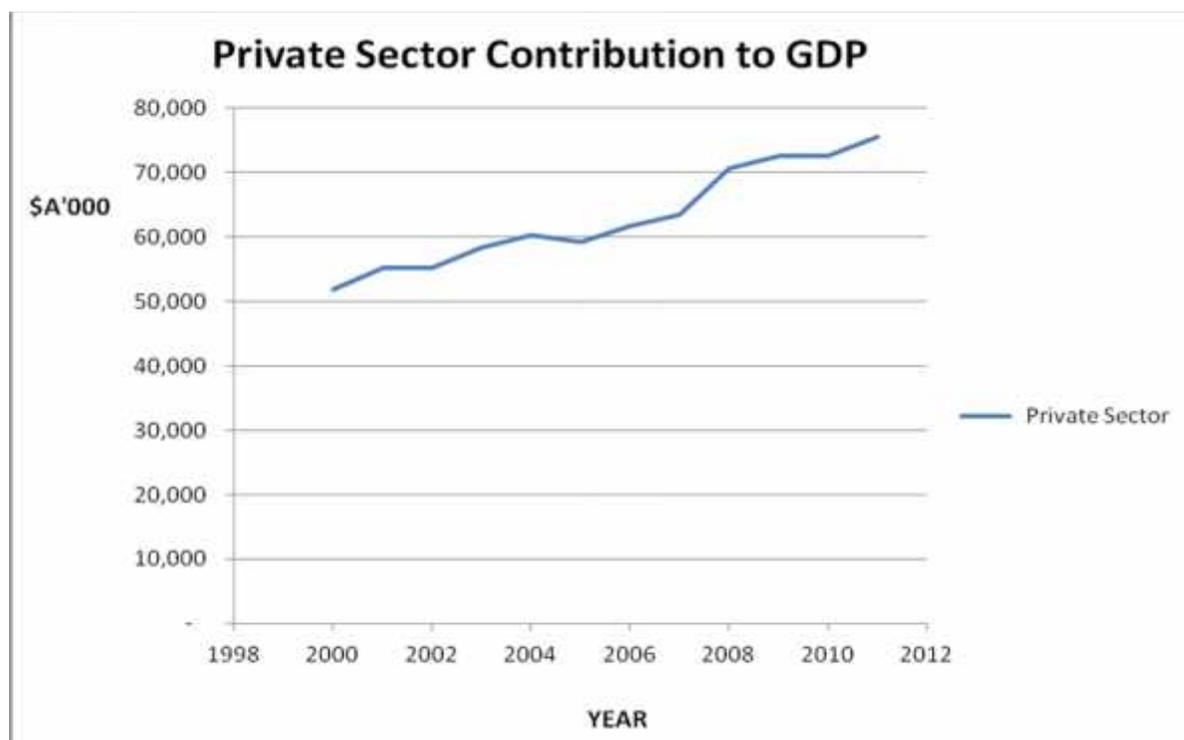
sectors: wholesaling, retailing, transport, housing, fisheries and agriculture.

**Table 1: Nominal GDP by Institutional Sector : 2000--2011 (\$A'000) (Revised June 2012)**

Institutional Sectors	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011e
Private Sector	51,848	55,247	55,141	58,335	60,236	59,215	61,718	63,407	70,647	72,580	72,467	75,514
Non-Financial/Public Sector	21,970	21,569	25,971	26,662	21,772	22,231	20,201	25,633	27,956	28,980	30,002	29,086
Financial	4,621	5,289	5,075	6,791	7,644	9,670	10,405	9,733	11,283	11,826	11,129	8,623
Government	24,986	25,337	31,974	34,373	35,722	37,726	41,524	41,468	45,991	45,181	46,240	47,494
PNPI	1,912	2,026	2,100	2,178	2,197	2,229	2,237	2,374	2,351	2,594	2,622	2,736
<b>Total</b>	<b>105,337</b>	<b>109,467</b>	<b>120,261</b>	<b>128,339</b>	<b>127,570</b>	<b>131,072</b>	<b>136,084</b>	<b>142,615</b>	<b>158,229</b>	<b>161,161</b>	<b>162,459</b>	<b>163,453</b>
less imputed bank Service	(2,143)	(2,534)	(2,588)	(3,140)	(3,340)	(4,114)	(5,624)	(5,802)	(6,504)	(7,525)	(6,746)	(7,000)
<b>GDP at factor Cost</b>	<b>103,194</b>	<b>106,934</b>	<b>117,673</b>	<b>125,199</b>	<b>124,231</b>	<b>126,958</b>	<b>130,460</b>	<b>136,813</b>	<b>151,725</b>	<b>153,636</b>	<b>155,714</b>	<b>156,453</b>
plus taxes on production	15,277	15,798	18,412	19,455	19,497	18,595	17,943	20,517	18,614	17,757	17,209	20,082
less subsidies on production	(2,025)	(3,993)	(3,200)	(5,525)	(5,224)	(6,415)	(9,454)	(9,947)	(9,800)	(8,593)	(8,840)	(8,583)
<b>Nominal GDP at Market Price</b>	<b>116,446</b>	<b>118,739</b>	<b>132,885</b>	<b>139,129</b>	<b>138,504</b>	<b>139,138</b>	<b>138,949</b>	<b>147,383</b>	<b>160,539</b>	<b>162,800</b>	<b>164,083</b>	<b>167,952</b>

(Source: NSO, MFED, Government of Kiribati)

**Figure 1: Private Sector Growth in 2000-2011**



### ***3.2 Linkages to the Kiribati Development Plan: 2012-2015.***

The PSDS is linked to the Government's national development plan (Kiribati Development Plan 2012-2015) and the Ministry's Strategic Plan (MCIC Strategic Plan: 2013-2015). The KDP identifies six key policy areas (KPAs). KPA 2 on Economic Growth and Poverty Reduction relates to the PSDS. Within this KPA are a number of Strategies and Outputs that provide the mandate for this PSDS. These Strategies and corresponding Outputs include (using the numbering system used in the KDP):

- 2.1.1.1 Enhancing the development of the private sector (business community) and providing business and vocational training:
  - 2.1.1. Enhanced youth empowerment through participation in gainful employment.
- 2.2.1.1. Enhancing the development of the private sector:
  - 2.2.1. Increased support to private sector development.
- 2.2.1.2. Increase financial support and access to credit:
  - 2.2.1. Increased support to private sector development.
- 2.4.1. Enhanced skills & knowledge for development of value added products:
  - 2.4.1.1. Enhanced business environment for public private partnerships for development value added products.
- 2.7.1. Create employment/business scheme to enable youth/women to earn income for loan repayment:
  - 2.7.1.1. Enhanced financial inclusion through low interest micro credit finance and financial literacy assistance.
- 2.7.2. Agreement between loan agencies/banks to provide access to loan to youth/women:
  - 2.7.1.1. Enhanced financial inclusion through low interest micro credit finance and financial literacy assistance.

One of the key results of the MCIC Strategic Plan: 2013-2015 is enhanced private sector development including foreign investment to be supported by MCIC's facilitative, promotional and regulatory roles. The PSDS is based on these outcomes and strategies of the MCIC Strategic Plan which are also linked to the outcomes and strategies of the KDP.

## **4. The Strategies**

### ***4.1 Objectives***

Recognizing the important role of the private sector in the pursuit of the desired outcomes of the KDP and MCIC Strategic Plan, the PSDS has identified three key objectives as guiding factors:

Objective 1: Creating an enabling environment

Objective 2: Generating business opportunities for SMEs

Objective 3: Strengthening Public and Private Sector Partnership (PPP)

## **4.2 Focus**

- *Creating an Enabling Environment*

The business environment is composed of wide ranging external factors such as physical environment, political, legal, cultural, demographic, etc. pressuring business growth. Worse is the fact that businesspeople have very little influence over such forces therefore government should assist in the reform programmes focused on enabling the components of the business environment so that it is much easier to start new businesses and expand existing ones.

This would enable the private sector to contribute more to the government's revenue and to economic development in Kiribati in the years to come, it is best that the focus of the reform programmes are aimed firstly at creating an enabling environment. This will not only induce new business investments but also strengthen the existing ones.

- *Creating Business Opportunities for SMEs.*

Given the highly competitive and speed of globalisation, generating innovative and new business opportunities conducive to such new environments would be an advantage. In particular, the developments of SMEs have been proven to be the main drivers of economic growth throughout the developing world. Therefore, the focus is on generating business opportunities for the SMEs in Kiribati.

- *Strengthening PPP.*

Given the critical role of the government and private sector organizations to work together collaboratively, the partnership agreement framework has been finalized to facilitate and guide the way forward in supporting the private sector development in Kiribati. This will institute a partnership agreement that will enable KCCI to fulfill her roles and for MCIC to assist in facilitating overall development of the private sector. MCIC will complement KCCI efforts in better establishing a structure that will work in generating desired inclusive growth.

## **4.3 Key Strategies**

In order to achieve the above three main objectives, there are eight key strategies that have been formulated based on the constraints and problems areas identified during the consultations. These are briefly explained in turn:

**i. Improving the quality of infrastructure and service.**

The quality of infrastructure essential to enhance economic activities is very limited and inadequate. The examples includes the occasional disruption of electricity supply was at its worse in 2006. The electricity rate for commercial operations is very high. Fresh water supply is inadequate to meet the demand of the increasing population on South Tarawa. The road condition at its present state is also very poor however there is an improvement in the road conditions on Betio and Bairiki only. The irregularity and infrequency of shipping to serve the national needs for sea transportation is due to inadequate number of vessels operated and the lack of fixed sailing schedule by local shipping lines. Inadequate number of aircraft and captains/pilots to serve the needs for domestic flight has led into cancellation of some flight schedules. In addition, the equipment of the Kiribati Port Authority (KPA) essential for handling and delivering the goods had been problematic. Poor communication within Kiribati is still considered as a major issue which needs improvement.

Government should improve the condition of roads, the runway and airport facilities, and outer islands port facilities and to assist its companies to procure appropriate new equipment. The shipping services are expected to improve following the arrival of the new vessel, LC Butimari, and steady increase in number of new outer island vessels joining the existing fleet.

## **ii. Improving access to capital and efficient delivery of financial services**

ANZ Bank (Kiribati) Ltd is the only commercial bank operating in Kiribati and while some of their bank charges have been lowered, there are still some excessive bank charges for their banking services. Development Bank of Kiribati places a high emphasis on the risk associated with business loans and the ability of the loan applicant/proponent to repay the loan in the event of failure from the sale of assets and through salary deduction of guarantors. As a result some viable business loans are turned down just because the proponent lacks adequate collateral. Kiribati Provident Fund has started their lending scheme but it is limited to their members only and the loan is more of personal loans rather than business loans.

Viable business loans that lack proper capital should be encouraged. Therefore ways need to be found for banks and government to take more risks – i.e. banks to exempt viable projects from their normal collateral cover requirements while government with the assistance of its developing partners should revive the already enacted loan guarantee corporation whose purpose is to guarantee such viable projects.

## **iii. Improving access to land.**

The land lease and sublease (lease) procedures are lengthy and Cabinet has the final approval for land sublease. This makes lease applications frustrating especially as the land in South Tarawa is becoming a scarce commodity.

The land planning or zoning on the other hand does not consider the strategic location of the land – e.g. lands close to the sea port at Betio are ideal for storage or manufacturing but instead schools and ministries were located in these locations. As a result,

transportation of goods to the storage facilities will be higher.

The land lease/sub-lease approvals should be streamlined and legislated so that they are transparent, made simple and based on a collective decision to maintain fairness and accountability. Land owner's consent is becoming a major barrier to business development which needs to be standardized and regularized.

Commercial or industrial parks or estates should be encouraged so that new businesses can get access to business sites easily – through rent of building space. To make this happen, the lease terms should be extended to encourage potential real estate developers to construct such complexes.

Central Land Planning Board should be adequately represented by relevant key stakeholders including the private sector.

Government land in Kiritimati should be opened up and regularized for commercial operations in order to attract FDI and local investment.

#### **iv. Developing business friendly regulations and supporting local businesses and FDI.**

Some of the laws regulating business operations are quite out-dated. These include the price control ordinance which equally divides the mark-up between the wholesalers and retailers even though the wholesalers play more role in importing and distributing the controlled goods hence incurring more costs. Some unfair business practices such as price cutting (big businesses charge extremely low – landed cost, prices in order to eliminate competition) as well as price fixing – a number of businesses agreeing to a certain price (discourages a competitive environment and encourages inefficiency within the industry) are now being practised. These practices undermine the principles of open competition and encourage inefficiency in the market.

In view of the above, there is a need to review business related laws so they can be updated and/or amended to make them business friendly but at the same time to improve business compliance. Apart from that, new laws should be developed to encourage fair trading and create competitive environment.

The cost of starting new businesses as well as operating the existing ones is quite high because of the high rates which the licensing bodies as well as those offering infrastructure services. These bodies include the councils, the Public Utilities Board (PUB), KPA, ANZ Bank (Kiribati) Ltd, etc.

A review on the operations of SOEs as well as councils should be undertaken with a view to find ways to make their operations efficient so that they can charge fair and reasonable charges.

These need to be reformed if they are to stimulate the flow of foreign direct investments.

The experience of some developing countries has confirmed that FDIs play a significant role in generating growth and employment especially in Kiribati where there is obvious lack of capital, technical knowhow, and technology.

There is also a need to streamline procedures and processes so that applications for FDI proposals can be considered quickly and implemented early.

#### **v. Promoting a business culture**

Business culture is alien to Kiribati and as such, important ingredients for starting businesses including savings and commitments are also new to local culture. Some parts of the culture such as the “bubuti” system are also detrimental to business development.

Education of the advantages of saving and entrepreneurship should therefore be introduced in the school curriculum. Saving accounts for children or individuals should also be encouraged. Other modes of promoting business culture need to be developed as well.

#### **vi. Promoting a fair and level playing field for private sector development**

Some of the State Owned Enterprises (SOEs) have diverted from the business line they were established for and competed with the private sector. For instance, some SOEs have entered the electronic, home appliances and other sectors that have already been occupied and run by the private businesses. The competition is also seen not fair as SOEs often receive assistance from government through grants, subsidies, loan guarantees, and so forth.

Government should direct its companies to concentrate on their core business they were established for so that the supply of goods and services essential for the public is not disrupted. Government should also assist the SOEs which lack the capacity to effectively carry out their core businesses (e.g. BSL’s shipyard facility not adequate to dry dock existing vessels).

Under the company ordinance, all companies including SOEs are allowed to have unrestricted objects (to carry on any other business activities).

Fair competition makes the economy healthy and efficient therefore government should refrain from assisting its companies and enact laws designed to prevent unfair competition.

#### **vii. Provide an attractive targeted incentives environment**

There is lack of incentives offered by Government to Businesses. Disincentives in many forms, unfriendly charges in their various forms, Business licenses, port charges, and those already mentioned seem to outweigh current incentive measures.

More incentives including improvement on the current incentive policy such as pioneer

status or tax holiday are needed to encourage more businesses established or come into Kiribati. From the consultation, there was a proposal that regulatory institutions should be lenient to all newly created SMEs for the period of say 5 years and it may also warrant to extend tax holidays from 5 years to 10 years for all new SMEs that are believed to have income, employment and export generating thrusts.

### **viii. Support to the Kiribati Chamber of Commerce and Industry (KCCI)**

KCCI requires assistance and supports from Government through the Ministry (MCIC), PIPSO and other relevant bodies so that they can better serve the ever changing needs of their members and contribute meaningfully to fostering private sector development in Kiribati. KCCI however, has limited resources. Its main revenue source is annual membership contribution from active members only. The amount collected is not enough to meet their annual operation costs and hence, needs support from Government or Development Partners.

Government has supported KCCI in giving her office space as in kind support, facilitating training and advice provision. KCCI has a plan to recruit CEO but with limited revenue, this has not yet been materialized, hence the President of the KCCI Executive Committee, has to execute CEO's responsibility at present. KCCI has undertaken major reforms in their management structure, however, with limited funds, these are yet to be pursued and accomplished. Another plan of KCCI is to expand their services to reach out outer islands, targeting bigger outer islands focusing on tourism, exports and import substitution businesses. This may reduce and eventually reverse migration trends to South Tarawa.

## **5. PSDS Implementation Plan.**

The PSDS will be implemented through the Action Matrix Plan (Appendix 1) which describes an array of activities that will be undertaken by MCIC and other relevant ministries and organizations with the intention of achieving the set strategies of the PSDS and hence, the outcomes of the current MCIC Strategic Plan and KDP.

Some of the activities will need to be executed simultaneously, so there is no need for prioritization. For instance, the road upgrading can be undertaken at the same time as other activities listed in the matrix are implemented.

There will therefore be a need to continuously review and revise the Action Matrix Plan to ensure that it keeps up with changes and also the implementation of the PSDS is on track.

For each of these activities consideration has been given to other government responsible entities that might be involved, the timing for implementation, and the measurable outcomes that should be employed to ensure that the desired results are achieved. However, cost estimates provided in the action matrix are only estimate as they will properly costed once such activities are converted into project to be implemented by the lead ministry. PSDS action matrix is intended therefore to be used as a tool in guiding all

the necessary tasks that can either be addressed through project proposals for aid funding or simply utilising funding from the available recurrent budget. This is dependent much on what would be agreed as being the best way forward in carrying out those activities. This is when actual costing will be worked out in order to implement the PSDS Strategies.

## **6. Funding of the PSDS Activities**

Implementation of the PSDS activities would require financial assistance and other supports available from our development partners. At the last PSDS consultation, preliminary informal discussions with AusAID and NZODA were held and both donors expressed their interest in supporting the PSDS. More recently in the second Development Partners Meeting held in 2012 on Tarawa, the same donors together with the other development partners namely, the ADB, the Republic of China/Taiwan, Japan, the World Bank, the EU, the UN Families, CROPs, and others did indicate their interest in supporting implementation of the PSDS as well.

The Ministry is also seeking funding through the Aid for Trade (Aft) programme from the EU. Funding is also anticipated from Phase 2 of the Enhanced Integrated Framework for Trade (EIF) project.

## **7. Monitoring and Evaluation**

This section provides an overview of processes that will assist the monitoring and evaluation of the PSDS activities as outlined in **Appendix 1** to ensure that the expected results are achieved.

### **7.1 The Mid-term Review**

A mid-term review will be conducted by the MCIC with the intent to assess the performance and development status of the private sector. The review will also look into the implementation challenges of the PSDS activities.

The review will base on the following:

#### *Survey feedback from stakeholders*

The intention is to carry out a survey during a mid-term review to relevant stakeholders where they will be asked standard questions relating to the strategies and corresponding activities.

### *Consultation with relevant stakeholders*

The consultation aims to gather views and seek comments from key stakeholders on the challenges and issues pertaining to the implementation of the strategies and PSDS activities.

### *National Indicators*

National economic indicators including GDP and official statistics on employment, revenue and business registration and so forth will be used to measure the achievement of the PSDS and hence, to evaluate the performance and development status of the private sector.

## **7.2 Progress Reporting**

To monitor the progress, the MCIC as coordinator of the PSDS, will meet quarterly with respective leading Ministries and supporting Ministries responsible for the implementation of the PSDS activities. The meeting can be convened through the Private Sector Consultative Committee.

A yearly progress report on the implementation of PSDS activities is to be provided by the MCIC. The template to use for reporting is provided in **Appendix 2** which is based on the Action Matrix. The progress report will be presented to the Private Sector Consultative Committee for information and consideration. The MCIC will then inform Cabinet on the implementation progress including issues that would require Cabinet's decision.