Project Information Document (PID)

### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
</tr>
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<tbody>
<tr>
<td>Kiribati</td>
<td>P171380</td>
<td>Statistical Innovation and Capacity Building in Kiribati</td>
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<table>
<thead>
<tr>
<th>Region</th>
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<th>Estimated Board Date</th>
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<tr>
<td>EAST ASIA AND PACIFIC</td>
<td>14-Oct-2019</td>
<td>11-Feb-2020</td>
<td>Poverty and Equity</td>
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<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tr>
<td>Investment Project Financing</td>
<td>Republic of Kiribati</td>
<td>Kiribati National Statistics Office (KNSO), Ministry of Finance and Economic Development (MFED)</td>
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#### Proposed Development Objective(s)

To improve the quality and efficiency of welfare data collection, and accessibility to comparable welfare data in Kiribati.

#### Components

- Innovation & capacity building in data collection
- Institutional strengthening
- Implementation support

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total Project Cost</td>
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<tr>
<td>Total Financing</td>
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</tr>
<tr>
<td>of which IBRD/IDA</td>
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<tr>
<td>Financing Gap</td>
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#### DETAILS

World Bank Group Financing
B. Introduction and Context

1. **Kiribati is one of the smallest, most remote, and most geographically dispersed countries in the world.** Kiribati consists of 33 islands with a total land area of only 810 square kilometers, spread over an ocean area of some 3.5 million square kilometers. The population of about 114,000 lives on 21 of the islands (20 coral atolls and a single volcanic island) in the three island groups that make up Kiribati. Kiribati is extremely remote from its nearest markets – about 4,000 kilometers from both Australia and New Zealand. Kiribati’s low-lying atolls rise little more than 1.8 meters above sea level on average and, as such, are at the forefront risk from the impacts of climate change. Kiribati is highly exposed to the effects of sea level rise, storm surge, coastal erosion and saltwater intrusion. Access to fresh water is particularly challenging, as population growth, saltwater intrusion, and droughts increasingly jeopardize Kiribati’s very limited groundwater supplies.

2. **Not much is known about the current level of poverty in Kiribati.** The latest Household Income and Expenditure Survey (HIES) used to estimate poverty in Kiribati was conducted in 2006, and no other source of information is available to produce more recent estimates of poverty. In 2006, Kiribati had an international poverty rate (measured against a line of 2011 PPP US$1.90 per person per day) of 12.9 percent. When measured against an international poverty line that reflects standards of living in lower middle-income countries (2011 PPP US$3.20 per person per day), Kiribati’s poverty rate was 34.6 percent in 2006, lower than the global average for lower-middle-income countries of 60.8 percent in 2008. The national basic needs poverty rate produced by UNDP for 2006 was 21.8 percent. There was a high variation of poverty rates across island groups in 2006, with much higher poverty in South Tarawa (24.2 percent) and the Rest of Gilberts (22.0 percent) than in the Line & Phoenix Islands (8.9 percent). Female-headed households and households headed by the elderly were slightly over-represented in the poorest quintiles, and children were disproportionately likely to experience poverty. A large proportion of the population was found to be vulnerable to falling into poverty. If the basic needs poverty line were 20 percent higher, the poverty rate would have been 34 percent. With a Gini coefficient of 0.39, inequality in Kiribati in 2006 was similar to other Pacific Islands.
3. **Other deprivation measures suggest some improvement in living standards over the past decade.** Between 2010 and 2015, census data indicate that the proportion of households with access to piped or rainwater increased from 38 to 58 percent, and the proportion with access to a flush toilet or pit latrine increased slightly from 57 to 62 percent. Over the same period, maternal mortality is estimated to have declined to 90 per 100,000 live births, and under-five mortality to have declined to 56 per 1,000 live births – rates that are still high by regional standards. Access to electricity for lighting increased significantly between the censuses, mainly due to donor-funded solar programs. According to WDI, net primary school enrolment is relatively high, at 97 percent, but little historical data are available to identify trends. While there is no data to indicate trends in income distribution over the period since the HIES, real GDP per capita declined by just over 10 percent between 2006 and 2011, before rising again, finally exceeding its 2006 level in 2015. Meanwhile, GNI per capita has experienced a level shift since 2013, with a dramatic increase in government revenue from foreign fishing vessels harvesting tuna in Kiribati’s EEZ. 2018 GDP per capita is estimated at US$1630, while GNI per capita sat at US$3190, meaning that Kiribati will soon graduate from United Nations Least Developed Country status.

4. **With considerable economic geography challenges, prospects for economic growth and poverty reduction are limited.** Private sector development opportunities are highly constrained by the lack of economies of scale possible in such a small and fragmented domestic market that is extremely remote from large markets abroad. Severe infrastructure deficits in utilities, transport, and communications compound these constraints. Reflecting these constraints, unemployment is estimated to exceed 30 percent and youth unemployment to exceed 50 percent. Economic activity is dominated by the public sector, agriculture and fisheries, and a service economy underpinned by the public sector in the capital of South Tarawa (where nearly half the population live). Government services directly account for nearly 30 percent of GDP, and some 70 percent of formal sector jobs are in the public sector (formal sector employment represents only 20 percent of the labor force, however). Beyond agriculture and fisheries, the private sector remains small, mostly consisting of small firms in the wholesale, retail, and transport sectors. The most significant opportunities for private sector development exist in the fisheries sector, with potential opportunities also in tourism and in strengthening backward linkages from the public sector (for instance, maintenance work on public assets). Aside from domestic opportunities, labor migration opportunities – hence human capital development – are critical.

5. **Significant gender gaps exist in some social and economic indicators in Kiribati.** In education, for instance, school participation rates for girls exceed those for boys in primary and secondary schooling, and the transition rate from primary to secondary schooling is also higher for girls. While migration opportunities have historically been skewed in favor of males (as seafarers), that is changing with new opportunities in Australia and New Zealand. The formal labor force participation rate for women is below that for men, and unemployment among women is also higher. One particularly significant employer of women is the public service. In health outcomes, obesity rates for women are significantly higher than men, smoking rates are significantly lower, and overall men have a higher rate of premature death due to non-communicable diseases (NCDs).
6. **Data deprivation in Kiribati hinders evidence-based policy making.** Policymakers must consider a range of complex trade-offs regarding service delivery and investments at the national level and identifying priorities in the context of the challenges they face. The evidence base for these decisions, however, is thin. Data collection in the Pacific Island countries lags many regions in the developing world in terms of data quality, frequency of collection, and the timeliness of results. Kiribati is among the most data deprived countries in the region, with the latest available data point for poverty measurement over 10 years old. Although some significant data collections have occurred over the past two years, with the Population and Housing Census (PHC) and Demographic and Health Survey (DHS) in 2018 and a HIES in the field since April 2019 (scheduled for completion in March 2020), further investment is needed to understand the trends in poverty and inequality.

7. **Public access to the collected data in Kiribati is another challenge facing policymakers and other stakeholders.** Data collection in and of itself is not enough: to maximize the benefits of the data, it must be made accessible to various stakeholders in the government, donor, academic, non-government organizations (NGO), and civil society sectors. This is reflected in the UN Fundamental Principles of Official Statistics, which is among the fundamental operating principles of the Kiribati National Statistics Office. Of relevance are Principle 1: “...official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistics agencies to honour citizens’ entitlement to public information” and Principle 6: “individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.” To meet these two principles, before data can be shared publicly, NSOs must first anonymize the data sets to protect the identities of the surveyed households and people. However, anonymization is much more complex in countries with small and highly dispersed populations, as it becomes easier to uniquely identify people based on a broader range of variables. This makes the process costlier and more time-consuming in countries such as Kiribati, and data sets are often only available several years after the surveys are conducted, if at all.

8. **Data deprivation hinders Kiribati’s effort to track progress on gender inequality over time and design policies to address it.** Gender data are important, as they help stakeholders understand the extent of gender gaps and design interventions to address them. Gender statistics must reflect the many areas where women and men may not enjoy the same opportunities (e.g., the labor market) or where women’s and men’s lives may be affected in different ways (e.g., gender-based violence). The minimum set of gender indicators was prepared by the Inter-Agency and Expert Group on Gender Statistics as a guide for the national production and international compilation of gender statistics. The UN Statistics Division, as the Secretariat of IAEG-GS, is tasked to collect and compile data and metadata from leading agencies and make those data available online at [http://genderstats.un.org](http://genderstats.un.org). Many indicators in the Minimum List rely on multi-topic household surveys as data sources. Therefore, a well-designed HIES would address gender data gaps in the country. However, collection and reporting of gender data in Kiribati, as well as the rest of the Pacific, is lacking. Sex-disaggregated data on labor force participation not available in Kiribati, but is available in some other Pacific Island Countries (PICs), as reported in Table 1 below. In the context of Kiribati, although some sex-disaggregated indicators are reported based on HIES data, the number falls
short of the Minimum List of gender indicators. Thus, any effort to improve the monitoring of gender outcomes and design of gender-specific policies must include improvements in data collection.

Table 1. Presentation of sex-disaggregated data in reporting based on latest HIES surveys

<table>
<thead>
<tr>
<th>Country</th>
<th>Latest HIES/poverty report</th>
<th>Sex-disaggregated indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Poverty rate by gender of HH head</td>
</tr>
<tr>
<td>Fiji</td>
<td>2013/14</td>
<td>N</td>
</tr>
<tr>
<td>FSM</td>
<td>2013/14</td>
<td>Y</td>
</tr>
<tr>
<td>Kiribati</td>
<td>2006</td>
<td>Y</td>
</tr>
<tr>
<td>Nauru</td>
<td>2012/13</td>
<td>Y</td>
</tr>
<tr>
<td>Palau</td>
<td>2014 (expenditure)</td>
<td>Y</td>
</tr>
<tr>
<td>RMI</td>
<td>2002 (income)</td>
<td>Y</td>
</tr>
<tr>
<td>Samoa</td>
<td>2012/13</td>
<td>Y</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>2012/13</td>
<td>Y</td>
</tr>
<tr>
<td>Tonga</td>
<td>2015/16</td>
<td>N</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>2015/16</td>
<td>N</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>2010</td>
<td>Y</td>
</tr>
</tbody>
</table>

9. National Statistics Offices (NSOs) lack funding to meet the prohibitive costs of data collection in the Pacific. The per-interview costs of data collection in the Pacific (and particularly in Kiribati) are some of the highest in the world. These outcomes are partially the result of systemic issues, including sparse populations and high travel costs due to the island geography. However, these issues are compounded by outdated methodologies and inefficient use of technology. Although the systemic challenges will remain a significant factor in data collection costs in the Pacific, there is scope to substantially reduce costs by adapting and integrating proven methods from other parts of the world. One example is switching from a diary method for collecting consumption data to a recall method, which can reduce the number of days required at each location, thereby decreasing personnel costs, a significant component of the survey budget. In addition, integrating new technology, such as Computer Assisted Personal Interviewing (CAPI), reduces the need to print and transport paper questionnaires, which has decreased the costs of data collection in certain contexts despite the upfront cost of hardware investment.

10. Low statistical capacity is another major challenge for Kiribati in addressing data deprivation. According to the World Bank’s Statistical Capacity Index, Kiribati, like other PICs, ranks below the EAP

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1 The World Bank’s Statistical Capacity Indicator is a composite score assessing the capacity of a country’s statistical system. It is based on a diagnostic framework assessing the following areas: methodology; data sources; and periodicity and timeliness. Countries are scored against 25 criteria in these areas, using publicly available information and/or country input. The overall Statistical Capacity score is then being calculated as simple average of all three area scores on a scale of 0-100. See datatopics.worldbank.org/statisticalcapacity for more detail.
developing country average. In particular, the scores for Source Data, which measures if a country meets international recommendations for collecting five key data sources (agricultural census, health survey, population census, poverty survey, and vital registration system coverage), are well below the EA average (see Figure 1).

11. There has been some improvement in statistical capacity over time in Kiribati, but there remains much room for improvement. Figure 2 below shows the overall SCI rating for the eleven PICs from 2005 to 2018, where Kiribati has shown some progress but still lags several other PICs and is well below the EA average. Since the measure depends on the periodicity of data collection, countries will improve immediately after completing a survey (with Kiribati having conducted some key surveys in recent years). As funding for data collection may be irregular and often sourced from development partners, if the periodicity cannot reliably be maintained, the SCI score will fall again as the data ages. To mitigate the risk of this in Kiribati and increase sustainability, data collection must become more affordable.
12. The Kiribati National Statistics Office (KNSO) is a small agency that faces the many of the same challenges as other NSOs. Systemic issues common to the Pacific still lead to some of the highest per-interview costs of data collection in the world. Though half of Kiribati’s population of 100,000 people live on Tarawa Atoll, the remaining people are dispersed across 32 atolls spread over 3.5 million square kilometers of ocean. The travel and logistics involved in producing a household survey that is nationally and regionally representative can be prohibitively expensive. This is exacerbated by the low capacity of KNSO, which has 14 staff and very high demand from other agencies. As a result, Kiribati falls under the “extremely deprived” category under the World Bank data deprivation definition, as the latest Household Income and Expenditure Survey (HIES) conducted was in 2006.

13. There are opportunities for Kiribati to address data collection through technology, but large initial outlays are required. Although geographical challenges will remain a significant factor in data collection costs, there is scope to substantially reduce costs by using new technologies and integrating proven methods from other parts of the world. One example is switching from a diary method for collecting consumption data to a recall method, which can reduce the cost of fieldwork with no reduction to data quality. Another example is CAPI, which not only reduces the cost of printing and transporting paper questionnaires, but also improves the speed of data cleaning and processing after fieldwork concludes. However, these changes require large upfront investments in physical and technological infrastructure as well as staff upskilling.

14. Beyond cost and technical constraints, adapting international best practices to the Pacific is a significant challenge. While implementing harmonized methods and exploiting economies of scale have benefits in many parts of the world, the approach is particularly crucial in the Pacific context. Countries,
including Kiribati, are small and NSO capacity is thin, limiting the opportunities for domestic initiatives. Countries are also relatively similar to each other while being very distinct compared to other contexts globally. This situation limits the applicability of importing international best practices without careful consideration and customization but creates conditions for rapid adoption and scale-up within the region once local best practices are identified.

15. This Project will thus be part of a new IDA Regional Program that seeks to address the considerable challenges of data deprivation and poor quality of statistics across the PICS. In the first phase, the Pacific Community – Statistics for Development Division (SPC-SDD) will work with two IDA small states - Kiribati (also a Fragile and Conflict-Affected Situation) and Tonga - to initiate the Regional IDA program. It is expected that additional countries will join the Program, with the ultimate objective of improving the comparability, accessibility, sustainability, and overall quality of statistics across the Pacific.

Relevance to Higher Level Objectives

16. This project will contribute to improving the monitoring of targeted outcomes of the Kiribati 20-year Vision 2016-2036 (KV20) and the medium-term Kiribati Development Plans (KDP). Improved collection of household-level information is vital for monitoring the targets of the KV20, including poverty reduction, improved access to vital services, infrastructure, and jobs, and improved outcomes for women, youth, and vulnerable groups. Poverty rates are a key data gap in measuring the KDP’s Key Priority Area 2 on “Economic Growth and Poverty Reduction,” and the ability to disaggregate indicators of access and quality of service delivery by poverty status would add much-needed depth to the monitoring of the other Key Priority Areas.

17. Closing data gaps is a corporate priority for the World Bank Group and for the region. The World Bank Shared Strategy for Household Surveys in 2015 identified the need to address data deprivation globally and committed the WBG to support the 78 IDA countries in the production of multi-topic household surveys every 3 years between 2016 and 2030. In the region, Country Partnership Frameworks (CPF) of Papua New Guinea, Fiji and the Solomon Islands and the Regional Partnership Framework (RPF) for remaining nine Pacific Island countries (Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Palau, Samoa, Tonga, Tuvalu, and Vanuatu) highlight significant gaps in socio-economic indicators in most of the PICs and emphasize the necessity of having a solid foundation for evidence-driven policymaking. In addition, the fact that the nine PICs are evaluated together under a single SCD underscores the need for increased comparability in addition to more frequent data to facilitate regional prioritization and decision-making.

18. The RPF for the PIC9 emphasizes the need to address persistent knowledge gaps. The RPF highlighted the lack of concrete information on the prevalence and severity of poverty and the specific nature of constraints faced by the poor, as well as the uneven quality and inconsistent methodologies in HIES implementation and poverty analysis. As such, the RPF explicitly lists addressing knowledge gaps as Objective 4.3 and states the need to: 1) provide technical assistance to NSOs and SPC to enhance their data collection and analysis capabilities, and 2) develop and pilot low-cost survey approaches that are
financially sustainable.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)
To improve the quality and efficiency of welfare data collection, and accessibility to comparable welfare data in Kiribati.

PDO Level Indicators
(i) Sub-national precision improved based on a constant per-survey cost
(ii) Number of survey datasets produced during the project lifetime using improved electronic data capture systems
(iii) Share of HIES datasets available for open access
(iv) Number of comparable regional indicators produced

D. Project Description

Component 1: Innovation & capacity building in data collection (US$1.42 million equivalent)

19. Under component 1, the project will finance innovations and capacity building in data collection. The activities are divided into two sub-components, as follows:

1.1 Supporting the preparation and implementation of one (1) round of the HIES, including: a) HIES data collection; b) analyzing the HIES data collected, c) publicly disseminating the results and datasets; and d) carrying out activities to strengthen the technical capacity of KNSO.

1.2 Conducting data collection in the outer islands to expand the consumer price index measurement and fill gaps in the national accounts data.

Sub-component 1.1: 2023/24 Household Income and Expenditure Survey

20. The project will finance data collection using new methods as recommended by the PSMB. The project addresses short-term data deprivation by providing financing to conduct the next round of the Household Income and Expenditure Survey (HIES), scheduled for 2023/2024, using the agreed methodology. Specifically, the project will finance the operational costs of the survey, including hiring a Resident Advisor for statistics to manage the HIES, wages for supervisors and enumerators to conduct the survey, supervisor and enumerator training, travel and accommodation, procurement of hardware and software for data collection and analysis, the costs of publishing and disseminating the results, as well as any other associated logistics costs. In addition, the project seeks to address longer-term data deprivation by introducing new methods for the HIES that reduce the costs of data collection in terms of money and time, while at the same time improving the quality of the collected data. Countries are often reluctant to try new methods due to large up-front costs or complexity of implementation; this project addresses this challenge by covering the initial costs of innovation, including procurement of hardware and training of NSO staff and enumerators, to support the implementation of the next round of the HIES. In addition,
since the recommendations will flow through SPC-SDD and the Pacific Statistics Methods Board (PSMB), innovation will not take place at the price of regional comparability.

21. The project will also support institutional and technical capacity building of the KNSO to analyze the data and publish the results. The project will build technical capacity of NSO staff on statistical software packages, HIES analysis, poverty measurement, and incorporating thematic/sectoral lenses to poverty analysis, such as tourism, agriculture, disability, and gender. The capacity building activities comprise a combination of a resident advisor that remains in-house throughout the HIES implementation, just-in-time technical assistance from a roster of international and regional experts (which will be facilitated by SPC in its emerging role as a regional “systems leader”), and peer-to-peer learning between NSOs. Funding will also be available to procure the hardware and software for data processing and analysis, as well as any costs of publishing and disseminating the results.

22. Capacity building for the KNSO is based on an embedded international resident advisor. An important lesson learned from previous statistical capacity building projects in other low capacity or thin capacity environments is the importance of having a daily presence in the KNSO to support the project preparation and implementation. In these types of organizations, many of the senior staff with the technical knowledge and experience necessarily have administrative responsibilities that limit the time that they can devote to technical tasks or to mentoring young staff. An international resident advisor means that there is always staff with the required technical skills and knowledge of the local context to continue moving the project forward. Resident advisors will be twinned with a KNSO staff member to facilitate skill transfer and backstopped by the Statistics Advisor hired under the SPC-SDD project to ensure consistent advice across countries. In other similar projects, the international advisor has provided hands-on training to local staff in important skills such as sample design, programming for electronic data capture, or analysis using software packages (Stata, R). The repeated nature of these interactions allowing for the natural building of knowledge, and the strong links to daily activities, have shown to be a much more effective approach to building lasting capacity than either brief intensive trainings or the fly-in-fly-out model of technical assistance, and therefore the Resident Advisor will be recruited in KNSO by not later than six months after the effective date of the financing agreement to work on the technical aspects of project implementation.

23. The design of the HIES sub-component incorporates lessons from other projects to support HIES implementation and innovation in the Pacific. An ongoing Public Financial Management (PFM) project in the Republic of the Marshall Islands (RMI) includes a component on supporting the NSO in data collection and modernization for the HIES, including methodological improvements and using CAPI. The team will look to incorporate the lessons learned in that project for the design of this component, including the roles of the Resident Advisor (detailed above), the optimal mix of support that SPC needs to provide, and overcoming the fiduciary and reporting challenges.

24. The funding of data collection closes an immediate data gap but also is a platform for improved methods. While the collection of the HIES data is considered a core responsibility of the NSO, there is rarely the opportunity for methodological improvements. The good practice of data collection and
analysis requires comparability between rounds to understand the trends in well-being and other socioeconomic statistics. The reluctance to break the series results in methodologies being “sticky,” or resistant to change. In addition, there is risk associated with incorporating new methods, such as CAPI or electronic data collection. The program focuses on leveraging the coordinating role of the regional organization to assist with decreasing the risk of breaking the trend to update the questionnaire design and data collection method. Having the endorsement of the regional organization, and technical advisors in the international community generally, bolsters the confidence of NSOs should they receive questions or pushback on the results generated by the new methods. In addition, the learning associated with implementing the HIES surveys using these improved methods have strong spillover effects on other NSO activities; e.g., training and experience in CAPI data collection is transferrable to all other field activities.

25. **This project component also provides an opportunity to directly improve the collection of data on gender gaps.** The questionnaire design updates above will include, at the minimum, the collection of data that enables sex-disaggregated analysis on poverty, welfare, and other information typically collected in the HIES, such as the collection of individual-level information on employment/labor market outcomes as well as some human capital indicators. These and other efforts will provide decision-makers with better information about the nature and scale of the social and economic barriers holding women and girls back and will inform policies to close gender gaps and track progress on gender-related interventions.

26. **Timely release of the report and dataset will boost policy relevance and open the opportunity for the national and international research community to contribute to the dialogue.** The resulting data set from the WB-financed HIES round will be cleaned, compiled, analyzed, documented, and disseminated in a timely manner, ideally with the survey report and anonymized microdata being released no later than 12 months after the collection of the last interview. This focus on the timely release of results, and the release of the microdata at the same time as the report, is a marked change from the long delays common in the region.

*Sub-component 1.2: Data collection for economic statistics*

27. **The project will also support the collection of price and economic data in identified outer islands (Makin, Abemama, Arorae, Kiritimati, Teeraina, and Tabuaeran) to close key data gaps in economic statistics.** High quality and timely economic statistics are integral to obtaining an accurate measure of the size and composition of the national economy. According to the IMF Article IV report on data gaps, “the authorities underlined that they are already stretched in their capacity to develop the main macroeconomic indicators and would appreciate assistance from international institutions and donors in compiling the needed statistics.” The IMF notes that GDP estimates have improved due to technical assistance from the PFTAC, but that “further capacity building would be needed to continue to improve the quality of GDP estimates, particularly expenditure-based GDP estimates.” Financial sector statistics should be a priority.
28. The project will prioritize price data and economic data collection in the identified outer islands. Currently price data is collected only in South Tarawa, which covers roughly half of the national population. While in many contexts this coverage would be sufficient, particularly given the use of the Australian dollar as the national currency, the dispersed geography and reliance on imported goods mean that different islands can have price structures and economic activities that differ greatly from South Tarawa. The project will expand price and economic data collection to six additional islands (Makin, Abemama, Arorae, Kiritimati, Teeraina, and Tabuaeran), which cover an additional 15 percent of the population, and add the only other urban area in Kiritimati, thereby bringing the total coverage to 66 percent. These areas were also selected strategically as Makin is the furthest island to the north and Arorae is the furthest island to the south, and therefore these locations would be where plane and ship transportation costs would be at a maximum. The government has implemented a freight levy policy, however, to maintain cost parity between locations, but price data is required to determine its effectiveness. These areas also contain a large share of the copra cutters and are therefore important to understanding the impact on the local economy of the government decision to raise the price of copra. Finally, regular visits to these locations facilitate the collection of conversion factors for non-standard units, which are a key input to accurately measuring and pricing home production and sales in the HIES. The project will finance quarterly visits to Kiritimati to collect data on prices and sector data relevant for national accounts and twice annual visits to the other outer islands. After the first 18 months of data collection, the project will assess the marginal gains of the additional collection rounds and modify (increase or decrease) the collection frequency or change the locations as appropriate.

Component 2: Institutional strengthening (US$0.385 million equivalent)

29. Under component 2, the project will support activities that strengthen the institutional and technical capacities of KNSO to improve the enabling environment for data collection in Kiribati. Aside from financing, NSO capacity is often a binding constraint to the quality and frequency of data collection. This component will carry out activities to strengthen the institutional and technical capacity of KNSO, including, but not limited to: a) conducting an institutional review to identify constraints in the organizational structure of KNSO; b) conducting a review of the legal and regulatory framework on statistics in Kiribati; c) carrying out activities to support data sharing and coordination across government agencies; d) carrying out training on data analysis and dissemination; and e) providing office facilities to KNSO to support its carrying out of activities under the project.

(a) Institutional review

30. An institutional review will identify constraints in the organizational structure of KNSO. Oftentimes the structure of NSOs evolves organically based on opportunistic funding from government and development partners. The organization chart and reporting structure can become dated and inefficient under this model, with staff and skill levels not always appropriately aligned to positions and requirements. An institutional review will examine the current and immediate future work programs of the NSO based on the upcoming National Strategy for the Development of Statistics (NSDS), which is currently being prepared with assistance from SPC-SDD. This review will identify areas where technology
could improve efficiency and recommend staff reallocation or retraining based on a more streamlined structure, as well as serve as the basis for any new staffing requests made to the Ministry of Finance and Economic Development.

(b) Statistics Act Review

31. A regional and global comparative analysis of Statistics Acts and other legislation on National Statistics Offices, for the purposes of revising Kiribati’s Statistics Act will be carried out. A key component of institutional strengthening is to formalize and clarify the official mandate of the NSO, as well as the scope of its roles and responsibilities within the machinery of government. This objective is particularly relevant in determining the scope of KNSO’s authority regarding the coordination and collation of data from other government agencies (see activity 2(c) below). The work under this sub-component will proceed in two phases. First, the project will finance a consultant to carry out a comparative study of other Statistics Acts in the Pacific and other parts of the world. Following the complementary activities of 2(a) and 2(c), as well as a review of the activities proposed in the NSDS, the consultant will make a recommendation if new legislation is necessary, and if so, propose a draft text that is appropriate to the scope of work of the NSO. It is expected that any new legislation would include relevant legal clauses on data sharing to support those activities described in activity 2(c).

(c) Data coordination

32. The project will support the development of KNSO’s role as data coordinator across government agencies. Line ministries in Kiribati collect their own data and utilize their own internal Information Units (IUs) for data archiving and analysis. This approach results in an environment where IUs and KNSO do not share data openly and do not have interoperable systems. The project would fund technical assistance to assess how KNSO can play a coordinator role across these IUs and to design an integrated system that could be used across agencies to improve the overall quality of evidence-based policymaking. The initial activities will be supported by the Resident Advisor and will include a stocktaking of the data availability, an assessment of the ability to link datasets from IUs, and stakeholder engagement to build support for data sharing. Following these activities, the project will support the development of an appropriate internal data sharing platform for the Government of Kiribati and issue a set of recommendations on improving linkages between IUs. The Resident Advisor will then support the KNSO in providing training to counterparts in the relevant line ministries on the use of the data platform.
(d) Training on analysis and data dissemination

33. **Beyond the long-term technical assistance provided by the Resident Advisor, the project will provide additional financing for specialized training on data analysis and dissemination.** The model of the embedded Resident Advisor is designed to provide lasting capacity building in data analysis and dissemination to NSOs. The focus of this extended training program will be both theoretical, including basic statistics, the analysis of survey data with complex design elements, and introductory economics, nutrition, and other related disciplines, as well as visual statistics for dissemination. The bulk of the activity will center on providing hands-on training in data collection software (Survey Solutions, CSPro) and statistical analysis software (Stata, R). The instruction provided by the Resident Advisor will, however, be supplemented by the welfare economist and statistical advisor hired under the SPC-SDD component or external training, if necessary, for topics outside of the Resident Advisor’s realm of expertise. Possible topics for additional training include, but are not limited to, small area estimation, gender and disability statistics, data visualization and mapping (QGIS, ArcGIS), and the calculation of SDG indicators.

34. **Part of the technical capacity building program will include specific analytical training to improve the monitoring of gender gaps in Kiribati.** Beyond improvements in collecting data to track gender gaps, it is important that NSO technical staff have the capacity to carry out data analysis and calculate gender statistics from the HIES. This training may be delivered by the Resident Advisor or, if the Resident Advisor lacks the expertise in gender statistics, by another consultant hired under the project.

35. **These project activities will promote increased data use among stakeholders.** Collecting data does not automatically lead to an increase in data-driven policymaking as data must be distilled and
packaged for a non-technical policy audience. The project targets three actors in promoting data use. First, the NSO will be supported in the analysis and dissemination of both large-scale and general statistical abstracts and shorter and less technical notes, infographics, and briefings, beginning with analysis of the 2019/2020 HIES (the data collection for which predates this project), continuing through the 2023/2024 HIES, and covering all data collection in between. Topics will be determined through a consultative process with line ministries and other stakeholders. Support for these activities will come through the Resident Advisors with backstopping from the SPC welfare economist hired under the project. Secondly, the NSO and Resident Advisor will host “data orientation” workshops and data analysis trainings for those in line ministries and the local academic communities interested in primary data analysis. The objective of these workshops will be to make the microdata more approachable by describing dataset structure, the process for merging datafiles, and accounting for complex design features, as well as to promote the data sharing system developed under Component 2.3. Finally, the project will promote data use among the global academic community by ensuring the HIES microdata sets are publicly released in a timely manner.

(e) Office facilities

36. Finally, the project will improve office and IT facilities of KNSO to enable the implementation of project activities. Moving to new technologies in data collection and dissemination will require updated hardware and software. A limited portion of the budget is allocated to the purchase of new hardware and software, as well as other office equipment and furnishing for the NSO, to support the implementation of above activities. Items specifically highlighted as priority purchases are updated computers and laptops, a server, internet and projection capabilities to facilitate videoconferencing, and Stata data analysis software.

Component 3: Implementation support (US$0.195 million equivalent)

37. Under component 3, the project will provide operational and technical assistance to Kiribati on project management and implementation. A Project Implementation Team (PIT) will be established within KNSO, and will consist of one full-time Project Manager and one part-time Project Assistant. The full-time Project Manager will be responsible for, among other things: (a) preparing annual work plans and budgets; (b) carrying out all disbursements and any financial management (FM) and procurement-related activities in accordance with World Bank-approved procedures; (c) monitoring and evaluating project activities; (d) preparing and consolidating periodic reports; (e) coordinating with other stakeholders on issues related to the project; and (f) providing administrative support. The Project Assistant will be responsible for clerical and administrative support in executing the financial management and procurement-related activities. The two positions are required to be in place by not later than three months after the effective date of the financing agreement and must be maintained throughout the project implementation period, or until such time that the Kiribati Fiduciary Services Unit (KFSU) is in a position to assume these responsibilities.

38. Beyond the Project Manager and the part-time Project Assistant hired under the project, KNSO will be supported by the Kiribati Fiduciary Services Unit (KFSU) in the fiduciary aspects of project
In the initial stages of the project, the KFSU will assist the Project Manager in conducting their duties and build the capacity of PIT team members. A separate World Bank project is under development to strengthen the KFSU through the recruitment of additional staff. If and when that project becomes effective, and subject to the agreement of the World Bank, the responsibilities of the PIT may shift to the KFSU staff, eliminating the necessity to have dedicated procurement and financial management staff and/or a PIT within the KNSO.

### Legal Operational Policies

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<td>Projects on International Waterways OP 7.50</td>
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<td>Projects in Disputed Areas OP 7.60</td>
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### Summary of Assessment of Environmental and Social Risks and Impacts

Impacts associated with the project are expected to be largely positive, increased access to anonymized data will provide information and socio-economic data to various stakeholders in the government, donor, academic, NGO and civil society sectors, improving planning and decision making. E&S risks associated with project activities are expected to be limited and easily managed through project design and effective implementation. A Labor Management Plan (LMP) and Stakeholder Engagement Plan (SEP) will be prepared in accordance with ESS2/10 respectively, at least 1 month prior to the engagement of staff or commencement of survey activities.

### E. Implementation

39. **The implementing agency for this project is the Kiribati National Statistics Office (KNSO), a division of the Ministry of Finance and Economic Development (MFED).** The fiduciary aspects of project implementation and management will be managed by a Project Implementation Team (PIT) that reports to the Republic Statistician of Kiribati. The PIT consists of a Project Manager and a Project Assistant (and any other consultants and or staff in KNSO as may be required), and is tasked with, among other things: (a) preparing annual work plans and budgets; (b) carrying out all disbursements and any financial management (FM) and procurement-related activities in accordance with World Bank-approved procedures; (c) monitoring and evaluating project activities; (d) preparing and consolidating periodic reports; (e) coordinating with other stakeholders on issues related to the project; and (f) providing administrative support. The preparation and fieldwork of the 2023/2024 HIES round, the data coordination activities described in Component 2.4 and other technical aspects of project implementation will be led by the Resident Advisor to be recruited in KNSO.

40. **Implementation support to the project will also be provided by the Kiribati Fiduciary Support Unit (KFSU).** KFSU is a project-funded unit under MFED tasked with providing implementation support to World Bank-financed projects. KFSU will provide direct support to the PIT on fiduciary aspects of project implementation, and build the capacity of the consultants and staff in the PIT. As indicated in paragraph 42, a separate World Bank project is under development to strengthen the KFSU through the recruitment of additional staff. If and when that project becomes
effective, and subject to the agreement of the World Bank, the responsibilities of the consultants and staff in the PIT may shift to the KFSU staff.

Figure 4: Implementation arrangements

41. A Project Operations Manual (POM) will be prepared and agreed with the World Bank no later than three months after the effective date of the financing agreement. The POM will include a project description; key project implementation staff; a detailed description of the modalities of project implementation; budgeting; procurement guidelines; Financial Management procedures, including accounting and auditing; and the Monitoring and Evaluation framework, including the timeline for the production of annual reports. In addition, KNSO will prepare an Annual Work Plan, and accompanying budget, including staff costs, Operating Costs and Training and Workshops costs. The Annual Work Plan and Budget should be submitted to the World Bank by not later than September 1 of each year for the World Bank’s review and approval.

CONTACT POINT

World Bank
Kristen Himelein Kastelic
Senior Economist/Statistician

Borrower/Client/Recipient
Republic of Kiribati
Implementing Agencies

Kiribati National Statistics Office (KNSO), Ministry of Finance and Economic Development (MFED)
Aritita Tekaieti
Republic Statistician
atekaieti@mfed.gov.ki

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

APPROVAL

Task Team Leader(s): Kristen Himelein Kastelic

Approved By

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