1. Relevance of Assistance

The objective of ODA is to contribute to economic development and improve the welfare of developing nations so as to create a world where all people can live in a humane manner and in peace. Many Island Countries, including Kiribati face challenges such as geographical dispersion, small-scale economy and lack of easy access to international markets ensuing barriers to their economic development. Kiribati is one of the most vulnerable countries to climate change such as rising sea level, cyclone and drought being an Atoll Island. Furthermore, Tarawa, the capital of Kiribati, contains a deteriorating environment condition emanating from inappropriate garbage disposal, attributed to rapid urban migration.

The national territory of the Republic of Kiribati consists of high geographical dispersion compared to other pacific countries. Therefore, it is difficult to provide adequate health care and medical services to the whole island, resulting in infants and pregnant women facing high mortality rate.

In the economic field, the Republic of Kiribati has no major industries except for fisheries and copra, while the Government's revenue depends highly on fishing license fee, official development assistance (ODA) and remittances from Kiribati nationals employed abroad. Additionally, there is a lack of proper maintenance and management of economic social infrastructures such as ports and fisheries facilities which are the main source of economical activities and human living in Kiribati.

The Government of the Republic of Kiribati embraces a healthy relationship with the Government of Japan particularly in the field of fisheries such as Japanese fishing vessels operate in Kiribati's Exclusive Economic Zone (EEZ) based on the bilateral fisheries agreement. Therefore, it is essential that the Government of Japan continues to support and encourage the efforts of the Republic of Kiribati's self reliance and sustainable development and reinforce a dynamic relationship between the Republic of Kiribati and Japan.

2. Basic Policy of Assistance: <u>Accomplishment of Sustainable Economic Growth</u> with Environmental Consideration and Improvement of Living Standard

The Government of Japan has been providing assistance to the Republic of Kiribati prioritizing the field of environment conservation and adaptation measures in climate change. Specific importance is also placed on the improvement of basic social welfare, sustainable economic growth through the development of economic infrastructure

based on the Government of the Republic of Kiribati's national development plan and the assistance policy of the Government of Japan adopted during the Pacific Leaders Meeting (PALM) which has been held every 3 years since 1997.

3. Priority Areas

(1) Environment / Climate Change

The Government of Japan provides support to the Republic of Kiribati focusing mainly on the field of environment improvement and conservation in Tarawa with the purpose of enhancing in environment friendly living standards and adaptation measures in climate change by solid waste management approach of reducing garbage disposal in the city. Additionally, the Government of Japan renders support to improve disaster prevention capability by the Government and residents of Kiribati.

(2) Overcoming Vulnerability

The Government of Japan provides support to the Republic of Kiribati focusing mainly on the improvement of basic health care and medical services as well as improvement of immunization and infectious disease control measures for eradication of Filariasis until 2020.

4. Point to be considered

The Government of Japan engages in efforts to implement effective and efficient exchange of views positively with Australia and New Zealand as main donors to Kiribati as well as other donors to avoid duplication of support and to produce a synergistic effect of each aid assistance.

Annex: Rolling Plan for Kiribati