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**Project Title:** Enhancing Inclusive Sustainable Economic Development through Coconut Sector Development

**Project Number:** Award ID 00108816, Output ID 00108404

**Implementing Partner:** United Nations Development Programme (National Execution)

**Start Date:** 1<sup>st</sup> January 2018    **End Date:** 31<sup>st</sup> December 2019    **PAC Meeting date:** 10 March 2018

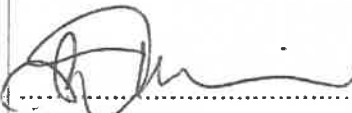

**Brief Description**

The development challenge that the Coconut Sector Development Project seeks to address is to foster income generation for poor rural households, improve the livelihoods and overall income and employment opportunities of target households through value-added coconut products. The project will support development of the Coconut Sector Strategy and to finalize the roadmap to engage the smallholder coconut farmers. Multi stakeholder platform with strong linkages established and functioning.

**Contributing Outcome (UNDAF/CPD, RPD or GPD):**  
**United Nations Pacific Strategy outcome 3 involving UNDP Outcome 3:** By 2022, people in the Pacific, in particular youth, women and vulnerable groups, benefit from inclusive and sustainable economic development that creates decent jobs, reduces multidimensional poverty and inequalities, and promotes economic empowerment.  
*SP Output 3.2* Green/blue economic policies in place to support private sector initiatives that create sustainable and environmentally friendly jobs and entrepreneurial opportunities for women and youth.  
**Output 1:**  
 Development of Coconut Sector Strategy  
**Output 2:**  
 Multi-stakeholder platform on coconut up and running with active engagement of the stakeholders in the value chain.  
**Output 3:**  
 Feasibility Study for Coconut VCO project undertaken and costed project developed

<b>Total resources required:</b>		315,000
<b>Total resources allocated:</b>	<b>IBSA: (India, Brazil, South Africa):</b>	315,000
<b>Unfunded:</b>		N/A

Agreed by (signatures):

Kiribati Government	UNDP
 Mr Toam Takirua Secretary, Ministry of Commerce, Industries and Cooperation Kiribati	 Bakhodir Burkhanov Country Director, UNDP Pacific Office in Fiji and Head of Pacific Regional Programme and Policy. Suva, Fiji
Date: 23/3/18	Date: 21/2/18



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## I. DEVELOPMENT CHALLENGE

The Republic of Kiribati, with a population of 110,136 (according to the 2015 census), is one of the most isolated countries in the world. Situated on either side of 180 degree longitude, as well as both north and south of the equator. It comprises 32 coral atolls and 1 raised atoll spread across 3.5 million square kilometers of ocean, an area bigger than the Caribbean Sea. Almost half of the population is concentrated in South Tarawa the capital, which is located in the Gilberts group of islands.

The country's total land area is only 811 square km. About 1,480 km east of the Gilbert Islands lies the Phoenix Islands, a group of eight largely uninhabited low-lying atolls and reef islands. Further east are the Line Islands including Kiritimati (Christmas Island), some 3,330 km from Tarawa. Christmas Island is the world's largest atoll in terms of contiguous landmass (388 square km), accounting for almost half of Kiribati's land area but only about 5% of the population.

Kiribati is categorized by the United Nations as both a "Small Island Developing State" and a "Least Developed Country". Based on Kiribati National Statistics Office (KNSO) figures, a 2.4 % growth in GDP was noted for 2014 as compared to 5.8% in 2013 and 5.2% in 2012. Major influences on growth in 2014 were increases in electricity, gas and water supplies, financial services, and real estate.<sup>1</sup> GDP was \$206.4 million in 2014, but GDP per capita was only \$1,838, among the lowest of all Pacific countries<sup>2</sup>.

Poverty and hardship are widespread with 21.8 per cent of the population being assessed as living below the Basic Needs Poverty Line in 2006<sup>3</sup>. Generally, economic activities have developed substantially in South Tarawa in the recent past mainly because of increases in public infrastructure works. The main projects will be the Kiribati Roads Rehabilitation Project (total of \$67.4 million), the South Tarawa Sanitation Improvement Sector Project, (total of \$25 million) and the Kiribati Aviation Investment Project (total of \$29.7 million). The principal commodity exports include seaweed, fish and copra.<sup>4</sup>

Kiribati's economy is dominated by a public sector that accounts for two-thirds of formal employment and about half of GDP. Only a small proportion of the total labour force is employed on salaries, however; the rest work in subsistence farming or fishing. The economy relies heavily on foreign assistance and remittances. The outer islands, however, remain economically underdeveloped, with limited economic activities, creating higher risk of economic vulnerability and urban drift, in the midst of climate change.

The Kiribati Development Plan (KDP) 2016-2019 is the overarching national development strategy that drives the national development agenda through better education, better health and inclusive sustainable economic growth and development through the implementation of higher education standards, the delivery of safe,

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<sup>1</sup> Economic Outlook September 2016... [www.mfed.gov.ki/sites/](http://www.mfed.gov.ki/sites/)

<sup>2</sup> Kiribati Development Plan 2016-2019

<sup>3</sup> Analysis of the 2006 Household Income and Expenditure Survey, Kiribati

<sup>4</sup> Economic Outlook September 2016... [www.mfed.gov.ki/sites/](http://www.mfed.gov.ki/sites/)

quality health services and the application of sound economic policies. The economic reforms of the Government have focused on three areas – improving the management of fishing revenue, improving the management of State Owned Enterprises (SOEs) and expanding private sector opportunities. The Government has adopted a National Fisheries Strategy and the goals of this strategy are to support economic growth through sustainable fisheries and to ensure the long-term conservation of fisheries and marine ecosystems. An emphasis on governance and capacity building is expected to improve revenue performance from fishing license sales. Legislation has been passed to improve the governance and management of SOEs. A debt policy has also been introduced to strengthen decision-making processes and avoid expensive commercial borrowing.

A high priority in the current Development Plan is to enhance inclusive development, where all actors in the economy should be able to participate effectively in sectors where opportunities for Inclusive development could be identified. In the context of Kiribati, this can be achieved by enhancing the participation of the community, through the development of new industries and new products especially on the outer islands. Such initiatives will assist in enhancing equitable economic growth and income distribution across the country, including amongst the marginalized groups (women, youths and disabled) in the society.

The Development Plan through the Key Priority Area (KPA) 2, seeks to enhance economic growth and poverty reduction through various strategies. In this context, the plan aims to implement trade and investment initiatives, with the view to improve the performance of the productive sectors including like coconut, fisheries, tourism and other sectors where Kiribati could work closely with other Pacific Island Countries where potential for the development of wider value chain linkages mainly in the aforementioned sectors. These sectors (coconut, fisheries, tourism) have also been prioritized in the trade policy framework that was submitted and endorsed by Cabinet in December 2017.

The KDP also seeks to enhance product diversification, with the view to develop new products through the maximization of the productive capacity of the country's limited land resources. In this context, the national development strategy 2016-2019 aims to develop value-adding products and export diversification strategies through the formulation and effective implementation of a coconut sector development strategy. The coconut development strategy is, therefore, one of the core development instruments in the KDP that Government seeks to use towards generating income and improving livelihoods of people in outer island communities.

The need to formulate the strategy is informed by the fact that socio-economic value of the coconut industry is globally recognized, given its ability to stimulate product diversification and improve livelihoods in the Small Island States, especially in the Pacific, with limited land resources. Coconut is known to have a central role in the diets of Pacific people and is vital in contributing to food security, health promotion, and sustainable livelihoods. The motivation towards the development of the coconut sector is also triggered by the new interest in coconut related products such as virgin coconut oil (VCO), coconut oil for electricity generation and transportation, coconut water, coconut sap sugar, timber products and toddy amongst others. The aforementioned products present new opportunities for new growth in the coconut industry.

Based on latest statistics released by the APCC, coconut production is reflecting a 46.3 percentage contribution to Kiribati's National Export Earnings. Total production is recorded at 54.6 million nuts equivalent and 9,134 (MT) as copra equivalent. Coconut export value for Kiribati now stands at US\$4,516,000 and showing revenue earnings as US\$9,764,000. Export volumes comprising of coconut oil at 2,939 (MT), copra at 1,332(MT) and copra meal at 216 (MT)<sup>5</sup>. Furthermore, over the last many years various preparatory work has been undertaken to boost biofuel industry by UNDP<sup>6</sup>. In this context, there is substantial interest from the Government in the development of the coconut sector.

Just like other Pacific economies, coconut sector is central to the livelihood of I-Kiribati. The importance of the sector can be affirmed by the trend in the copra production and the revenue generated from the sector (Figure 1).

**Fig 1: Production and Trade 2009 and Five-Year Growth trend 2005-9**

2009		Production(t)	Production Area(ha)	Imports(t)	Exports(t)
Fiji	Coconuts	150,000 (-20%)	60,000 (0%)	9 (+27%)	167 (+109%)
	Copra oil	13,000 (+36%)		1 (-98%)	3,788 (-40%)
Kiribati	Coconuts	131,351(+2%)	30,395(+13%)	0	0
	Copra oil	6,825 (+500%)		119	0 (-100%)
Samoa	Coconuts	155,060 (+1%)	27,173 (+9%)	0	987 (-2%)
	Copra oil	5,100 (+13%)			2,500 (-4%)
Solomon Islands	Coconuts	384,000 (+7%)	51,000 (+6%)	0	0
	Copra oil	5,100 (+31%)			705
Tonga	Coconuts	59,200 (+2%)	8,379 (+14%)	0	1,020
	Copra oil	1,200 (-3%)		4	(+1720%)
Vanuatu	Coconuts	309,000 (+3%)	79,654 (+8%)	9	0
	Copra oil	12,825 (-6%)		1	5.316 (-59%)

**Sources: Food and Agriculture Organization of the United Nations, Pacific Trade Statistics database**

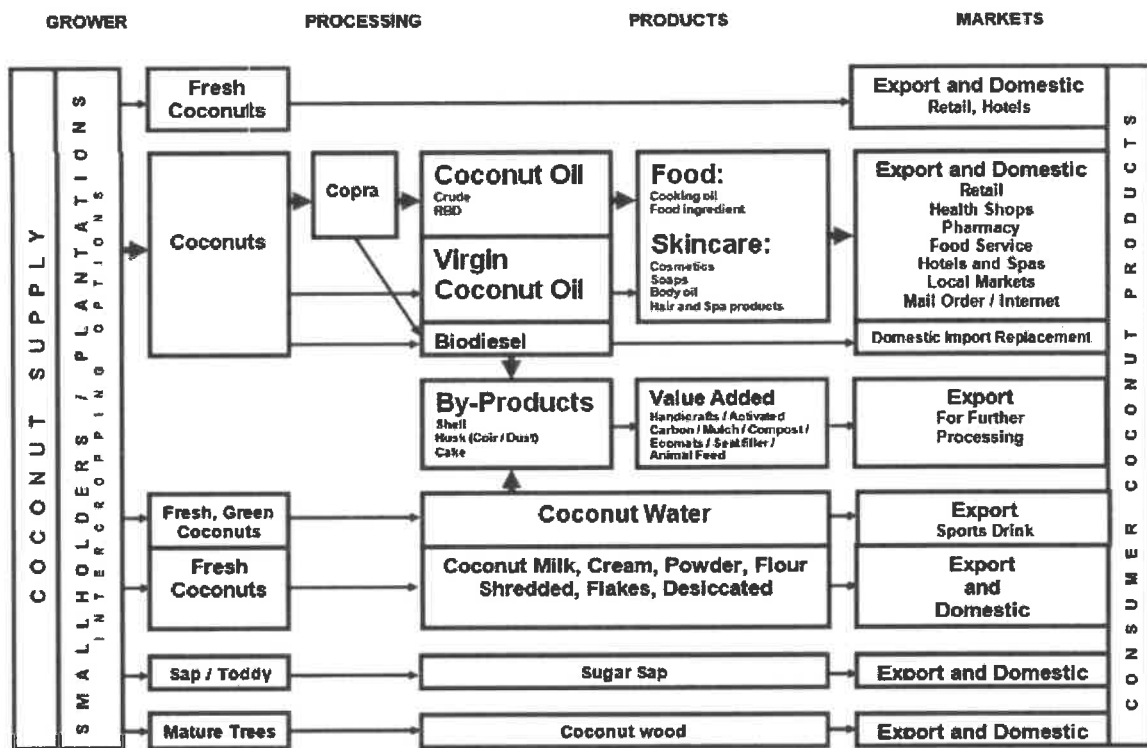
**Note: Growth trend (%) for last five years is in brackets**

**Figure 2** shows more direct distribution channels for major Pacific coconut products as small producers shift from preliminary to final processing and distribute to emerging higher value regional markets such as overseas visitors, bringing producers and buyers closer. It indicates those points at which improved skills, technology, transport and other factors can deliver higher value (through quality, convenience, suitability for end use etc) to the consumer.

<sup>5</sup> Asian and Pacific Coconut Community, November 2017 Update [www.apccsec.org/apccsec/country-profile](http://www.apccsec.org/apccsec/country-profile)

<sup>6</sup> Biofuel Mill and the Biofuel power generation systems for Abemama Island, Kiribati - <https://sprep.org/tender/request-for-tenders/supply-of-the-biofuel-mill-and-the-biofuel-power-generation-systems-for-abemama-island-kiribati>  
-Biofuel Feasibility Study on Kiritimati Island – [http://prdrse4all.spc.int/system/files/biofuel\\_kiritimati.pdf](http://prdrse4all.spc.int/system/files/biofuel_kiritimati.pdf)

**Fig 2: Pacific Coconut Industry Chain Map**



Source: SPC

Government has embarked on 20-year vision Development Plan. The intention of the vision is to develop economic activities on the outer islands, through creation of new industries and improved trade with the view of enhancing inclusive growth and sustainable development and poverty reduction. Achieving the Kiribati 20 Year Vision 2016-2036 (KV20) calls for a strategic approach in the context of exploiting opportunities in the few sectors where Kiribati has a comparative advantage in fisheries, tourism and agriculture (coconut sector).

Fiji, Kiribati, Solomon Islands, Tonga and Vanuatu belong to the 17 member APCC, an inter-governmental alliance of Asian and Pacific coconut producing countries. It represents 90 percent of world production of coconuts and exports of coconut products and is engaged in new product development and replanting program<sup>7</sup> The lack of strategic approach implies inadequate skills on value addition techniques and lack of technology among the small coconut farmers, coconut producers, young people and women towards coconut related activities. Inadequate technical capacity in the sector limits the ability to take advantage of the potential investment opportunities within the sector. As such, there is a need to enhance coherence in the implementation of the activities within the sector and to build capacity of the producers on value addition techniques.

<sup>7</sup> <http://www.apccsec.org/>

The National Quality Policy 2017-2023 endorsed by the Government in March 2017 asserted the need for relevant production standards for products like virgin coconut oil (VCO) and other coconut-related products in order to improve market access in the overseas markets. In this context, there is a need to build the capacity of producers on standards and quality assurance across the value chain. There is also a need to establish quality assurance system to ensure quality control across the coconut production value chain.

Efforts to stimulate the sector development are also constrained by inadequate integrated strategic framework to ensure sustainability in the production and supply capacity, product development and marketing. Lack of policy framework has contributed to poor coordination across the Government ministries and private sector players. In this context, there is a need to develop a coconut development strategy to provide a comprehensive and long term response to addressing the critical factors that would impact on the development of the coconut sector, with the view of facilitating significant impact at the community level through commercially viable value adding activities along the commodity chain.

Reforms to the coconut industry have been ongoing starting off with the appointment of the Kiribati Coconut Development Limited Board in November 2015. These reforms aim to streamline the industry, allows for productivity improvements and provide administrative efficiency gains. In this context, the government had the intent to formulate and effectively implement a Coconut Sector Development Strategy to enhance products and export diversification in the coconut sector<sup>8</sup>.

UNDP and Ministry of Commerce, Industry and Cooperatives will facilitate the formulation of the National Coconut Sector Development Strategy which will provide a holistic approach towards the implementation and articulation of coconut sector development priorities within the entire value chain including review of the subsidy in the sector. The Coconut Sector Development Strategy is also expected to assist the Government in mobilising resources to support the development of the coconut industry.

Addressing the existing gaps in the sector will contribute towards achieving the vision of KV20 which seeks to create wealth and prosperity. Developing the coconut sector will address the Key Priority Area (KPA) 2 of the Kiribati Development Plan 2016-2019 on economic growth and poverty reduction. It will also contribute towards the implementation of the National Quality Policy 2017-2023, which seeks to enhance trade competitiveness by improving quality and standards of the products in other sectors where Kiribati has a comparative advantage, as in the case of coconut.

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## **II. STRATEGY**

The project approach has used the ToC to elucidate the link between coconut sector development of an ideal development process with its ultimate goal of achieving improved income generation, employment, improved livelihoods and overall national food security for rural households through value-added coconut products

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<sup>8</sup> Economic Growth and Poverty Alleviation Development Partners Forum Tarawa, 31 May to 1 June, 2016

contributing to the overall inclusive sustainable economic development. It is no doubt there is persistent poverty and high levels of inequality and exclusion in Kiribati where poverty are characterised by a number of interlinked trends including; increasing need for cash (as opposed to living a subsistence lifestyle, limited employment and other ways to earn cash, traditional way of living is under threat and exclusion of certain groups still remains as an issue.<sup>9</sup> More details are covered in the Problem Tree, **Annex 5**

It starts with developing a coconut sector development strategy to provide a holistic approach towards the development of the priorities within the coconut value chain. The strategy will identify the gaps and potential areas of coconut value chain that can be considered in the development of the value added products. It is expected that the strategy will identify possible capacity needs for short and medium term capacity development programmes especially on value-added initiatives.

Development of an integrated strategy is expected to strengthen the national coordination and institutional framework for the development of the coconut sector in Kiribati. This will further lead to mainstreaming of coconut sector development priorities into various specific sector plans to benefit large number of smallholder coconut farmers through development of value adding industries along the coconut value chain.

Establishment of a multi stakeholder led platform will enable generation of greater awareness and understanding among stakeholders on the state of the coconut sector and its functioning in Kiribati, contributing development of an inclusive sector strategy and an implementation plan engaging the producers, the farmer organisations and cooperatives and the private sector in the coconut sector development. The multi-stakeholder platform will be used to inform and solicit feasible product diversification proposals from both the public and the private industry players.

Linkages will be strengthened with the APCC and also the Secretariat of the Pacific Community (SPC) to foster experiences and knowledge sharing through South-South cooperation (transfer of technology, investments on value addition and experience sharing amongst the countries). By the end of the project, along with a coconut development road map, a number of investment pipelines will be developed so that the stakeholders are able to tap into the value addition opportunities along the coconut value chain engaging the smallholder coconut farmers/community based organizations in Kiribati building on the linkages and experiences from the South-South exchange/APCC and SPC.

A summary of the Theory of Change is indicated in Annex 5

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<sup>9</sup> Kiribati Program Poverty Assessment... <http://kiribati.embassy.gov.au>



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### III. RESULTS AND PARTNERSHIPS

#### *Expected Results:*

The projects expected result at outcome level is that, tapping into the experiences from South to South exchanges the smallholder farmers and the industry stakeholders will be able to develop a clear road map for coconut sector development in Kiribati harnessing value adding opportunities at the producer and the community level and at least one pipeline investment developed and implemented for evidenced based policy advocacy and reform. At the impact level, by the end of the project the smallholder coconut farmers and the community groups engaged in coconut farming have been able to increase income through production of diversified coconut products tapping into value adding opportunities and investments at the producer level.

#### **Output 1: Coconut Sector Development Strategy with a focus on value adding services to benefit smallholder coconut farmers developed**

The project will develop a national Coconut Sector Development Strategy. Coconut experts from other countries with similar experience in the coconut sector development from the relevant APCC countries will be engaged to foster mutual exchange of best practices with the view of reducing poverty and hunger.

The strategy will be developed building on the findings of the market system analysis at the beneficiary level and the accompanying value chain analysis of the sector clearly mapping the stakeholders including the exporters and the industries at all levels. An assessment will include market system analysis of the coconut sector including the value chain there in mapping the public, private and community level stakeholders engaged in the sector to identify areas of cooperation to add value along the coconut supply chain engaging the smallholder farmers and community based organizations. The strategy will engage the industries early in the exercise and have a clear implementation plan. It will also identify the technology gaps, resource gaps and potential products that can be developed through public private community partnerships to diversify the coconut and value added services at the producer level.

#### **Output 2: Multi stakeholder platform with strong linkages with APCC and Secretariat of the Pacific Community (SPC) established and functioning**

A multi stakeholder platform will be set up from which a small Coconut Sector Development Committee will be set up to guide the team. The Coconut Sector Development Committee (multi-stakeholder consultative mechanism) will be engaged throughout the implementation process to enhance national ownership of the strategy. The committee will also act as the Project Steering Committee (PSC) or Project Board. The multi stakeholder platform will engage all the key industry players (public and private) keep them committed to exploring and investing time and resources to develop feasible proposals tapping into coconut product diversification opportunities at the community level. This could also mean procurement of semi processed products at the community level for the final finishing at the larger factory level.

Linkages will be strengthened with APCC and SPC which may entail field visits to other developing countries and/or APCC member countries including India and Sri Lanka and Fiji to learn practical experiences on how to produce the identified value-added products like virgin coconut oil and handicraft among others. The field

visits will target trainees and business leaders who can learn and share practical experiences from other developing countries and to the extent possible replicate similar experience in Kiribati.

### **Output 3: Feasibility Study for Coconut VCO project undertaken and costed project developed**

Government has identified the production of virgin coconut oil (VCO) as one of the viable value added products that can be implemented in selected islands. Engaging the members of the multi-stakeholder platform, mainly the public and the private industry players a Feasibility study will be conducted. The main objective would be to advise on the viability of the project to be implemented in selected outer islands. In addition to VCO production, the project will assist women handicraft producers to acquire modern production skills to improve the quality of relevant products. The implementation of a viable project informed by the outcome of the feasibility study will involve rural community especially women groups, youths, disabled and the cooperatives.

#### ***Resources required to achieving the Expected Results***

The required project resources can be categorised into financial, technical, and managerial. The financial resources required by the project have been indicated on the cover page of the Project Document and these resources will be used to procure the required technical and managerial services as captured in the Work Plan of the Project Document.

#### ***Partnerships***

India Brazil and South Africa (IBSA) are participating in the project as major Partners. They will be provided with visibility and recognition for their instrumental role supporting this project. Credit will be given to IBSA partners during public engagements by the project, particularly in interactions with the media, public and academic appearances and presentations, relations with the local community, the government of Kiribati, project visitors and other institutions. Other efforts will be made where appropriate to provide visibility to IBSA and the South-South cooperation elements of this project coordination with APCC member countries to ensure sustainability of the project.

#### ***Stakeholder Engagement***

The project will engage various stakeholders. The cluster of the stakeholders to be engaged will include: Relevant Government Ministries (including government owned and industries to identify opportunities to add value along the supply chain engaging the smallholder farmers and the community based organizations), the Kiribati Chamber of Commerce and Industry (targeting specific industry owners that are engaged in coconut supply chain), Rural farmers, producers and producer associations, women groups, youths, disabled and men engaged along the coconut value chain. A preliminary stakeholder analysis will be undertaken in order to identify the primary stakeholders to be involved and to be affected by the project initiatives, as well as partners (both private and public) and their roles. Interest groups which may pose threats to the project implementation process will also be identified so that responsive measures (such as early engagement and sensitisation) are put in place to respond to such threats. Early identification of primary stakeholders will facilitate that the project directly responds to the needs of, and challenges facing primary stakeholders. Stakeholder analysis methods will use simplified stakeholder mapping matrices. This will include determination and clustering of

stakeholders in groups (Primary, Secondary, and External) and determination of key interests and roles of each stakeholder group.

The identification and clustering of stakeholders will aid in determining the level and type of engagement for the respective stakeholders. For instance, some stakeholders will be engaged during the coconut sector strategy development while some specific groups will be involved during the training and investments at the community level.

### ***Risks and Assumptions***

The project implementation will be based on various risks and assumptions. These risks are also outlined in the attached Risk Log.

- a) **Projects outputs are delayed due to Consultants' inability (due to unforeseen circumstances) to deliver on time risk and as per expected quality.** This risk will be managed by providing clear terms of reference to the consultants. The project management team will be in regular contact with the consultants to facilitate timely delivery of quality output. Given the experience of MCIC in working with consultants in developing similar policies by engaging consultants the likelihood of this risk is low but its potential impact is medium.
- b) **The key stakeholders meant to participate show no interest to the project.** This risk will be managed by engaging (not just by commissioning specific activities) them in all project activities. The project management team will have regular visits to project sites of the targeted supply chain of an active coconut industry actor to ensure engagement of the established associations or cooperatives and will conduct regular dialogues with them on the objectives of the project. The likelihood of this risk is low and so is its potential impact.
- c) **There may be political risk of non-cooperation by government officials, producers, and community.** This risk will be managed by engaging them as intrinsic stakeholders of the project. The project management team will have regular dialogues with them through established consultative mechanism to facilitate that there is national ownership. In addition, given that the project is based on recommendations in the Kiribati Development Plan and the National Quality Policy the likelihood of this risk is low.
- d) Like any other project, **there is always a level of financial risk involved;** whether funds requested for the project be sufficient to deliver the project and in this case availability of funds to cater for future project interventions arising out of the coconut strategy. Through the Feasibility Study, an output of this project, a cost and benefit analysis should inform whether the project is viable or not. MCIC will work with the Ministry of Finance and Economic Development (MFED) through the Aid Coordination Unit to mobilise additional technical and financial resources to implement the Coconut Sector Development Strategy once it is finalised and endorsed by the Government

### ***South-South and Triangular Cooperation (SSC/TrC)***

The project will enhance the capacity of policy officers, producer associations, to be better and more consistently informed on coconut sector development issues via participation in multi stakeholder led platforms, Field attachment, learning and sharing experiences through South-South cooperation in countries like India, or any other Pacific Island Country where learning experience can be generated.

Kiribati will use its membership with the Asian and Pacific Coconut Community (APCC) and also SPC to strengthen its South-South Cooperation with other countries on coconut development. Possibility of undertaking, the APCC and SPC promoted training initiatives like the International Certificate Course on Coconut Processing technologies to be held in Sri Lanka.

### ***Knowledge***

The project shall generate various knowledge products. This will include the feasibility study report, Training Modules, Coconut Sector Development Strategy, Brief summary on field attachment and experiences.

The Coconut Sector Development Strategy will be distributed during the Bilateral Discussions with the Development partners as part of resource mobilisation strategy.

The training Module will be distributed to stakeholders doing the National Training Workshops. Brief summary on project lessons will be shared within the MCIC email networks. The project lessons and project outputs will also be shared during the Annual APCC Ministerial Session Meetings as part of the Country Statements.

The project outputs will be uploaded on the MCIC website as part of the Advocacy strategies. Media advocacy strategies like the use of Facebook, press release and banners will be used to enhance visibility of the project and related outputs.

### ***Sustainability and Scaling***

To avoid the creation of parallel structures that often disappear once project ends the activities to be implemented under the project will be integrated into the structure of the MCIC in charge of Coconut Sector Development. The Project Management Unit (PMU) will work closely with the Industry Promotion Division in charge of coconut sector development. This will facilitate that the key outputs emanating from the project are owned by the industry promotion officers.

The project will enhance the capacity of the relevant stakeholders, including producer associations, to be better and more consistently informed on coconut sector development issues via participation in training activities, work attachment, and sharing experiences through South-South cooperation. Sustainability considerations will be featured in the design of all interventions supported by the project.

Networking will also be encouraged within the context of South-South cooperation to support sharing of best practices and lessons learnt. Additional attention will be provided to identify means and strategies to deal with staff retention, including plans to broaden the transfer of knowledge and skills in the public sector on coconut sector development issues.

Evidenced based industry led monitoring and evaluation mechanisms will be established to facilitate that the recommendations in the Coconut Sector Development Strategy will form part of the respective Government Ministries Strategic Plan and Kiribati Development Plan. This will foster budget support prioritization towards coconut related activities and will sustain the project's results beyond the project duration.

In the long term, the capacity of the Government and stakeholders will only be sustained if in-country training resources and expertise become available, accessible and affordable. MCIC staff and other local policy makers will be directly engaged under the mentorship of the Experts to act as Trainer of Trainers (TOT) in key project activities as a mechanism of enhancing their long-term capacity and project sustainability. The training modules developed will also be used by those who have been trained to act as TOT.

MCIC will work with the Ministry of Finance and Economic Development (MFED) through the Aid Coordination Unit to mobilise additional technical and financial resources to implement the Coconut Sector Development Strategy once it is finalised and endorsed by the Government. Such approach will facilitate continuous support towards the sector through other national investment and development programmes.

The Coconut Sector Development Strategy developed under the project will provide a long term guidance framework on coconut sector development. The Industry Promotion Division officers will use the strategy to implement and foster the development of the sector. It will also be used in mainstreaming coconut sector related issues into other sector plans like Agriculture, National Budgeting and Aid for trade strategy both in the medium to long term. This will foster budget support prioritization towards coconut sector related activities and will sustain the project's results beyond its duration.

The proposed engagement of stakeholders through periodic inclusive consultative mechanisms such as coconut multi-stakeholder platform, the Coconut Sector Development Committee, national awareness workshops and consultative framework during the formulation of coconut sector development strategy are expected to enhance national ownership.

The recommendations from the Coconut Sector Strategy and the lessons from investment match making event engaging the commercial market actors will also be translated into new projects for future funding consideration. The implementation of such projects is expected to sustain the momentum generated from the project even after the end of the project.

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#### **IV. PROJECT MANAGEMENT**

##### ***Cost Efficiency and Effectiveness***

The project will be implemented in partnership with the Ministry of Commerce, Industry and Cooperatives (MCIC) through the Business Promotion Centre as an extended part of the existing structure of the EIF Project

(refer to governance structure). The Commonwealth Funded Trade Advisor based at MCIC will provide in country technical support for effective delivery of the project. Such support will assist the PMU to draft the technical project documents like Terms of Reference and other project related technical documents.

The project will take advantage of experiences and lessons learnt from Kiribati's APCC membership. The APCC network will assist in identifying relevant training opportunities and coconut experts that can be engaged in delivering the key outputs envisaged in the project.

Instead of project developing a new PMU structure, the already established PMU with funding from the Enhanced Integrated Framework (EIF) will be used and strengthened as the central project Management Unit for the Coconut Sector Development Strategy (SCDS). In addition, the Project Manager based at MCIC EIF PMU will also be the Project Manager for the SCDS project as illustrated in Figure 5 above. The strategy will ensure that the capacity and utilisation of the project manager at MCIC PMU is maximised and will avoid delay in kick-starting the project. It will also ensure that the Project Manager utilises the already acquired skills towards the overall management of the project. The PMU will also have technical backstopping from UNDP Fiji office in areas such as identification of tools and resources for coconut strategy development.

In order to support efficiency in the utilisation of the resources, the Joint Monitoring mission for the Project and the EIF project by UNDP will be explored. This will facilitate that the budget for such mission is utilised to monitor two projects, given that the projects will be monitored under the UNDP procedures.

The project will be nationally implemented by the MCIC according to UNDP's NIM modality. On a day-to-day basis, the Project Manager based at UNDP has the authority to run the project on behalf of UNDP with the constraints laid down by the Project Board and in accordance with the UNDP Programme and Operations Policies and Procedures (POPP). The Project Manager is responsible for the everyday management and decision-making of the project. The Project Manager's prime responsibility is to ensure that the project produces the results (outputs) specified in the Project Document to the required standard of quality and within the specified constraint of time and cost.

MCIC will partner with the UNDP to deliver the envisaged outputs of the project. UNDP will provide overall guidance on project administration and will also be responsible for the submission of progress, financial and project completion reports to the IBSA Fund. UNDP will also be responsible for the overall project implementation and report as required on project implementation in terms of funds utilized, activities implemented, outputs delivered and outcomes achieved in collaboration with the Project team based at MCIC.

The Secretary will act as the Project Focal Point, while the Director BPC will act as coconut Multi-stakeholder platform facilitator and convenor. The Project Team will report to the Director Business Promotion Centre. All the project related documents will be assessed and endorsed by the Secretary MCIC, through the DBPC before submission to UNDP.

A project team comprising of the following members would be responsible for implementing this project:

- a) **Project Manager** - MCIC will allocate a project manager to oversee the project. The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Implementing Partner within the constraints laid down by the Board, and is also responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results (outputs) specified in the project document, and to the required standard of quality and within the specified constraints of time and cost.
- b) **Long term experts**- A coconut industry expert to facilitate development of a coconut sector strategy with identification of key value chain actors and product diversification opportunities.
- c) **One Project Administrator Officer/Accountant** - The MCIC Project Administrator and Accountant (Project Support) will be responsible for the overall management of project funds with allocated budgets; oversight of financial records maintained by the Finance officer; preparation of quarterly financial acquittals, progress and annual reports of the project; Liaise with MFED to implement project financial record keeping, maintain project financial records and reconcile with MFED on a monthly basis; and carry out other functions including organizing meetings, trips and other routine matters.
- d) **Short term Project Experts**- will be engaged from time to time to provide technical support during the project implementation.

In order to deliver the expected outcomes and outputs of the project, resources will also be required for other activities as highlighted below;

- e) **Monitoring, Evaluation:** In order to facilitate the monitoring of Project achievements quarterly, biannually and annually, UNDP will undertake biannual monitoring missions. There is need to cater for the cost of Monitoring and Evaluation and also resources to cater for the Auditing of the project.
- f) **Field visits and South-South exchanges:** Resources will be required towards facilitating knowledge sharing and exchange amongst countries to impart practical learning experiences on how to produce the identified value-added products like virgin coconut oil and handicraft among others from other developing countries like India or APCC member countries to support South-South cooperation.
- g) **Audit:** The project will be audited in accordance with the UNDP Guidelines on audits. Annual audits will be conducted over the life of the project. UNDP will identify an independent entity to undertake the audit in consultation with the MCIC. The cost of project audits will be borne by the project.
- h) **The associated Direct Project Costing (DPC)** that will be incurred by UNDP in providing project management and technical project implementation support is effectively indicated in the Multi-Year Work Plan.
- i) The programme's Multi-Year Work Plan also includes a **General Management Support (GMS)** charge that covers the costs for UNDP that are not directly attributable to specific projects or services, but are necessary to fund the corporate structure, management and oversight costs of UNDP as per global UNDP practices. The GMS is applied to all projects funded by either member governments at 3% for projects implemented directly in those member countries, and at 8% for contributions from other development partners for all projects that are implemented by UNDP around the world. However, following the UNDP Executive

Board Decision establishing preferential General Management Support (GMS) rates for South-South cooperation, the GMS rate that applies to the IBSA fund is 5%.

## V. RESULTS FRAMEWORK

<b>Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:</b>								
<b>United Nations Pacific Strategy outcome 3 involving UNDP:</b> By 2022, people in the Pacific, in particular youth, women and vulnerable groups, benefit from inclusive and sustainable economic development that creates decent jobs, reduces multidimensional poverty and inequalities, and promotes economic empowerment.								
<b>Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:</b>								
<b>Indicator 3.4</b> - Unemployment rate by sex, age and persons with disabilities (decent jobs) has decreased based on the latest available data (SDG 8.5.2)								
<b>Baseline:</b> 0								
<b>Target:</b> 8 (Cook Islands, Fiji, RMI, Kiribati, Nauru, Samoa, Tokelau, and Tuvalu)								
<b>Applicable Output(s) from the UNDP Strategic Plan:</b>								
<b>SP Output 3.2.</b> Green/blue economic policies in place to support private sector initiatives that create sustainable and environmentally friendly jobs and entrepreneurial opportunities for women and youth.								
<b>Project title and Atlas Project Number:</b> To be provided								
EXPECTED OUTPUTS	OUTPUT INDICATORS <sup>10</sup>	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	FINAL	
<b>Output 1</b> Coconut Sector Strategy Developed	Extend to which Coconut Sector Strategy Developed Degree of effectiveness to be assessed on the following rating scale: 1. Low 2. Medium 3. High	Project reports (annual), Evaluations	None	2017	1. (Low)	2. (Medium)	3. (High)	Monitoring Missions Consultations Project Progress Reports



<b>Output 2:</b> Multi-stakeholder platform established	Extent of Stakeholders engagement Degree of effectiveness to be assessed on the following rating scale: 1. Low 2. Medium 3. High	Project reports (annual), Evaluations	None	2017	1. (Low)	2. (Medium)	3. (High)	Monitoring Missions Consultations Project Progress Reports
<b>Output 3:</b> Feasibility Study for Coconut VCO project undertaken, costed project developed	Quality of Feasibility study shared. Degree of effectiveness to be assessed on the following rating scale: 1. Low 2. Medium 3. High	Project reports (annual), Evaluations	None	2017		1. (Low)	2.(Medium)	Monitoring Missions Consultations Project Progress Reports

## VI. MONITORING AND EVALUATION

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management. Reports shared with IBSA through UNOSSC.		
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended outputs. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		

<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		
<b>Project Report</b>	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Bi-annually, and at the end of the project (final report)	Reports shared with IBSA every 6 months.		
<b>Project Review (Project Board)</b>	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		

	opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.				
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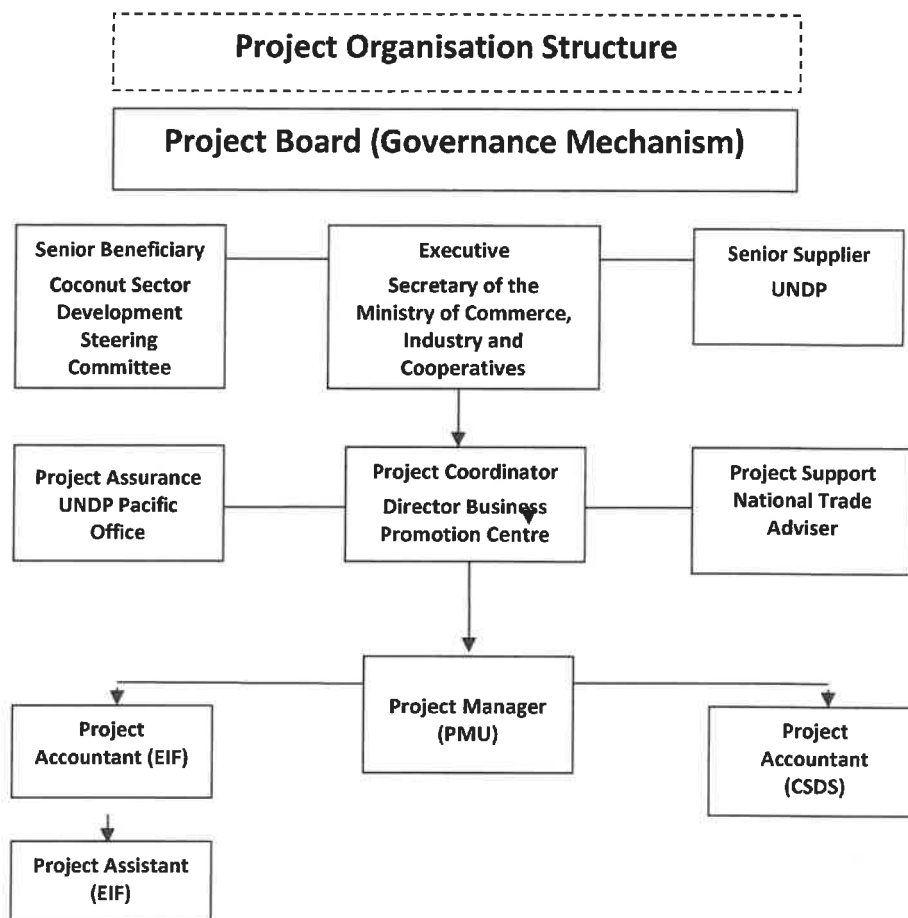
## VII. MULTI-YEAR WORK PLAN

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2		Funding Source	Budget Description	Amount
<b>Output 1: Coconut Sector Development Strategy developed</b>	1.1 Establish Coconut Sector Development Coordination Committee	X	X	BPC/PMU	IBSA		
	1.2 Hiring Coconut industry Experts	X	X	UNDP	IBSA	International consultants	100,000
	1.3 Desk Review, market system analysis/value chain analysis engaging the stakeholders. Drafting and Finalising the Coconut Sector Development Strategy with a clear implementation plan	X	X	Consultant	IBSA	Logistical costs	10,000
	1.4 Develop Funding Proposals based on the Recommendations in the Coconut Sector Development Strategy engaging the industry actors and the banks in the feasibility studies and business plan development.	X	X	Consultant	IBSA	Workshop costs	10,000
	<b>Sub-Total for Output 1</b>						<b>120,000</b>

<b>Output 2: Multi-stakeholder platform on coconut up and running</b>  <i>Gender marker: 1</i>	2.1 Convene the multi-stakeholder platform engaging industry players	X	X	BPC	IBSA	Logistical costs	10,000
	2.2 Mentorship, trainings and Field Visit Attachments in a Selected Developing Country to Learn Best Practices	X	X	BPC/PMU	IBSA	Travel	50,000
	<b>Sub-Total for Output 2</b>						<b>60,000</b>
<b>Output 3: Feasibility Study for Coconut VCO project undertaken</b>  <i>Gender marker: 1</i>	3.1 Recruit feasibility study consultant		X	UNDP	IBSA	Consultant	30,000
	3.2 Undertake consultations, Drafting and Finalising of VCO Feasibility Study.		X	Consultant	IBSA		2,000
	<b>Sub-Total for Output 3</b>						<b>32,000</b>
<b>Output 4: Project Management</b>	4.1 Project Manager		X	PMU	IBSA	Local Staff	36,000
	4.2 Project Accountant	X	X	PMU	IBSA	Local Staff	30,000
	4.3 Direct Project Costs	X	X	UNDP	IBSA	UNDP staff	7,000
	4.4 Equipment	X	X	PMU	IBSA	2 Laptops	2,000
	4.5 Office Supplies	X	X	PMU	IBSA	Office supplies	2,000
	4.6: Publication	X	X	PMU/UNDP	IBSA	Publication	6,000
	4.7 Audit		X	UNDP	IBSA	Independent auditor	5,000
	<b>Sub-Total for Output 4:</b>						<b>88,000</b>
<b>Total of Outputs:</b>							300,000
<b>General Management Support</b>				UNDP	IBSA		15,000
<b>TOTAL</b>							<b>315,000</b>

**VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS**



As per UNDP’s POPS, the Project Board is a tripartite structure consisting of the Executive (the Government Coordinating Agency, MCIC and represented by the Secretary who is also the Focal Point), the Stakeholders who are represented by the Coconut Sector Development Committee and UNDP.

MCIC, through its operational arm the Business Promotion Centre (BPC), will oversee the implementation of the project at the National Level. The Coconut Sector Development Committee will be formed and serve as a Project Board (Project Steering Committee), to provide guidance on the project implementation and to enhance National Ownership of the project.

Members of the project board will include a member from the Investment Board of Kiribati, Representative in APCC from Kiribati, Representatives from the Ministry of Commerce, Industry and Cooperatives (MCIC) as Chair; Ministry of Women, Youth and Social Affairs (MWYSA); Ministry of Internal Affairs (MIA); Ministry of Environment, Lands and Agricultural Development (MELAD); Ministry of Finance and Economic Development (MFED); Representative of Women and Youth Groups and Kiribati Chamber of Commerce and Industry (KCCI). Members of the project board will meet at regular intervals to review the progress of the project.

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## IX. LEGAL CONTEXT

[NOTE: Please choose **one** of the following options, as applicable. Delete all other options from the document].

### Option a. Where the country has signed the

Option a. Where the country has signed the Standard Basic Assistance Agreement (SBAA)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

### RISK MANAGEMENT STANDARD CLAUSES

#### Option a. Government Entity (NIM)

1. Consistent with the Article III of the SBAA [or the Supplemental Provisions], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document [and the Project Cooperation Agreement between UNDP and the Implementing Partner]<sup>11</sup>.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.
4. Consistent with UNDP’s Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

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<sup>11</sup> Use bracketed text only when IP is an NGO/IGO

6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

## **X. ANNEXES**

### **1. Project Quality Assurance Report**

**2. Social and Environmental Screening Template** [[English](#)][[French](#)][[Spanish](#)], including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*

**3. Risk Analysis.** Use the standard [Risk Log](#) template. Please refer to the [Deliverable Description of the Risk Log](#) for instructions.

### **4. Terms of Reference of key Project Staff**

### **5. Theory of Change**



**Annex 1: Project Quality Assurance Report**

(Refer to attached)

## Annex 2: Social and Environmental Screening

### Project Information

<i>Project Information</i>	
1. Project Title	Enhancing Inclusive Sustainable Economic Development through Coconut Sector Development
2. Project Number	Award ID 00108816, Output ID 00108404
3. Location (Global/Region/Country)	Kiribati

### Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

**QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?**

*Briefly describe in the space below how the Project mainstreams the human-rights based approach*

The project will follow rights based approaches to development and will be cognizant of child labor issues in the supply chain and strive to eventually adopt decent work principles.

*Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment*

The project will engage various stakeholders and clusters of stakeholders to be engaged will include: Relevant Government Ministries (including government owned and industries to identify opportunities to add value along the supply chain engaging the smallholder farmers and the community based organizations), the Kiribati Chamber of Commerce and Industry (targeting specific industry owners that are engaged in coconut supply chain), Rural farmers, producers and producer associations, women groups, youths, disabled and men engaged along the coconut value chain (gender marker GEN3).

*Briefly describe in the space below how the Project mainstreams environmental sustainability*

The project is fostering local value adding services such as semi processing of virgin coconut oil at the community level which is in line of support's priorities of expanding coconut plantation and value addition. Depending upon the choice of technologies available, the project will ensure adoption of most environmentally friendly and cost efficient technologies that is suitable to the local Island context.

### Part B. Identifying and Managing Social and Environmental Risks

<p><b>QUESTION 2: What are the Potential Social and Environmental Risks?</b>  <i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i></p>	<p><b>QUESTION 3: What is the level of significance of the potential social and environmental risks?</b>  <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i></p>	<p><b>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</b></p>
<p><b>Risk Description</b></p>	<p><b>Impact and Probability (1-5)</b></p>	<p><b>Significance (Low, Moderate, High)</b></p>
<p>Risk 1: No Risks Identified</p>	<p>I = P =</p>	<p><i>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</i></p>

<p><b>Select one (see <u>SESP</u> for guidance)</b></p>	<p><b>Comments</b></p>
<p><b>Low Risk</b></p>	<p><input checked="" type="checkbox"/></p>
<p><b>Moderate Risk</b></p>	<p><input type="checkbox"/></p>
<p><b>High Risk</b></p>	<p><input type="checkbox"/></p>
<p><b>QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?</b></p>	
<p>Check all that apply</p>	
<p><b>Principle 1: Human Rights</b></p>	<p><input type="checkbox"/></p>
<p><b>Principle 2: Gender Equality and Women’s Empowerment</b></p>	<p><input type="checkbox"/></p>

1. <i>Biodiversity Conservation and Natural Resource Management</i>	<input type="checkbox"/>
2. <i>Climate Change Mitigation and Adaptation</i>	<input type="checkbox"/>
3. <i>Community Health, Safety and Working Conditions</i>	<input type="checkbox"/>
4. <i>Cultural Heritage</i>	<input type="checkbox"/>
5. <i>Displacement and Resettlement</i>	<input type="checkbox"/>
6. <i>Indigenous Peoples</i>	<input type="checkbox"/>
7. <i>Pollution Prevention and Resource Efficiency</i>	<input type="checkbox"/>

Risk 1: No Risks Identified	I = P =			
Risk 2: No Risks Identified	I = P =			
Risk 3: No Risks Identified	I = P =			
Risk 4: No Risks Identified	I = P =			
<b>QUESTION 4: What is the overall Project risk categorization?</b>				
<b>Select one (see <u>SESP</u> for guidance)</b>			<b>Comments</b>	
<i>Low Risk</i>			<input checked="" type="checkbox"/>	
<i>Moderate Risk</i>			<input type="checkbox"/>	
<i>High Risk</i>			<input type="checkbox"/>	
<b>QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?</b>				
Check all that apply			<b>Comments</b>	
<i>Principle 1: Human Rights</i>			<input type="checkbox"/>	
<i>Principle 2: Gender Equality and Women's</i>			<input type="checkbox"/>	

<i>Empowerment</i>	
<i>1. Biodiversity Conservation and Natural Resource Management</i>	<input type="checkbox"/>
<i>2. Climate Change Mitigation and Adaptation</i>	<input type="checkbox"/>
<i>3. Community Health, Safety and Working Conditions</i>	<input type="checkbox"/>
<i>4. Cultural Heritage</i>	<input type="checkbox"/>
<i>5. Displacement and Resettlement</i>	<input type="checkbox"/>
<i>6. Indigenous Peoples</i>	<input type="checkbox"/>
<i>7. Pollution Prevention and Resource Efficiency</i>	<input type="checkbox"/>

**Final Sign Off**

<i>Signature</i>	<i>Date</i>	<i>Description</i>
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have “checked” to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have “cleared” the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

### Annex 3: Risk Analysis

#### OFFLINE RISK LOG

(see *Deliverable Description for the Risk Log regarding its purpose and use*)



<b>Project Title:</b> Enhancing Inclusive Sustainable Economic Development through Coconut Sector Development	<b>Award ID:</b> 00108816	<b>Date:</b> 02/01/2018
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	Enter a brief description of the risk  <i>(In Atlas, use the Description field. Note: This field cannot be modified after first data entry)</i>	When was the risk first identified  <i>(In Atlas, select date. Note: date cannot be modified after initial entry)</i>	Environmental Financial Operational Organizational Political Regulatory Strategic Other Subcategories for each risk type should be consulted to understand each risk type (see Deliverable Description for more information)  <i>(In Atlas, select from list)</i>	Describe the potential effect on the project if this risk were to occur  Enter probability on a scale from 1 (low) to 5 (high) P =  Enter impact on a scale from 1 (low) to 5 (high) I =  <i>(in Atlas, use the Management Response box. Check "critical" if the impact and probability are high)</i>	What actions have been taken/will be taken to counter this risk  <i>(in Atlas, use the Management Response box. This field can be modified at any time. Create separate boxes as necessary using "+", for instance to record updates at different times)</i>	Who has been appointed to keep an eye on this risk  <i>(in Atlas, use the Management Response box)</i>	Who submitted the risk  <i>(In Atlas, automatically recorded)</i>	When was the status of the risk last checked  <i>(In Atlas, automatically recorded)</i>	e.g. dead, reducing, increasing, no change  <i>(in Atlas, use the Management Response box)</i>

1	Lack of political commitment in the coconut industry	Political	<p>Industry is viewed by Government as an important means to promote its overarching goal of equitable distribution of prosperity and has made appropriate policy commitments to boost copra production and thus the income of the farmers.</p> <p>There is still some risk of non-cooperation by government officials, producers and community</p> <p>Project is based on recommendations in the Kiribati Development Plan and the National Quality Policy the likelihood of this risk is low</p> <p>P = 1 I = 2</p>	<p>This risk will be managed by engaging them as intrinsic stakeholders of the project. The project management team will have regular dialogues with them through established consultative mechanism to ensure that there is national ownership.</p>	Relevant Government Department - MCIC			
2	Lack of commitment from key stakeholders	Operational	<p>The key stakeholders meant to participate show no interest to the project.</p> <p>The likelihood of this risk is low and so is its potential impact.</p> <p>P = 2 I = 2</p>	<p>This risk will be managed by engaging (not just by commissioning specific activities) them in all project activities. The project management team will have regular visits to project sites for better engagement of the established associations or cooperatives and will conduct regular dialogues with them on the objectives of the project</p>	Relevant Government Department - MCIC			

3	Implementation delay by Consultants	Organizational	<p>Projects outputs are delayed due to Consultants' inability (due to unforeseen circumstances) to deliver on time risk and as per expected quality.</p> <p>Likelihood of this risk is low but its potential impact is medium  P = 2  I = 3</p>	<p>This risk will be managed by providing clear terms of reference to the consultants. The project management team will be in regular contact with the consultants to ensure timely delivery of quality output. Given the experience of MCIC in working with consultants in developing similar policies by engaging consultants</p>	Relevant Government Department - MCIC		
4	Change in Government policy on copra subsidy	Political	<p>Removal of copra subsidy affects livelihoods on the outer islands  P=2  I=5</p>	<p>Government to maintain copra price subsidy and continue working towards the Development of coconut value chain</p>	Relevant Government Department - MCIC		
5	Delayed disbursement of funds	Financial	<p>Slow progress in implementation of the project  P = 2  I = 3</p>	<p>UNDP to provide guidance and training with required request and reporting procedures  In country assistance to be provided by the UNDP Kiribati Programme Analyst</p>	UNDP Project Manager		
6	Limited Funds for Project Implementation	Financial	<p>Slow progress in implementation of the project  P = 2  I = 3</p>	<p>Feasibility Study conducted through this project with cost-benefit analysis to inform whether project is viable or not.  MCIC will work with the Ministry of Finance and Economic Development (MFED) through the Aid</p>	Kiribati Government		





## **Annex 4: TORs of Project Staff**

### **(1) Job Title: Coconut Project Coordinator (Government funded)**

**Role Summary:** The Coconut Project Coordinator will work closely with the Project FP, Permanent Secretary of MCIC, and will be responsible for coordinating the implementation of the project in Kiribati. The incumbent will be assisted and supported in the day to day implementation of the Coconut project by the Assistant Coordinator, EIF/Coconut Project Manager, Project Accountant/Administrative Officer, and the EIF Assistant Administrative Officer, with technical advice and inputs provided by the Technical Advisor.

#### **Key Result Areas:**

1. Oversee the functions of the Coconut Project Office, as part of the Business Promotion Centre.
2. Lead the Project Office on matters related to the design and implementation of the agreed annual work plan, including oversight in the compilation of monitoring and financial reports.
3. Formally represent the Coconut Project in and outside Kiribati.
4. Coordinate the development of the Coconut Sector Development Strategy ensuring close coordination with all stakeholders and guidance/oversight of the Coconut Sector Development Committee
5. Liaise and consult with development partners, ensuring no duplication of efforts.
6. Coordinate awareness building activities to promote and ensure national ownership including by:
  - Maintaining effective consultation mechanisms with national stakeholders which include the civil society and the private sector.
  - Conducting visits to outer islands to monitor project activities
7. Ensure the effective flow of information between team members, the wider Government audience, the private sector and civil society.
8. Provide secretariat services for the Coconut Sector Development Committee, ensuring quarterly and ad hoc meetings are conducted. Facilitate the work programme of by p Coconut Sector Development Committee providing inputs and background documents for decision making

#### **Role Specific Requirements:**

- A degree in Economics or relevant social science field
- Deep understanding of trade issues in Kiribati, the region and globally; good working knowledge and policy understanding in areas of regional and global agreements and negotiations such as MSG, PICTA, PACER, EPA, WTO, AFT, etc. and familiarity with Kiribati's position on these
- Experience in bi-lateral/multi-lateral trade negotiations
- Experience in managing a team and working with limited supervision
- Excellent communications skills in both in English and Kiribati languages, good computer and report writing skills

**Reporting:** The Coconut Project Coordinator will primarily report directly to the Secretary of MCIC, and will have secondary reporting requirements to the Coconut Sector Development Committee and UNDP as the MIE for all project activities

**(2) Job Title: Project Accountant/Administrative Officer (Project Funded)**

**Responsible to:** EIF/Coconut Project Manager

The Project Accountant/Project Administrative Officer is responsible to the Project Coordinator and provides support to ensure that all activities in the project work plan are carried out as scheduled.

**Project Accountant & Project Administrative Officer roles:**

- Overall management of project funds with allocated budgets. Oversight of financial records maintained by the Finance officer;
- Preparation of quarterly financial acquittals, progress and annual reports of the project;
- Liaise with MFED to implement project financial record keeping. maintain project financial records and reconcile with MFED on a monthly basis;
- Provide advice and information to internal and external clients and stakeholders as required;
- Any other duties and responsibility directed by the Project Coordinator and the Focal Point which relate to the project

**Role Specific Requirements**

- Education to at least Diploma level from recognized tertiary institutions, preferably in areas of accounting, economics, and management. Diploma with 5 years works experience and degree with 3 year work experience;
- Project coordination and reporting skills.
- Good computer skills, experience in MS word and MS excel, database skills an advantage;
- Good interpersonal skills; good communication skills in English, and i-Kiribati is preferable.

Annex 5: Theory of Change

