

**MILLENNIUM CHALLENGE CORPORATION THRESHOLD PROGRAM**

**GRANT AGREEMENT**

**BETWEEN**

**THE UNITED STATES OF AMERICA,  
ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION,**

**AND**

**THE REPUBLIC OF KIRIBATI,  
ACTING THROUGH THE MINISTRY OF EMPLOYMENT AND HUMAN RESOURCE**

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## THRESHOLD PROGRAM GRANT AGREEMENT

This THRESHOLD PROGRAM GRANT AGREEMENT (this “*Agreement*”), dated September 25, 2023, is made between the United States of America, acting through the Millennium Challenge Corporation (“*MCC*”), and the Republic of Kiribati, acting through the Ministry of Employment and Human Resource (the “*Government*,” and collectively with MCC, the “*Parties*,” and each individually, a “*Party*”).

### RECITALS

WHEREAS MCC has authorized a program to provide assistance under Section 616 of the Millennium Challenge Act of 2003, as amended, to selected candidate countries that have demonstrated a commitment to strengthening good governance, economic freedom, and investments in people in order to assist such countries to become eligible for a Millennium Challenge Compact (the “*Threshold Program*”);

WHEREAS MCC has selected Kiribati as eligible for the Threshold Program; and

WHEREAS the Parties wish to implement the program described herein to achieve the goals and objectives described herein (as such program description and objectives may be amended from time to time in accordance with the terms hereof, the “*Program*”).

NOW, THEREFORE, the Parties agree as follows:

### ARTICLE 1.

#### GOAL AND OBJECTIVES

Section 1.1 Program Goal. The overall goal of this Agreement is to assist Kiribati to become eligible for a Millennium Challenge Compact by supporting the implementation of critical policy and institutional reforms that address binding constraints to economic growth in Kiribati (the “*Program Goal*”). MCC’s assistance provided under this Agreement seeks to strengthen good governance, economic freedom, and investments in the people of Kiribati (“*I-Kiribati*”).

Section 1.2 Project and Objective. The Program consists of the project described in Annex I (the “*Project*”). The objective of the Project (the “*Project Objective*”) is to facilitate decent and inclusive employment for I-Kiribati. The Project seeks to achieve this objective by developing the capability of the Ministry of Employment and Human Resource (“*MEHR*”); designing systems, processes, and programs to protect workers and support the resilience of their families; and building youth skills through camps and scholarships.

**ARTICLE 2.**  
**GRANT FUNDING**

Section 2.1 Grant Funding.

(a) MCC agrees to grant to the Government, subject to the terms of this Agreement, an amount not to exceed twenty-nine million one hundred thousand United States Dollars (US\$29,100,000) (the “*Grant*”) to support implementation of the Program, as such Program is described in greater detail in Annex I.

(b) The Grant shall be disbursed from time to time (each, a “*Disbursement*”) in accordance with the terms of this Agreement, including any conditions to disbursement contained in this Agreement.

(c) Annex II, attached hereto, sets forth the allocation of Grant funding for the Program. Annex II may be modified from time to time by agreement of the Parties in accordance with the terms of this Agreement.

Section 2.2 Government Resources; Budget.

(a) The Government agrees to provide all funds and other resources, and shall take all other actions, that are necessary to carry out the Government’s responsibilities and obligations under this Agreement.

(b) The Government shall use its best efforts to ensure that the amount of the Grant that it receives or is projected to receive in each of its fiscal years is fully accounted for and identified in its annual budgets for the duration of the Program.

(c) The Government shall not reduce the normal and expected resources that it would otherwise receive or budget from sources other than MCC for the activities contemplated under this Agreement and the Program.

(d) Unless the Government discloses otherwise to MCC in writing, the Grant shall be in addition to the resources that the Government would otherwise receive or budget for the activities implemented under the Program.

Section 2.3 Use of the Grant.

(a) The Parties agree to ensure that the Grant and any Program Assets or services funded by the Grant, in whole or in part, are used solely in furtherance of this Agreement and the Program unless MCC agrees otherwise in writing.

(b) The Parties also agree to ensure that no Grant funding is used for any purpose that would violate United States law or policy, as specified in this Agreement or as further notified to the Government in writing by MCC, including but not limited to the following purposes:

(i) for assistance to, or training of, the military, police, militia, national guard or other quasi-military organization or unit;

(ii) for any activity that is likely to cause a substantial loss of United States jobs or a substantial displacement of United States production;

(iii) to undertake, fund or otherwise support any activity that is likely to cause a significant environmental, health or safety hazard, as further described in MCC's *Environmental Guidelines* provided by MCC or posted at [www.mcc.gov](http://www.mcc.gov) (the "**MCC Website**") and any guidance documents issued in connection with such guidelines (collectively, the "**MCC Environmental Guidelines**"); or

(iv) to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations or to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.

#### Section 2.4 Taxes.

(a) Unless the Parties specifically agree otherwise in writing, the Government shall ensure that the Grant is free from any and all existing or future taxes, duties, levies, contributions, or other similar charges (but not fees or charges for services that are generally applicable in Kiribati, reasonable in amount and imposed on a non-discriminatory basis) ("**Taxes**") of or in Kiribati (including any such Taxes imposed by a national, regional, local or other governmental or taxing authority of or in Kiribati). Specifically, and without limiting the generality of the foregoing, the Government agrees that the general exemption of the previous sentence applies to (i) any tariffs, customs duties, import taxes, export taxes, and other similar charges on any goods, works or services introduced into Kiribati in connection with the Program; (ii) sales tax, goods and services tax, value-added tax, excise tax, property transfer tax, and other similar charges on any transactions involving goods, works, or services in connection with the Program; (iii) taxes and other similar charges on ownership, possession or use of any property in connection with the Program; and (iv) taxes and other similar charges on income, profits or gross receipts attributable to work performed in connection with the Program and related social security taxes and other similar charges on all natural or legal persons performing work in connection with the Program except, in the case of this clause (iv), (A) natural persons who are citizens or permanent residents of Kiribati; and (B) legal persons formed under the laws of Kiribati.

(b) The Government agrees to use the mechanisms set forth in Annex V to implement the Tax exemption required by Section 2.4(a). If necessary, the Government and MCC may enter into one or more additional agreements to further define and detail the mechanisms to implement and ensure the benefits of the exemption from Taxes contemplated by Section 2.4(a). Such mechanisms may include exemptions that have been granted in accordance with applicable law, refund, or reimbursement of Taxes by the Government to MCC, or to the taxpayer, or payment

by the Government to MCC, for the benefit of the Program, of an agreed amount representing any collectible Taxes on the items described in this Section 2.4.

(c) If a Tax has been paid contrary to the requirements of this Section 2.4, the Government shall refund promptly to MCC (or to another party as designated by MCC) the amount of such Tax in United States dollars or the currency of Kiribati within 30 days (or such other period as may be agreed in writing by the Parties) after the Government is notified in writing that such Tax has been paid. Failure to refund such amount within the specified time shall result in interest accruing on the unpaid amount in accordance with Section 6.3.

(d) The Government may not apply any portion of the Grant, including any proceeds thereof, or Program Assets, to satisfy its obligations under this Section 2.4.

### ARTICLE 3.

#### GOVERNMENT ASSURANCES AND RESPONSIBILITIES

Section 3.1 Government Assurances. The Government hereby assures MCC that the information provided to MCC by or on behalf of the Government in the course of reaching this Agreement is true, correct, and complete in all material respects.

Section 3.2 Government Responsibilities.

(a) Policy Performance. In addition to undertaking the specific policy, legal, and regulatory reform commitments identified in this Agreement (if any), the Government agrees to seek to maintain and to improve its level of performance under the policy criteria identified in Section 607 of the Millennium Challenge Act of 2003, as amended (the “*MCA Act*”), and the selection criteria and methodology used by MCC.

(b) Achievement of Project Objectives. The Government agrees to take all necessary and/or appropriate steps to achieve each of the Project Objectives prior to the Completion Date (including, without limitation, funding all costs that exceed the Grant and are required to carry out the terms hereof and achieve such objectives, unless MCC agrees otherwise in writing).

(c) Intellectual Property. The Government shall retain title to Intellectual Property developed under the Program. The Government hereby grants to MCC a perpetual, irrevocable, royalty-free, worldwide, fully paid, assignable right and license to practice or have practiced on its behalf (including the right to produce, reproduce, publish, repurpose, use, store, modify or make available) any portion or portions of Intellectual Property as MCC sees fit in any medium, now known or hereafter developed, for any purpose whatsoever.

(d) Impoundment; Liens or Encumbrances. The Government agrees to ensure that (A) no Program Assets are subject to any impoundment, rescission, sequestration, liquidation, or to any provision of law now or hereafter in effect in Kiribati that would have the effect of allowing any such impoundment, rescission, sequestration, or liquidation and (B) no Program Asset is subject to any lien, attachment, enforcement of judgment, pledge, or encumbrance of any kind (each a “*Lien*”), except with MCC’s written approval. In the event any Lien not so approved is imposed, the Government agrees to promptly seek the release of such Lien and, if such Lien is imposed by

a final non-appealable court order, agrees to pay any amounts due in order to obtain such release; *provided, however*, that the Government may not apply any portion of the Grant, including any proceeds thereof or Program Assets, to satisfy any of its obligations under this Section 3.2(d).

(e) Publicity. As a program to which the United States of America, through MCC, has contributed, this Agreement shall be given appropriate publicity, including by posting this Agreement, in English, on an agreed website, identifying the Grant activity sites, and marking assets acquired with the Grant, all in accordance with MCC's *Standards for Global Marking* provided by MCC or posted on the MCC Website (the "***MCC Marking Standards***"); *provided, however*, that any press release or announcement regarding MCC or the fact that MCC is making the Grant or any other publicity materials referencing MCC shall be subject to MCC's prior written approval. MCC may post this Agreement on the MCC Website. MCC may also freely use any information it receives in any report or document provided to it with respect to the Program, the Grant, or this Agreement.

(f) Further Assurances. The Government agrees to promptly do and perform such other and further acts, and take all necessary and appropriate actions, including using its best efforts to obtain all necessary approvals and consents to otherwise effectively carry out the obligations of the Government set forth in this Agreement.

(g) Other Government Obligations. The Government shall cooperate with MCC and the MCC Service Providers in facilitating the implementation of all MCC Service Provider Contracts in accordance with this Agreement and shall comply with each of the obligations and responsibilities set forth in Annex III.

## ARTICLE 4.

### IMPLEMENTATION FRAMEWORK

Section 4.1 MCC Service Provider Contracts. Consistent with the activities in Annex I, MCC may procure and manage the services of one or more providers of goods, works, or services to implement each of the activities ("***MCC Contracted Activities***"). MCC shall enter into cooperative agreements or procure and manage the services of one or more providers of goods, works, or services for each of the MCC Contracted Activities (each a "***MCC Service Provider***") in accordance with the U.S. Government's *Federal Acquisition Regulation*. MCC shall enter into one or more grants, cooperative agreements, or contracts with the MCC Service Providers implementing the MCC Contracted Activities ("***MCC Service Provider Contracts***"). MCC shall be the primary point of contact for each MCC Service Provider throughout the term of each MCC Service Provider Contract. All instructions to the MCC Service Provider shall be made by and through MCC, unless otherwise provided in such MCC Service Provider Contract.

Section 4.2 Monitoring and Evaluation. Through one or more MCC Service Providers, the Parties agree to develop, adopt, and implement one or more monitoring and evaluation plans (collectively the "***M&E Plan***") in accordance with MCC's *Policy for Monitoring and Evaluation of Compacts and Threshold Programs* provided by MCC or posted on the MCC Website (the "***M&E Policy***"). The M&E Plan shall serve as the primary governing document for monitoring and evaluation activities for the Program.



#### Section 4.3 Environmental, Gender, and other Program Guidelines.

(a) Unless MCC states otherwise in writing, activities undertaken, funded, or otherwise supported in whole or in part (directly or indirectly) by Grant funding shall comply with the MCC Environmental Guidelines, including *IFC Performance Standards on Environmental and Social Sustainability of the International Finance Corporation* (as in effect from time to time, the “***IFC Performance Standards***”) that have been incorporated by reference into the MCC Environmental Guidelines. In addition, the Program shall comply with all Kiribati environmental laws and regulations, licenses, and permits. Where there is a difference between such Kiribati environmental laws and regulations, licenses, and permits and the standards required by this Agreement, the MCC Environmental Guidelines, and the IFC Performance Standards, the Program shall follow the stricter standard.

(b) Unless MCC states otherwise in writing all activities undertaken, funded, or otherwise supported in whole or in part (directly or indirectly) by Grant funding shall comply with the MCC *Gender Policy* and MCC’s *Counter-Trafficking in Persons Policy*, and other gender and social integration operational milestones which are made available on the MCC Website or otherwise made available to the Government. In addition, the Program shall comply with all Kiribati laws, regulations, and policies related to gender and social inclusion. Where there is a difference between such Kiribati laws, regulations, or policies and the standards required by this Agreement, the MCC *Gender Policy*, MCC’s *Counter-Trafficking in Persons Policy*, and/or other gender and social integration operational milestones, the Program shall follow the stricter standard.

(c) Unless MCC states otherwise in writing, activities undertaken, funded, or otherwise supported in whole or in part (directly or indirectly) by Grant funding shall comply with applicable Program Guidelines, which, if not directly applicable, shall apply, *mutatis mutandis*, to the Program and this Agreement as if references in such guidelines to a “compact” were references to this Agreement.

Section 4.4 Reports. If at any time prior to the Completion Date, the Government materially reallocates or reduces the allocation in its national budget (or any other governmental authority of Kiribati at a departmental, municipal, regional or other jurisdictional level materially reallocates or reduces the allocation in its budget), of the normal and expected resources that the Government (or such governmental authority, as applicable) would have otherwise received or budgeted, from external or domestic sources, or fails to timely distribute an allocation budgeted for the activities contemplated under this Agreement or the Program, the Government must notify MCC in writing within 30 days of such reallocation, reduction, or failure to distribute, and such notification must contain information regarding the amount of the reallocation, reduction, or failure to distribute, the affected activities, and an explanation for the reallocation or reduction.

Section 4.5 Access. Upon MCC’s request, the Government, at all reasonable times, agrees to permit, or cause to be permitted, authorized representatives of MCC, the Inspector General of MCC (“***Inspector General***”), the United States Government Accountability Office, any auditor responsible for an audit contemplated herein or otherwise conducted in furtherance of this Agreement, and any agents or representatives engaged by MCC or the Government to conduct

any assessment, review, or evaluation of the Program, the opportunity to audit, review, evaluate or inspect facilities, assets, and activities funded in whole or in part by the Grant funding.

Section 4.6 Implementation Letters. From time to time, MCC may provide guidance to the Government in writing on any matters relating to this Agreement, the Grant, or implementation of the Program. The Government agrees to use such guidance in implementing the Program. The Parties may also issue jointly agreed-upon writings to confirm and record their mutual understanding on aspects related to the implementation of this Agreement or other related agreements. Both types of writings are referred to herein as “*Implementation Letters*.”

## ARTICLE 5.

### DISBURSEMENT OF GRANT FUNDING

Section 5.1 Disbursement Process for MCC Contracted Activities.

(a) MCC Service Provider Disbursements. Prior to the initial Disbursement of the Grant for the MCC Contracted Activities, the Government shall have (i) delivered to MCC a signed legal opinion in form and substance satisfactory to MCC, by the Kiribati Attorney General or other legal counsel of the Government acceptable to MCC, and (ii) entered into a tax exemption agreement or such other mechanism acceptable to MCC to establish or give effect to Section 2.4, and such mechanism shall be in full force and effect.

(b) Subject to Section 5.1(a) and except as otherwise agreed in writing by the Parties, MCC shall make Disbursements of the Grant from time to time for the MCC Contracted Activities, directly to each MCC Service Provider that has entered into an MCC Service Provider Contract with MCC (each, an “*MCC Service Provider Disbursement*”). The Government hereby consents to the MCC Contracted Activities and any related MCC Service Provider Disbursement.

## ARTICLE 6.

### COMPLETION DATE; TERMINATION AND SUSPENSION

Section 6.1 Completion Date. Unless the Parties agree otherwise, the date four years after this Agreement enters into force in accordance with Article 8 is the date by which the Parties estimate that all activities related to the implementation of the Program and the achievement of the Project Objectives are expected to be completed (the “*Completion Date*”). Unless MCC agrees otherwise, Grant funding may not be used for expenditures incurred after the Completion Date.

Section 6.2 Termination and Suspension; Expiration.

(a) Either Party may terminate this Agreement without cause in its entirety by giving the other Party 30 days’ written notice. MCC may also terminate this Agreement or Grant funding without cause in part by giving the Government 30 days’ prior written notice.

(b) MCC may, immediately, upon written notice to the Government, suspend or terminate this Agreement or the Grant, in whole or in part, and any obligation related thereto, if MCC determines that any circumstance identified by MCC, as a basis for suspension or termination (whether in writing to the Government or by posting on the MCC Website) has occurred, which circumstances include but are not limited to the following:

(i) the Government fails to comply with its commitments under this Agreement or any other agreement or arrangement entered into by the Government in connection with this Agreement or the Program;

(ii) any statement, affirmation, or assurance of the Government made in this Agreement, any supplemental agreement, or in any certificate or other document delivered in connection with this Agreement proves to have been willfully false or misleading as of the date when made;

(iii) an event or series of events has occurred that MCC determines makes it improbable that the Program can be performed, that any of the Project Objectives can be achieved before the Completion Date or that the Government can perform its obligations under this Agreement;

(iv) a use of the Grant or continued implementation of this Agreement would violate applicable law or United States Government policy, whether now or hereafter in effect;

(v) the Government or any other person or entity receiving Grant funding or using assets acquired in whole or in part with Grant funding is engaged in activities that are contrary to the national security interests of the United States of America;

(vi) an act has been committed or an omission or an event has occurred that would render Kiribati ineligible to receive United States economic assistance under Part I of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2151 *et seq.*), by reason of the application of any provision of the Foreign Assistance Act of 1961 or any other provision of law; and

(vii) the Government has engaged in a pattern of actions inconsistent with the criteria used to determine the eligibility of Kiribati for assistance under the MCA Act.

(c) Grant funding may be used, in compliance with this Agreement, to pay for: (i) reasonable expenditures for goods, works or services that are properly incurred under or in furtherance of this Agreement before expiration, suspension or termination of this Agreement; and *provided, further*, that the request for such expenditures is submitted within 90 days after such expiration, suspension or termination; and (ii) reasonable expenditures (including administrative expenses) properly incurred in connection with the winding up of the Program within 120 days after the expiration, suspension or termination of this Agreement.

(d) Subject to Section 6.2(c), upon the expiration, suspension, or termination of this Agreement: (i) any amounts of the Grant not disbursed by MCC shall be automatically released

from any obligation in connection with this Agreement without any action from the Government or MCC.

(e) The Parties expect the effects of the Program to be long-ranging and its impact may not be measurable for several years after the Completion Date. Accordingly, the Parties agree to cooperatively monitor the results and evaluate the impacts of the Program in Kiribati after the termination or expiration of this Agreement.

(f) MCC may reinstate any suspended or terminated portion of the Grant under this Agreement if MCC determines that the Government, or other relevant person or entity, has committed to correct each condition for which the Grant was suspended or terminated.

### Section 6.3 Refunds.

(a) If any Grant funding, any interest or earnings thereon, or any asset acquired in whole or in part with Grant funding is used for any purpose in violation of the terms of this Agreement, then MCC may require the Government to repay to MCC in United States dollars the value of the misused portion of the Grant, interest, earnings, or asset, plus interest within 30 days after the Government's receipt of MCC's request for repayment. Interest shall accrue on such amount at a rate equal to the then-current United States Treasury Current Value of Funds Rate, calculated on a daily basis and a 360-day year from the due date of such payment until such amount is paid in full. The Government shall not use Grant funding, proceeds thereof or any other funds received from MCC (assets acquired with Grant funding or with any such other funds) to make such payment.

(b) Notwithstanding any other provision in this Agreement or any other existing agreement to the contrary, MCC's right under this Section 6.3 to obtain a refund shall continue during the term of this Agreement and for a period of (i) five years thereafter or (ii) one year after MCC receives actual knowledge of such violation, whichever is later.

## ARTICLE 7.

### GOVERNING LAW; AMENDMENTS; GENERAL

Section 7.1 Governing Law. This Agreement is an international agreement and as such shall be governed by international law.

Section 7.2 Consultations. Either Party may, at any time, request consultations relating to the interpretation or implementation of this Agreement. Such consultations shall begin at the earliest possible date.

Section 7.3 Representatives. For all purposes relevant to implementation of this Agreement, the Government is represented by the individual holding the position of, or acting as, the Minister of Employment and Human Resource, and MCC is represented by the individual holding the position of, or acting as, the Vice President of the Department of Policy and Evaluation (each of the foregoing, a "**Principal Representative**"). Each Party, by written notice to the other Party, may designate one or more additional representatives (each, an "**Additional Representative**") for all purposes of this Agreement except for purposes of Section 7.7(a). MCC

hereby designates the Deputy Vice President of the Department of Policy and Evaluation as an Additional Representative for MCC. The Government hereby designates the Secretary of MEHR and the Secretary of the Ministry of Education as Additional Representatives. A Party may change its Principal Representative to a new representative that holds a position of equal or higher authority upon written notice to the other Party.

Section 7.4 Communications. Any document or communication required or submitted by either Party to the other under this Agreement must be submitted in writing and, except as otherwise agreed with MCC, in English. All such documents or communication must be submitted to the address of each Party set forth below or to such other address as may be designated by any Party in a written notice to the other Party.

To MCC:

Millennium Challenge Corporation

Attention: Vice President, Department of Policy and Evaluation  
(with a copy to the Vice President and General Counsel)  
1099 Fourteenth Street NW, Suite 700  
Washington DC 20005  
United States of America

Telephone: +1 (202) 521-3600

Facsimile: +1 (202) 521-3700

Email: VPPolicyEvaluation@mcc.gov (Vice President, Department of Policy and  
Evaluation)  
VPGeneralCounsel@mcc.gov (Vice President and General Counsel)

To the Government:

Ministry of Employment and Human Resource

Attention: Minister of Employment and Human Resource  
(with a copy to the Secretary of Employment and Human Resource)  
P.O. Box 69  
Bairiki, Tarawa  
Kiribati

Telephone: +686 750 21097

Email: ea@employment.gov.ki

Section 7.5 MCC Status. MCC is a United States government corporation acting on behalf of the United States government in the implementation of this Agreement and the Program. The United States, including MCC, assumes no liability for any claims or loss arising out of activities or omissions under this Agreement. The Government waives any and all claims against the United States, including MCC, and any current or former officer or employee of the United States, including MCC, for all loss, damage, injury, or death arising out of activities or omissions under this Agreement, and agrees that it shall not bring any claim or legal proceeding of any kind against any of the above entities or persons for any such loss, damage, injury, or death. The Government agrees that MCC and the United States, including MCC, or any current or former officer or employee of the United States, including MCC, shall be immune from the jurisdiction

of all courts and tribunals of Kiribati for any claim or loss arising out of activities or omissions under this Agreement.

Section 7.6 No Assurance of Future Assistance. Nothing contained in this Agreement creates an obligation on the part of MCC to provide any further funding or assistance, other than the Grant, in relation to any other project or program in Kiribati.

Section 7.7 Amendment.

(a) The Parties may amend this Agreement only by a written agreement. Such agreement shall specify how it enters into force.

(b) Notwithstanding subsection (a), the Parties agree that the Government and MCC may by written agreement, which shall enter into force upon signature (i) modify any annex to this Agreement to, in particular, but without limitation, (A) suspend, terminate or modify any project or activity described in Annex I or create a new project or activity, (B) add, change or delete any indicator, baseline or target or other information set forth in Annex I in accordance with the MCC M&E Policy, or (C) modify the allocation of funds among the activities identified in Annex II; (D) modify the mechanisms for exempting MCC Funding from Taxes as set forth in Annex V; or (ii) extend the Completion Date; provided that, in each case, any such modification (A) is consistent in all material respects with the Project Objectives, (B) does not cause the amount of the Grant to exceed the aggregate amount specified in Section 2.1(a), and (C) does not cause the Government's responsibilities or contribution of resources to be less than as specified in this Agreement. Any such modification pursuant to this subsection (b) shall not be deemed an amendment of this Agreement pursuant to subsection (a).

Section 7.8 Survival. The Government's obligations under Sections 2.3 (Use of the Grant), 2.4 (Taxes), 3.2 (Government Responsibilities), 4.5 (Access), 6.2 (Termination and Suspension; Expiration), 6.3 (Refunds), 7.1 (Governing Law), and this Section 7.8 (Survival) shall survive the expiration, suspension, or termination of this Agreement.

Section 7.9 Definitions; Interpretation.

(a) Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings provided in Annex IV.

(b) Unless expressly provided otherwise: (i) each definition of or reference to any agreement, instrument, law, regulation, policy, guideline, or similar document in this Agreement (or any other agreement entered into in connection with this Agreement), unless otherwise expressly set forth herein, shall be construed as a reference to such agreement, instrument, law, regulation, policy, guideline, or similar document as it may, from time to time, be amended, revised, replaced, or extended, and shall include any agreement, instrument, law, regulation, policy, guideline, or similar document issued under or otherwise applicable or related to such agreement, instrument, law, regulation, policy, guideline, or similar document; (ii) all references herein to Articles, Sections, and Annexes shall be construed to refer to the Articles and Sections of, and Annexes to, this Agreement, all of which form an integral part of this Agreement; (iii) any reference to the phrases "Unless MCC agrees otherwise" or "Unless the Parties agree

otherwise” in this Agreement shall be deemed to be followed by “in writing,” (iv) any approval right granted to MCC herein shall only be satisfied upon the prior written approval of MCC.

Section 7.10 References to MCC Website. Each reference in this Agreement, or any other agreement entered into in connection with this Agreement, to a document or information available on, or notified by posting on, the MCC Website shall be deemed a reference to such document or information as updated or substituted on the MCC Website by MCC from time to time.

Section 7.11 Signatures. Signatures to this Agreement and to any amendment to this Agreement (and to any other legally binding international agreement related to this Agreement) shall be original signatures appearing on the same page or in an exchange of letters or diplomatic notes.

## **ARTICLE 8.**

### **ENTRY INTO FORCE**

This Agreement shall enter into force on the date of signature by the Parties.

**SIGNATURE PAGE FOLLOWS ON NEXT PAGE**

**IN WITNESS WHEREOF**, each Party, through its duly authorized representative, has signed this Agreement.

Done at Washington, DC, this 25th day of September, 2023.

FOR THE UNITED STATES OF AMERICA    FOR THE REPUBLIC OF KIRIBATI

/s/

/s/

\_\_\_\_\_  
Name: Alice P. Albright  
Title: Chief Executive Officer  
Millennium Challenge Corporation

\_\_\_\_\_  
Name: Taneti Maamau  
Title: President of the Republic of Kiribati



## ANNEX I

### PROGRAM DESCRIPTION

Unless the Parties agree otherwise, the Government agrees to utilize the assistance provided under this Agreement to support the following Program.

#### A. SUMMARY OF PROGRAM

The Program consists of one Project and its activities (each, an “*Activity*” and collectively, the “*Activities*”) as described below. Each of the Project’s Activities is an MCC Contracted Activity.

##### 1. Mwakuri Aika Nakoraoi Ibukin Maeraoimi Project (the “*MANIM Project*”).<sup>1</sup>

The MANIM Project consists of three Activities—the MARI 1 Activity, the MARI 2 Activity, and the UUTI Activity (each as defined below).

###### (a) Mwakuri Aika a Raraoi Ibukimi 1 Activity (the “*MARI 1 Activity*”).<sup>2</sup>

The MARI 1 Activity shall provide support to MEHR to enhance its ability to promote decent<sup>3</sup> and inclusive<sup>4</sup> employment for I-Kiribati. Improving government capabilities, or developing capacity, is a complex undertaking that typically faces unpredictable challenges. Grant funding shall support one or more MCC Service Providers that shall assist MEHR by employing a facilitated governance reform (“*FGR*”) approach to identify and respond to challenges as they arise.

To comply with MCC requirements, the Activity (including task-team work and the use of Flexible Assistance Funds (as defined below)) must address at least one of the four following outcomes:

- (i) Improved effectiveness of MEHR business processes;
- (ii) Increased markets and sectors with I-Kiribati workers;
- (iii) Increased employment of under-represented groups; or
- (iv) Strengthened link between skills acquisition and employment.

In addition, this Activity (including task-team work and the use of Flexible Assistance Funds (as defined below)) must conform with several guardrails. The Activity shall not support labor mobility to countries without strong worker protections. Further, MCC’s Gender Policy requires that project initiatives are inclusive of, and proactively seek to mitigate barriers of access to

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<sup>1</sup> Mwakuri Aika Nakoraoi Ibukin Maeraoimi translates to English as “Decent Employment for Everyone’s Development.” MANIM is also a Kiribati word meaning “good luck.”

<sup>2</sup> Mwakuri Aika a Raraoi Ibukimi translates to English as “Decent Work for All.”

<sup>3</sup> The International Labour Organization defines decent work as “productive work for women and men in conditions of freedom, equity, security and human dignity.”

<sup>4</sup> Inclusive employment refers not just to ensuring that employment opportunities are open for all, but that barriers of access to opportunities among historically excluded groups, such as women, people with disabilities, and, in the context of archipelagic states, outer-islanders, are proactively mitigated.

opportunities among, historically excluded groups, which have included women and outer islanders. The Activity shall not support the maritime occupations of seafarers and fishers. Additionally, the Activity shall not be eligible to support the promotion or expansion of labor schemes that are solely focused on Australia and New Zealand. However, this Activity may support initiatives that focus on improving the operational efficiency of MEHR that result in better outcomes for I-Kiribati workers in Australia and New Zealand.

The FGR process shall begin with an MCC Service Provider helping senior leadership of MEHR identify challenges or initiatives that MEHR wants to prioritize and that are also consistent with the outcomes and guardrails described above. For priority initiatives that are consistent with the outcomes and guardrails, MEHR shall establish a task team that shall take the lead role in addressing the problem, making progress towards goals, and implementing potential solutions (with the guidance of an MCC Service Provider).

MEHR, with the assistance of an MCC Service Provider, shall develop a terms of reference (“**ToR**”) for each task team that shall outline:

- (i) The goals of the task team, and how the goals address decent and inclusive employment through one or more of the four outcomes identified above;
- (ii) Indicators of success, both qualitative and quantitative;
- (iii) MEHR, other Government officials, and other relevant stakeholders (as needed) that shall work on the task team, and the share of their time that shall be devoted to the team;
- (iv) Measures to be employed to promote gender and social inclusion; and
- (v) Frequency and duration of team meetings.

Each initial ToR shall be reviewed and approved by MEHR and MCC.

Some priority initiatives may require additional resources beyond those available within MEHR. In these cases, task teams shall be able to access a portion of Grant funding (the “**Flexible Assistance Funds**”) through an MCC Service Provider as necessary, appropriate, and available. To access the Flexible Assistance Funds, task teams shall draft, with the assistance of an MCC Service Provider, a funding request that shall include the following:

- (i) An explanation of how the funding request shall help the task team achieve the stated goals and outcomes in their ToR;
- (ii) Identification of any measurable indicators of the outcomes that will be affected through the funding request;
- (iii) A proposed budget for the funding request;
- (iv) A work plan (as needed) for how the task team shall oversee the implementation of the funding, monitor results, and adapt as needed to ensure progress towards the task-team’s goals; and
- (v) A timeline that addresses the need for all funding to be fully executed and the objective of the funding request to be completed prior to the Completion Date.

The funding request shall then be reviewed and approved by MEHR and MCC. If approved and at or below a minimum threshold, an MCC Service Provider shall execute the funding request. If approved and above a minimum threshold, an MCC Service Provider shall develop a more detailed implementation proposal for the funding request. The proposal then shall be reviewed by MEHR and MCC. If approved by MEHR and MCC, an MCC Service Provider shall execute the proposal.

(b) Mwakuri Aika a Raraoi Ibukimi 2 Activity (the “*MARI 2 Activity*”).

The MARI 2 Activity shall support MEHR, overseas workers, their families, and their advocates in addressing worker rights and family needs before, during, and after deployment to overseas opportunities. It shall achieve three outcomes: workers being equipped to exercise their rights during overseas work, families being equipped to manage the impacts of overseas work, and workers and their families being equipped to manage the impacts of overseas work upon return. This Activity consists of three sub-Activities.

(i) Workers’ Rights and Well-Being Sub-Activity

This sub-Activity supports institution building for the purpose of creating a sustainable framework for the protection of worker rights and well-being, and the rights and well-being of family members. This support shall occur through three mechanisms.

First, an overseas workers resource centre (“*OWRC*”) shall be established to deliver services to aspiring, existing, and returnee overseas I-Kiribati workers, and members of their families. Once the OWRC is established, it shall take the lead on providing services to overseas workers and their families, including through community outreach beyond Tarawa. Services shall be grouped using aspects of the “*CLIENTS*” system, which may include: (1) counselling; (2) legal assistance; (3) information, education and training; (4) networking; (5) trade union or association membership; and (6) skills certification. Second, support shall be provided to a non-state workers’ organization to enable it to better respond to the needs of migrant workers. Third, the institutional capacity of the Government shall be strengthened to protect men and women overseas workers and members of their families across the migration cycle. MEHR staff shall receive training on labor mobility with a focus on topics such as fair recruitment facilitation, memoranda of understanding and bilateral labour agreements, standard terms of employment in destination countries, and complaints mechanisms. Curriculum and content shall be developed, based on consultation with MEHR and an assessment of gaps in existing knowledge, skills, and capacity.

(ii) Pre-Departure Support Sub-Activity

This sub-Activity shall provide elective pre-departure training courses to aspiring overseas workers and existing overseas workers, such as those who have obtained a contract but have yet to depart and those who are on a seasonal break, to promote rights-based information and relevant skills to enhance the benefits of labor migration to overseas workers and their families. Activities shall include the design, development, and piloting of training curricula in different thematic areas, and if required, tailored to specific migration channels. The training shall be designed to complement and not duplicate, compulsory pre-departure training. Potential topics

may include safe driving, first aid, financial literacy, and business awareness, which has the potential to link to entrepreneurship activities for return and reintegration, which fall under the Reintegration Support Sub-Activity.

Second, this sub-Activity shall provide community workshops to family members of existing and aspiring overseas workers. The purpose of these workshops is to support families to navigate the challenges and opportunities they might face as a result of a family member going abroad for employment, and to foster healthy family relationships while family members are away.

### (iii) Reintegration Support Sub-Activity

This sub-Activity shall improve reintegration through services directed at overseas workers and their families and support for the Government in the development of policies, tools, and resources for guiding reintegration. Reintegration briefings and services shall be conducted for returnee overseas workers and their families. New reintegration activities shall be introduced to promote labor market reintegration for returnee workers, including entrepreneurship, business development services training and support, and jobs matching, in close coordination with the OWRC. This sub-Activity shall also promote family inclusive reintegration.

Government representatives shall participate in study tours and regional dialogue to strengthen policy development and implementation related to reintegration. This sub-Activity shall support Kiribati's participation in national, regional, and/or international mechanisms and dialogues, and could promote peer-to-peer learning and exchange by supporting study tours. This sub-Activity shall include supporting the Government to develop and operationalize its first comprehensive reintegration framework aligned with regional good practices. It shall also involve leveraging existing platforms to enhance labor migration governance, outcomes, and opportunities for I-Kiribati workers.

### (c) Uaiakinan ao Uarokoan Toronibwaia I-Kiribati Activity (the “*UUTI Activity*”).<sup>5</sup>

To equip I-Kiribati youth aged 15 to 17 with improved work-readiness skills, this Activity, which shall be supported by the Ministry of Education, shall provide youth skills camps and academic year scholarships for I-Kiribati high school students. Through their experience abroad, I-Kiribati students shall receive language immersion and a cultural experience that shall build self-confidence and work readiness in ways that are unique to student exchange programs. Selection of students shall promote inclusion by actively identifying outer islanders and other underprivileged or marginalized groups to create a diverse mix of students. Diverse inclusion shall be supported by mechanisms that shall facilitate their successful participation in the program. This Activity shall emphasize oral speaking and comprehension in English and reading and writing skills in English, as well as communication, cross-cultural, and information and communications technology (“*ICT*”) skills. These skills are necessary to help youth succeed in higher education and further education, as well as post-high school employment, including overseas job opportunities, the vast majority of which require strong English and work-readiness skills to succeed. Grant funding shall be available for passport and visa fees, as well as travel and

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<sup>5</sup> Uaiakinan ao Uarokoan Toronibwaia I-Kiribati Activity translates to English as “Striving to Achieve Well-being for I-Kiribati.” UUTI (pronounced “ooss”) is also a Kiribati word meaning “awake.”

other reasonable related costs, for Activity participants. This Activity consists of three sub-Activities catered to different skill sets as set forth below.

(i) Short-Term Skills Camp in Fiji Sub-Activity

The Grant shall support a three-week overnight camp program to take place in Fiji. It is intended to provide a diverse group of I-Kiribati students who have had limited international experience, have limited English language proficiency, and demonstrate fewer social-emotional resilience skills than those in the Short-Term Skills Camp in the United States Sub-Activity with the opportunity to participate in a well-supported scholarship program that develops their English language, ICT, and cross-cultural workplace behavior skills. Participants in this sub-Activity shall attend a pre-departure orientation to prepare them for the program in Fiji, as well as a closure and re-entry program. Grant funding shall be available to support opportunities for continued engagement by participants following the camp program. Youth aged 15 to 17 at the time of application to the program are the general target of this sub-Activity.

(ii) Short-Term Skills Camp in the United States Sub-Activity

The Grant shall support a four-week U.S.-based camp program which aims to provide a diverse group of I-Kiribati students with the opportunity to participate in a scholarship program to the United States that develops their English language, ICT, and cross-cultural workplace behavior skills. Participants in this sub-Activity shall attend a pre-departure orientation to prepare them for the program in the United States, as well as a closure and re-entry program. Grant funding shall be available to support opportunities for continued engagement by participants following the camp program. Students participating in this sub-Activity shall demonstrate higher levels of English language proficiency and more social-emotional resilience skills required to successfully participate in an international exchange than those in the Short-Term Skills Camp in Fiji Sub-Activity, but less than those required to participate in the Full Academic Year High School Scholarship in the United States Sub-Activity. Youth aged 15 to 17 at the time of application to the program are the general target of this sub-Activity.

(iii) Full Academic Year High School Scholarship in the United States Sub-Activity

The Grant shall support a 10-month scholarship program in the United States, intended to provide a diverse group of I-Kiribati students with the opportunity to spend an academic year in the United States living with a host family and attending high school and prepare them to become future leaders in their community or elsewhere. This sub-Activity shall also develop students' English language, ICT, and cross-cultural workplace behavior skills. Students participating in the scholarship program shall participate in a pre-departure orientation in Fiji to prepare them to succeed in the United States, as well as a closure and re-entry program. Grant funding shall be available to support opportunities for continued engagement by participants following the scholarship program. The factors required to participate in this sub-Activity shall include higher levels of English language proficiency and stronger social emotional resilience skills than students who qualify for the Short-Term Skills Camp in the United States Sub-Activity. Youth aged 16 to 17 at the time of application to the program are the general target of

this sub-Activity. Youth who would be 18 years 6 months or older on August 1 of the academic year of enrollment in the United States are not eligible to participate in this sub-Activity.

## **B. IMPLEMENTATION ARRANGEMENTS**

The roles and responsibilities of the various entities involved in implementation are set forth below.

### **1. MCC.**

MCC agrees to take all appropriate actions to carry out its responsibilities in connection with this Agreement and the Program, including, without limitation, exercise of its approval rights. MCC's management and oversight of the Program is expected to include an MCC country director and an implementation support team, who shall manage the MCC Contracted Activities. MCC shall also engage MCC-managed consultants, who work in Kiribati from time to time as necessary to perform their duties.

### **2. Government.**

The Government agrees to take all appropriate actions to carry out its responsibilities in connection with this Agreement and the Program. A group consisting of the Minister of Employment and Human Resource and the Minister of Education shall provide leadership for the Program ("***Threshold Program Coordination Committee***"). The Minister of Employment and Human Resource shall serve as chair of the Threshold Program Coordination Committee. The Threshold Program Coordination Committee shall be responsible for reviewing and approving material changes to this Agreement; the composition of the Threshold Program Coordination Committee; and to any other agreement, document, transaction, or any other action that requires Threshold Program Coordination Committee approval as stated in this Agreement. The Threshold Program Coordination Committee shall operate in an accountable and transparent manner in its deliberations and decision-making. The Threshold Program Coordination Committee shall meet yearly and hold ad hoc meetings as necessary. MCC's country director for Kiribati shall serve as a non-voting observer of the Threshold Program Coordination Committee.

## **C. MONITORING AND EVALUATION**

This Section C of Annex I outlines the monitoring and evaluation ("***M&E***") framework for this Program, which shall be further elaborated in an M&E plan ("***M&E Plan***"). The actual structure and content of the M&E Plan, which may differ from those specified in this Part C, shall be agreed to by the Parties in accordance with the *Policy for Monitoring and Evaluation of Compact and Threshold Programs*. In addition, the M&E Plan may be modified from time to time as described in the M&E Policy without requiring an amendment to this Section C. The M&E Plan must be finalized no later than 15 months after this Agreement enters into force. The M&E Plan shall be posted publicly on the MCC Website and updated as necessary.

### **1. Objective.**

The Parties agree to formulate, adopt, and implement, an M&E Plan that specifies: (a) how progress toward the Project Objective shall be monitored ("***Monitoring Component***"); (b) a

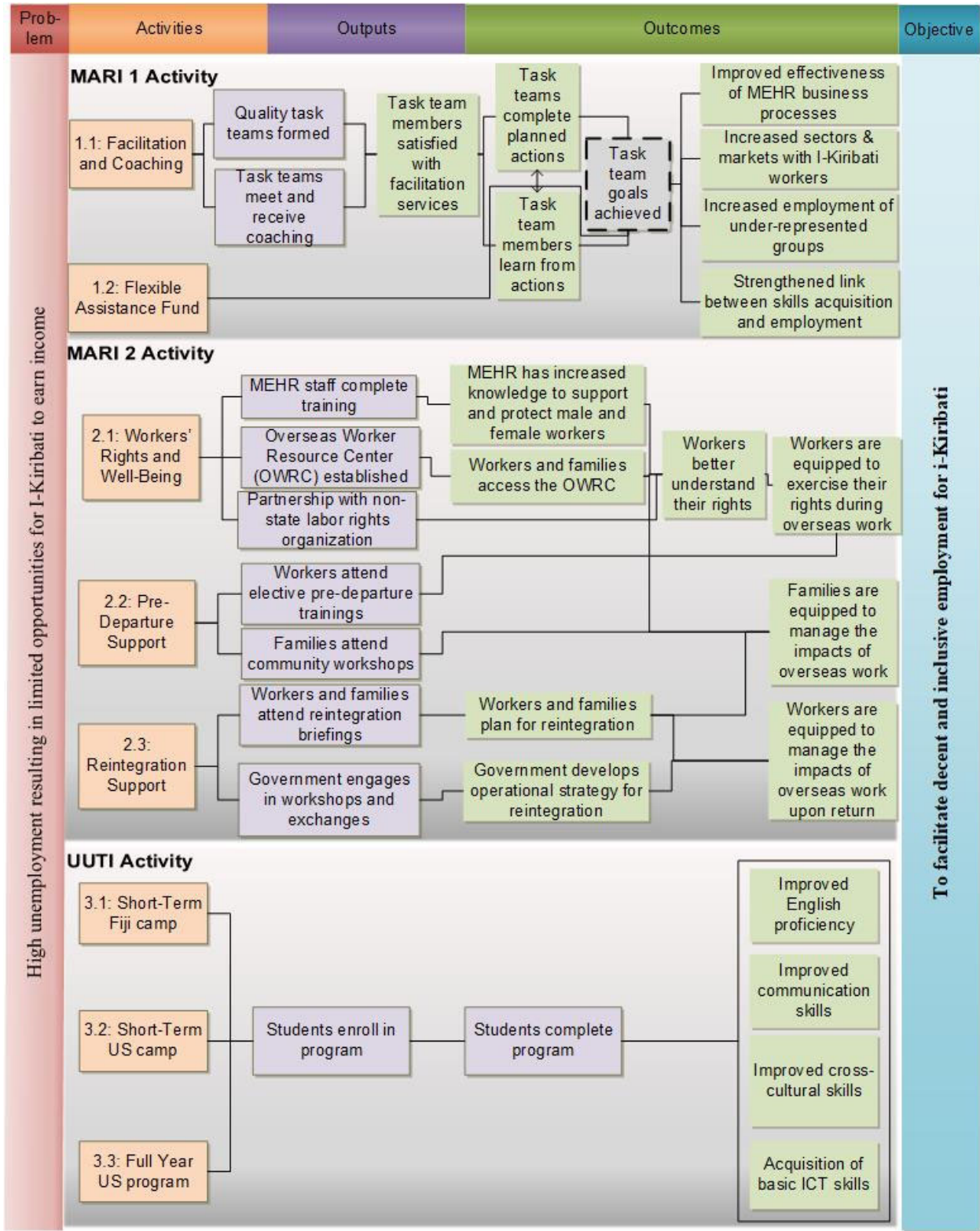
process and timeline for the monitoring of planned, ongoing or completed Activities to determine their efficiency and effectiveness; and (c) a methodology for assessment and rigorous evaluation of the outcomes and impact of the Project (“*Evaluation Component*”). The results of M&E activities, measured by monitoring data and evaluations, shall be made publicly available on the MCC Website.

## **2. Project Logic.**

The M&E Plan shall summarize the clearly defined Project-level logic model (“*Project Logic Model*”), which illustrates how the Activities and sub-Activities (as necessary) contribute to the Project Objective. The Project Logic Model shall clearly summarize the outputs, outcomes, and objective expected to result from the Project.

As depicted in the Project Logic Model below, the objective of the MANIM Project is to facilitate decent and inclusive employment for I-Kiribati. The MANIM Project seeks to achieve this objective by developing the capacity of MEHR; designing systems, processes, and programs to protect workers and support the resilience of their families; and building youth skills through camps and scholarships.

(a) MANIM Project Logic.





(b) Key Assumptions.

Project Overall:

- Demand in labor receiving countries is strong, and the labor market is able to absorb additional workers.
- Transaction costs for recruiting and hiring from Kiribati do not limit employer interest in hiring I-Kiribati.

MARI 1 Activity:

- MEHR, other Government officials, and other relevant stakeholders have sufficient interest to form and participate in task teams.
- Task team members have sufficient support from their primary workplace to actively engage in task teams.
- Task teams can agree to ToRs, including articulating task team goals that align with the Project Objective.
- MCC is aligned with task team ToRs such that they are approved, and task teams begin work.

MARI 2 Activity:

- Workers are interested in pre-departure training, including supplemental electives.
- Families are interested in pre-departure support, including family workshops and services offered by the Overseas Worker Support Center.
- MEHR and other Government counterparts seek to play an active role in worker protection and family resilience.
- Workers and families are interested in reintegration support, including planning for worker return.
- Workers join the unions or otherwise gain representation from a workers' rights organization.
- Unions (or other workers' rights organization) effectively advocate for workers' rights.
- Workers and families have sufficient agency to advocate for their rights.

UUTI Activity:

- A diverse group of students are encouraged to apply for the programs.
- A diverse group of students qualify for the programs.
- The activity's implementor effectively engages stakeholders, including schools and families.
- Teachers and school administrators promote the programs.
- Tests are culturally appropriate and accurately measure students' readiness.
- Students are prepared to succeed in the programs.
- Students have continued opportunities to build their skills and work readiness upon return.
- Targeted work-readiness skills are appropriate and sufficient for available jobs.
- Decent jobs are available for I-Kiribati workers with requisite skills.
- The activity's implementor effectively communicates and promotes the program to prospective students, parents, and the wider community.

### 3. Monitoring Component.

As defined in the M&E Policy, monitoring is the continuous, systematic collection of data on specified indicators to measure progress toward project objectives and the achievement of intermediate results along the way. To monitor progress toward the achievement of results of this Program, the Monitoring Component of the M&E Plan requires identifying the (i) Indicators (as defined below), (ii) definitions of the Indicators, (iii) baselines and targets, (iv) sources and methods for data collection, (v) frequency for data collection, (vi) reporting requirements, including the party or parties responsible for collecting, analyzing, and reporting relevant data, along with the process and timeline for reporting on each Indicator to MCC, and (vii) approach to assessing and ensuring data quality. It should be noted that some Indicators shall continue to be tracked after the Completion Date as necessary.

#### (a) Indicators.

The M&E Plan shall measure the results of the Program using quantitative, objective, and reliable data (“*Indicators*”).

#### (b) Definitions.

The M&E Plan shall establish definitions for every Indicator. Indicator definitions should be operationally precise, such that they can be consistently measured across time and by different data collectors. There should be no ambiguity about what is being measured, how to calculate it, what or who the sample is, or how to interpret the results.

#### (c) Baselines.

The M&E Plan shall document baselines for every Indicator (each a “*Baseline*”). An Indicator’s Baseline should be established prior to the start of the corresponding Project, Activity and/or sub-Activity. Baselines demonstrate that the problem can be specified in measurable terms and are thus a pre-requisite for adequate intervention design. The Government shall collect Baselines on the selected Indicators or verify already collected Baselines where applicable.

#### (d) Targets.

The M&E Plan shall document, for each Indicator, the expected value and the expected time by which the corresponding result shall be achieved (“*Target*”).

#### (e) Disaggregation of Indicators.

The M&E Plan shall indicate which Indicators shall be disaggregated by sex, income level, age, and other relevant subgroups, to the extent practical and applicable.

#### (f) Indicator Tracking Table.

MCC Service Providers must report to MCC on monitoring Indicators in the M&E Plan on a quarterly basis using an Indicator Tracking Table (“*ITT*”) in the form provided by MCC. No changes to Indicators, Baselines or Targets may be made in the ITT until the changes have been approved in accordance with the M&E Policy.

The M&E Plan shall contain the monitoring Indicators listed in Schedule A to Annex I.

#### 4. Evaluation Component.

While good program monitoring is necessary for program management, it is not sufficient for assessing the achievement of intended results. MCC therefore requires the use of evaluation as a complementary tool to better understand the effectiveness of its programs. As defined in the M&E Policy, evaluation is the objective, systematic assessment of a program's design, implementation, and results. MCC is committed to making its evaluations as rigorous as warranted to understand the impacts of its programs on the expected outcomes.

##### (a) Independent Evaluations.

Every Project must undergo a comprehensive, independent evaluation in accordance with the M&E Policy. The Evaluation Component of the M&E Plan shall describe the purpose of the evaluation, methodology, timeline, required MCC approvals, and the process for collection and analysis of data for each evaluation. All independent evaluations must be designed and implemented by independent, third-party evaluators. The evaluation must answer the following questions:

- (i) To what extent was the Project implemented according to plan (in terms of quantity and quality of outputs)?
- (ii) Did the Project achieve its stated objective of facilitating decent and inclusive employment for I-Kiribati? Why or why not?

For each independent evaluation, the Government is expected to review and provide feedback to independent evaluators on the evaluation materials and report to ensure proposed evaluation activities are feasible, and final evaluation products are technically and factually accurate. The results of all evaluations shall be made publicly available in accordance with the M&E Policy.

To facilitate the evaluations, the Government shall share with MCC any necessary data, documentation, or other information required to assess the achievement of results targeted by the Program. This shall include, but is not limited to, data from the In-Country Recruitment Database on employment through the international labor mobility schemes, educational data maintained by the Ministry of Education, and statistical data from the Kiribati National Statistics Office. All such information provided by the Government for evaluation purposes shall be de-identified and/or generalized in reporting, such that sensitive details shall not be made public. More detailed information on required data sources to be provided by the Government shall be set forth in the M&E Plan.

#### 5. Data Quality Reviews.

Data Quality Reviews (“**DQR**”) are a mechanism to review and analyze the quality and utility of performance information. They cover all data reported in the ITT, and all primary sources that feed into that reporting. DQRs may be conducted internally by MCC M&E staff and an MCC Service Provider, or by a third-party. DQRs should review data against the following standards: accuracy, consistency, timeliness, and transparency. The frequency and timing of DQR must be set forth in the M&E Plan; however, in addition to a pre-implementation DQR, at least one DQR is required during implementation, and MCC may request a DQR at any time. DQRs should be timed to occur once the ITT reflects several quarters of reporting but early enough in the

program term that meaningful remedial measures (if any) may be taken depending on the results of the review.

## **6. Other Components of the M&E Plan.**

In addition to the monitoring and evaluation components, the M&E Plan shall include the following components:

- (a) Review and Revision of the M&E Plan. This section describes the approach to ensuring the M&E Plan is kept as current as possible, including how often the M&E Plan is expected to be reviewed and revised in accordance with the M&E Policy. All major modifications and justifications are documented in an annex to the M&E Plan.
- (b) Budget. The budget for the implementation of the proposed M&E activities for the term of the Program is set forth in this Program Agreement.

## **7. Responsibility for Developing the M&E Plan.**

Responsibility for developing the M&E Plan lies with the MCC Service Providers, with support and input from MCC. MCC Project/Activity leads and each MCC Service Provider are expected to (i) guide the selection of Indicators for results that do not yet have an associated Indicator, (ii) support the refinement of Indicator information, and (iii) review the Baseline and Target for each Indicator.

## **8. Approval and Implementation of the M&E Plan.**

The approval and implementation of the M&E Plan, as amended from time to time, shall be in accordance with this Agreement, any other relevant supplemental agreements, and the M&E Policy and associated guidance documents. The M&E Plan may undergo peer review within MCC before the beginning of the formal approval process.

## SCHEDULE A TO ANNEX I

### INDICATORS

The table below lists the preliminary set of monitoring and evaluation indicators linked to each result in the project logic diagrams. Indicators that can be reported on at least an annual basis shall be included in quarterly monitoring indicator reports, while Indicators that require survey data or a longer time period to track shall be included in evaluation reports.

Project Logic Result	Indicator Level	Indicator Name	Definition	Unit of Measure	Baseline (Year)	Threshold Target	Indicator Type
<b>MANIM Project</b>							
To facilitate decent and inclusive employment for I-Kiribati	Outcome	Jobs from international labor mobility schemes	Annual jobs filled through managed international labor mobility schemes	Number	1,337 (2022) Source: MEHR	To be determined (“ <b>TBD</b> ”) (2027; 2032)	ITT indicator
To facilitate decent and inclusive employment for I-Kiribati	Outcome	Jobs from international labor mobility schemes that are skilled or semi-skilled	Annual jobs filled through managed international labor mobility schemes that are classified as skilled or semi-skilled	Percentage	5% (2022) Source: MEHR	TBD (2027; 2032)	ITT indicator
<b>MARI 1 Activity</b>							
Improved effectiveness of MEHR business processes	Outcome	Organizational Performance Index	TBD - evaluator's methodology	Number	TBD (2024)	TBD (2027)	Non-ITT indicator
Increased sectors & markets with I-Kiribati workers	Outcome	Markets with placements	Markets (i.e., countries or territories) with at least one I-Kiribati worker engaged in a given calendar year in work under a contract arising from a managed international labor mobility scheme	Number	6 (2022) Source: MEHR	TBD (2027)	ITT indicator
Increased sectors & markets with I-Kiribati workers	Outcome	Sectors with placements	Sectors (i.e., trades) with at least one I-Kiribati worker engaged in a given calendar year in work under a contract arising from a managed international labor mobility scheme	Number	TBD (2022)	TBD (2027)	ITT indicator
Increased employment of under-represented groups	Outcome	Jobs from international labor mobility schemes: disaggregated	Jobs from international labor mobility schemes: disaggregated.	Number	TBD (2022)	TBD (2027)	ITT indicator

Project Logic Result	Indicator Level	Indicator Name	Definition	Unit of Measure	Baseline (Year)	Threshold Target	Indicator Type
Strengthened link between skills acquisition and employment	Outcome	Employment rate of Kiribati Institute of Technology (“KIT”) graduates	Percentage of KIT graduates in paid employment 12 months following graduation	Percentage	36% <sup>6</sup> (2022) Source: KIT Tracer Survey	TBD (2027)	ITT indicator
Task teams complete planned actions	Outcome	Task team action completion rate	Calculated by adding the completion status scores for each action and dividing by the total number of actions and multiplying by 100. Task teams determine scores with facilitator support.	Percentage	N/A	75% (2027)	Non-ITT indicator
Task team members learn from actions	Outcome	Documented learning	Number of documented task team lessons learned from the actions taken	Number	N/A	TBD (2027)	ITT indicator
Task team members are satisfied with the facilitation and coaching services	Outcome	Satisfaction with facilitation services	Task team members who are satisfied or very satisfied with the facilitation services.	Percentage	N/A	100% (2027)	ITT indicator
Task teams meet and receive coaching	Output	Task team meetings held	Number of task team meetings held	Number	0 (2023)	TBD (2027)	ITT indicator
Task teams meet and receive coaching	Output	Individual coaching hours	The number of hours of individual coaching provided to task team members	Hours	0 (2023)	TBD (2027)	ITT indicator
Quality task teams formed	Output	Task team ToRs	Number of task team ToRs approved by MCC Service Provider, MCC, and Government	Number	N/A	7 (2027)	ITT indicator
Quality task teams formed	Output	Team quality	Ranked on a 1-4 scale along the following dimensions: Balance of skills & experience; cross-departmental coverage or knowledge; cohesive nature of team/ respect between members; time on task; gender and social inclusion.	Number	TBD	TBD	ITT indicator
Operations manual validated	Process	Operations manual validated	Date at which the facilitated governance reform operations manual receives written approval from the Government and MCC	Date	N/A	TBD	Non-ITT indicator

<sup>6</sup> Baseline to be updated using future KIT tracer surveys with higher response rates.

Project Logic Result	Indicator Level	Indicator Name	Definition	Unit of Measure	Baseline (Year)	Threshold Target	Indicator Type
<b>MARI 2 Activity</b>							
Workers are equipped to exercise their rights during overseas work	Outcome	Returning workers who felt equipped to exercise their rights during overseas work	Returning workers who felt equipped to exercise their rights during overseas work	Percentage	TBD	TBD	ITT indicator
Families are equipped to manage the impacts of overseas work	Outcome	Families who felt equipped to manage the impacts of overseas work	Families who felt equipped to manage the impacts of overseas work	Percentage	TBD	TBD	ITT indicator
Workers are equipped to manage the impacts of overseas work upon return	Outcome	Workers who felt equipped to manage the impacts of overseas work	Workers who felt equipped to manage the impacts of overseas work	Percentage	TBD	TBD	ITT indicator
Workers better understand their rights	Outcome	Workers who pass basic test on worker rights	Workers who pass basic test on worker rights	Percentage	TBD	70% (2027)	ITT indicator
MEHR has increased knowledge to support and protect male and female workers	Outcome	Trained MEHR staff who pass knowledge test on worker rights	Trained MEHR staff who pass knowledge test on worker rights	Number	TBD	80% (2027)	ITT indicator
Workers and families access the OWRC	Outcome	Families who have ever visited the OWRC	Families who have ever visited the OWRC	Number	0 (2023)	2,877 (2027)	ITT indicator
Workers and families access the OWRC	Outcome	Workers who have ever visited the OWRC	Workers who have ever visited the OWRC	Number	0 (2023)	1,918 (2027)	ITT indicator
Workers and families plan for reintegration	Outcome	Families who report having planned for reintegration	Families who report having planned for reintegration	Number	TBD	TBD	ITT indicator
Government develops an operational strategy for reintegration	Outcome	MEHR has an operational strategy for reintegration	MEHR has an operational strategy for reintegration, including a staffing and resourcing plan	Date	N/A	1/1/2025	ITT indicator
OWRC established	Output	OWRC is open to serve the community	OWRC is open to serve the community	Date	N/A	1/1/2025	ITT indicator

Project Logic Result	Indicator Level	Indicator Name	Definition	Unit of Measure	Baseline (Year)	Threshold Target	Indicator Type
Partnership with non-state labor rights organization	Output	Memorandum of understanding with non-state labor rights organization signed	Memorandum of understanding with non-state labor rights organization signed	Date	N/A	1/1/2026	ITT indicator
MEHR staff complete training	Output	MEHR staff who receive training certificate	MEHR staff who receive training certificate	Percentage	0 (2023)	90% (2027)	ITT indicator
Workers attend elective pre-departure training	Output	Workers who receive training certificate for one or more elective pre-departure trainings	Workers who receive training certificate for one or more elective pre-departure trainings	Number	0 (2023)	1153 (2027)	ITT indicator
Families attend community workshops	Output	Families who attend community workshops	Families who attend community workshops	Number	0 (2023)	2576 (2027)	ITT indicator
Workers and families attend reintegration briefings	Output	Workers who attend reintegration workshops	Workers who attend reintegration workshops	Number	0 (2023)	1384 (2027)	ITT indicator
Workers and families attend reintegration briefings	Output	Families who attend reintegration workshops	Families who attend reintegration workshops	Number	0 (2023)	2768 (2027)	ITT indicator
Government engages in workshops and exchanges	Output	Peer learning (regional/global) meetings with MEHR representation	Peer learning (regional/global) meetings with MEHR representation	Number	0 (2023)	7 meetings (2027) (2 per year over 3 years)	ITT indicator
<b>UUTI Activity</b>							
Improved English proficiency	Outcome	Score on English proficiency exam	Moving average score on KITE English proficiency exam	Number	(2023) Short-Term Skills Camp in Fiji: 240; Short-Term Skills Camp in the United States: 270; Full Academic Year High School Scholarship in the United States: 360	(2027) Short-Term Skills Camp in Fiji: 260; Short-Term Skills Camp in the United States: 300; Full Academic Year High School Scholarship in the United States: 460	ITT indicator



Project Logic Result	Indicator Level	Indicator Name	Definition	Unit of Measure	Baseline (Year)	Threshold Target	Indicator Type
Improved communication skills	Outcome	Score on communication skills module	Moving average score on communication skills module	Number	TBD - to accompany curriculum development (est. April 2024)	TBD - to accompany curriculum development (est. April 2024)	ITT indicator
Improved cross-cultural skills	Outcome	Score on cross-cultural skill module	Moving average score on cross-cultural skill module	Number	TBD - to accompany curriculum development (est. April 2024)	TBD - to accompany curriculum development (est. April 2024)	ITT indicator
Acquisition of basic ICT skills	Outcome	Score on basic ICT skill module	Moving average score on basic ICT skill module	Number	TBD - to accompany curriculum development (est. April 2024)	TBD - to accompany curriculum development (est. April 2024)	ITT indicator
Students complete program	Output	Students who graduate from their program	Students who graduate from their program	Number	0 (2023)	776 (2027) Short-Term Skills Camp in Fiji: 230; Short-Term Skills Camp in the United States: 506; Full Academic Year High School Scholarship in the United States: 40	ITT indicator
Students enroll in program	Output	Students enrolled in each program	Students enrolled in each program	Number	0 (2023)	850 (2027) Short-Term Skills Camp in Fiji: 250; Short-Term Skills Camp in the United States: 550; Full Academic Year High School Scholarship in the United States: 50	ITT indicator

## ANNEX II

### ALLOCATION OF GRANT FUNDING<sup>7</sup>

	<b>Total</b>
<b>MANIM Project</b>	<b>\$25,912,000</b>
MARI 1 Activity	\$3,212,000
MARI 2 Activity	\$6,100,000
UUTI Activity	\$16,600,000
<b>Monitoring and Evaluation</b>	<b>\$1,432,000</b>
<b>Program Administration</b>	<b>\$1,756,000</b>
<b>Program Total</b>	<b>\$29,100,000</b>

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<sup>7</sup> The Parties agree that, to facilitate the implementation of MCC Contracted Activities, MCC may modify the allocation of funds among the Activities identified in this annex upon notification to the Government.

## ANNEX III

### ROLES, RESPONSIBILITIES, AND OBLIGATIONS OF THE GOVERNMENT FOR MCC CONTRACTED ACTIVITIES

The Government shall participate in the following aspects of the implementation of the Program and shall have the following obligations and responsibilities in respect to each MCC Contracted Activity:

1. Review and comment on the ToR/scope of work for each MCC Service Provider within an agreed timeframe.
2. Review and comment on the progress of each Activity and each MCC Service Provider's performance, including reports, deliverables, and workplans produced by each of the MCC Service Providers.
3. Facilitate and cooperate in obtaining all permits, consents, and approvals necessary or advisable for the successful and timely performance of all aspects of each Activity as may be determined by MCC.
4. Allow MCC and MCC Service Provider staff to enter Kiribati on a routine basis to implement the Program. MCC and MCC Service Provider staff shall coordinate with relevant Government ministries to arrange official meetings but shall be entitled to enter Kiribati using visa-on-arrival without prior approval through the Completion Date and within 120 days after the expiration, suspension, or termination of this Agreement.
5. Process, in a timely fashion, all passport applications for participants in the UUTI Activity provided by an MCC Service Provider.
6. Facilitate authorizations and immigration procedures, including departure and re-entry procedures, for participants in the UUTI Activity.
7. To the extent available, provide such other relevant documents, data, or information as may be requested from time to time by MCC or any MCC Service Provider, and provide a prompt response to any such request for information in a timely manner.
8. Ensure a qualified representative of the Government with the relevant technical expertise is available to assist any MCC Service Provider or any MCC technical expert in the performance of the services and, as a capacity building measure, assign qualified personnel to work with MCC Service Providers to implement the MCC Contracted Activities.
9. Inform each MCC Service Provider of, and as appropriate, facilitate access by each MCC Service Provider to, relevant development partner, industry, and technical meetings in such MCC Service Provider's field.
10. In a timely manner, respond to each MCC Service Provider's reasonable and appropriate requests for contact information and for organizing meetings with local private sector, civil society, and public agencies, as needed, to facilitate the tasks set forth in the ToR/scope of work.

11. Participate in regular tripartite meetings (which may be conference calls) with the MCC Service Provider and MCC every 30 days or at such intervals as may be requested by either Party, to review implementation progress and any issues associated with the fulfillment of the Program.
12. Ensure that any applicable ministries, agencies, or other entities of the Government required for the successful implementation of the Grant enter into such further agreements or memoranda of understanding as may be requested by MCC to specify the responsibilities of such Government entities with respect to the Project Objectives.
13. Ensure that all Government ministries which are participating in the Program shall include relevant Program activities into its annual work plan and ensure that personnel that are critical to Program implementation shall have written into their annual individual work plans their participation in the Program and achievement of expected outcomes under the Program each year.
14. Provide office space for MCC Service Providers in the Government ministries with whom they will be working.

## ANNEX IV

### DEFINITIONS

*Activity or Activities* has the meaning provided in Section A of Annex I.

*Additional Representative* has the meaning provided in Section 7.3.

*Agreement* has the meaning provided in the preamble to this Agreement.

*Baseline* has the meaning provided in Section C.3(a) of Annex I.

*Completion Date* has the meaning provided in Section 6.1.

*Disbursement* has the meaning provided in Section 2.1(b).

*DQR* has the meaning provided in Section C.5 of Annex I.

*Evaluation Component* has the meaning provided in Section C.1 of Annex I.

*Exempt Persons* has the meaning provided in Annex V.

*Exempted Services, Works, or Goods* has the meaning provided in Annex V.

*Flexible Assistance Funds* has the meaning provided in Section A.1(a) of Annex I.

*FGR* has the meaning provided in Section A.1(a) of Annex I.

*Full Academic Year High School Scholarship in the United States Sub-Activity* refers to the sub-Activity described in Section A.1(c)(iii) of Annex I.

*Government* has the meaning provided in the preamble to this Agreement.

*Grant* has the meaning provided in Section 2.1(a).

*IFC Performance Standards* has the meaning provided in Section 4.3(a).

*I-Kiribati* has the meaning provided in Section 1.1.

*Implementation Letters* has the meaning provided in Section 4.6.

*Indicators* has the meaning provided in Section C.3(a) of Annex I.

*Inspector General* has the meaning provided in Section 4.5.

*Intellectual Property* means all registered and unregistered trademarks, service marks, logos, names, trade names, and all other trademark rights; all registered and unregistered copyrights; all patents, inventions, shop rights, know how, trade secrets, designs, drawings, art work, plans,

*prints, manuals, computer files, computer software, hard copy files, catalogues, specifications, and other proprietary technology and similar information; and all registrations for, and applications for registration of, any of the foregoing, that are financed, in whole or in part, using the Grant; provided, however, such that for the purposes of this Agreement, the term Intellectual Property shall not cover property forming part of the cultural heritage of the state and not placed or intended to be commercially licensed or sold.*

***ITT** has the meaning provided in Section C.3(f) of Annex I.*

***KIT** has the meaning provided in the table in Schedule A to Annex I.*

***Lien** has the meaning provided in Section 3.2(d).*

***M&E Plan** has the meaning provided in Section 4.2.*

***M&E Policy** has the meaning provided in Section 4.2.*

***MANIM Project** has the meaning provided in Section A.1 of Annex I.*

***MCA Act** has the meaning provided in Section 3.2(a).*

***MCC** has the meaning provided in the preamble to this Agreement.*

***MCC Contracted Activities** has the meaning provided in Section 4.1.*

***MCC Environmental Guidelines** has the meaning provided in Section 2.3(b)(iii).*

***MCC Gender Integration Guidelines** means MCC's Gender Integration Guidelines, as such may be posted on MCC's Website from time to time.*

***MCC Gender Policy** means the MCC Gender Policy (including any guidance documents issued in connection with the guidelines) posted from time to time on the MCC Website or otherwise made available to the Government.*

***MCC Marking Standards** has the meaning provided in Section 3.2(e).*

***MCC Service Provider** has the meaning provided in Section 4.1.*

***MCC Service Provider Contracts** has the meaning provided in Section 4.1.*

***MCC Service Provider Disbursement** has the meaning provided in Section 5.1(b).*

***MCC Website** has the meaning provided in Section 2.3(b)(iii).*

***MEHR** has the meaning provided in Section 1.2.*

***Monitoring Component** has the meaning provided in Section C.1 of Annex I.*

***OWRC** has the meaning provided in Section A.1(b)(i) of Annex I.*

*Party or Parties* has the meaning provided in the preamble to this Agreement.

*Pre-Departure Support Sub-Activity* refers to the sub-Activity described in Section A.1(b)(ii) of Annex I.

*Principal Representative* has the meaning provided in Section 7.3.

*Program* has the meaning provided in the recitals to this Agreement.

*Program Asset* means any asset, good or property (real, tangible, or intangible) purchased or financed, in whole or in part (directly or indirectly), by the Grant, including any Intellectual Property.

*Program Goal* has the meaning provided in Section 1.1.

*Program Guidelines* means collectively the MCC Audit Guidelines, the MCC Cost Principles, the MCC Environmental Guidelines, the MCC Gender Policy, the MCC Gender Integration Guidelines and Operational Procedures, the MCC Governance Guidelines, the MCC Marking Standards, the MCC Program Procurement Guidelines, the MCC Reporting Guidelines, the M&E Policy, (including any successor to any of the foregoing), the Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations, and any other guidelines, policies or guidance papers relating to the administration of a Threshold Program, and, in each case, as from time to time published on the MCC Website.

*Program Personnel* has the meaning provided in Annex V.

*Program Supplies* has the meaning provided in Annex V.

*Project or Projects* has the meaning provided in Section 1.2.

*Project Logic Model* has the meaning provided in Section C.2 of Annex I.

*Project Objective or Project Objectives* has the meaning provided in Section 1.2.

*Reintegration Support Sub-Activity* refers to the sub-Activity described in Section A.1(b)(iii) of Annex I.

*Short-Term Skills Camp in Fiji Sub-Activity* refers to the sub-Activity described in Section A.1(c)(i) of Annex I.

*Short-Term Skills Camp in the United States Sub-Activity* refers to the sub-Activity described in Section A.1(c)(ii) of Annex I.

*Target* has the meaning provided in Section C.3(d) of Annex I.

*Taxes* has the meaning provided in Section 2.4(a).

*TBD* has the meaning provided in the table in Schedule A to Annex I.

**Threshold Program** has the meaning provided in the recitals to this Agreement.

**Threshold Program Coordination Committee** has the meaning provided in Section B.2 of Annex I.

**ToR** has the meaning provided in Section A.1(a) of Annex I.

**US Treasury Current Value of Funds Rate** means the interest rate published by the United States Treasury's Bureau of Fiscal Services that is based on the current value of funds available to the Department of the Treasury and is the rate used for debt collection, cash discounts, and rebate evaluation of the United States Government.

**UUTI Activity** has the meaning provided in Section A.1(c) of Annex I.

**Workers' Rights and Well-Being Sub-Activity** refers to the sub-Activity described in Section A.1(b)(i) of Annex I.



**ANNEX V**  
**TAX SCHEDULE**

This schedule sets forth the mechanisms that the Government shall implement to comply with the tax exemption required by Section 2.4 of this Agreement.

**1. Definitions**

*“Exempt Persons”* are persons (natural and legal), including any MCC Service Provider, not being permanent residents, citizens, or public officers of Kiribati who are performing work in connection with the Program; and

*“Exempted Services, Works, or Goods”* (or separately, *“Exempted Services,” “Exempted Works,” “Exempted Goods”*) refers to any transactions involving the services, works, or goods connected with the Program.

*“Program Personnel”* means nationals or permanent residents of another country who are not nationals or permanent residents of Kiribati who are working in Kiribati on the Program and whose salaries or other costs are funded from the Grant.

*“Program Supplies”* means equipment, material, and other goods supplied of the execution of the Program, the cost of which is funded from the Grant. Program Supplies shall be available only for the purposes of the Program and shall not be withdrawn from that use without the consent of the Parties.

**2. Applicable Tax Laws and Procedures for Exemption.**

Section 2.4 of this Agreement and the relevant Tax laws of Kiribati listed here are applicable and Exempt Persons entitled to tax exemption under this Agreement are required to follow the procedures set forth below to claim the exemption.

(a) Income Tax Act.

Exempt Persons shall be exempted from corporate or individual income tax upon applying to the Minister for Finance and Economic Development for a declaration stating that MCC and the Program, including the Exempt Person, are exempted from income tax.

(b) Excise Tax Act.

Imports required for the Program shall be exempted from excise tax upon application by an Exempt Person to the Minister for Finance and Economic Development for a declaration stating that MCC and the Program are to have their imports exempted from excise tax.

(c) Customs Act.

Imports required for the Program shall be exempted from duty upon application by an Exempt Person to the Comptroller of Customs.

(d) Value Added Tax Act.

Exempt Persons shall be exempted from any value added tax imposed on Exempted Services, Works, or Goods upon applying to the Internal Revenue Board for refund of the value added tax paid for the Exempted Services, Works, or Goods. In accordance with Section 2.4(c), refund of the value added tax shall be made within 30 days (or such other period as may be agreed in writing by the Parties) after the Government is notified in writing that such Tax has been paid.

**3. Government Obligations with Respect to Program Personnel and Program Supplies**

(a) Program Personnel.

(i) In order to facilitate the engagement of the Program Personnel who are Exempt Persons, the Government shall grant exemption from income tax, excise tax, and customs duty and grant refund of value added tax expeditiously upon receipt of application by the Exempt Persons.

(ii) Exemption shall include customs duties, internal taxes, and other fiscal taxes on any goods imported by Program Personnel for their personal use or that of their dependents within the first six months of entry into Kiribati, excluding boats, firearms, liquor, tobacco, foodstuffs, or other consumables for personal use. All Program Personnel shall be subject to local indirect taxes such as goods tax and sales tax on any other goods that are not Exempted Goods under this Agreement.

(iii) The Government shall grant exemption from customs duties, internal taxes, and other fiscal taxes on one vehicle, including motor scooters and mobility scooters, per Program Personnel imported within the first six months of arrival in Kiribati. Such vehicle may be re-exported free from the above charges at the conclusion of the Program. However, if the vehicle is subsequently sold in Kiribati, it shall be subject to customs duties, internal taxes (including goods tax or equivalent tax) and other levies based on the market value of the vehicle at the time of sale.

(iv) The Government shall assist in the clearance through customs and other import or export controls of the goods mentioned in 2.A(i) to (iii) above.

(v) The Government shall grant to Program Personnel all other rights and entitlements accorded to the personnel of any other country or international organization.

(vi) The Government shall expedite the issue of all documentation required for the entry and exit of Program Personnel and their dependents to and from Kiribati.

(b) Program Supplies.

In respect of Program Supplies, the Government shall:

(i) Be responsible for all formalities of clearance and where exemption of duties, levies, and taxes under 1.A is not given by the relevant authorities, be responsible for payment of the import duties and other taxes required for such Program Supplies;

(ii) Facilitate movement of Program Supplies by providing appropriate customs and wharfage facilities, including any necessary storage costs at the first point of discharge of the Program Supplies in Kiribati; and

(iii) Provide expeditious transport from the first port of call of the particular aircraft or vessel in Kiribati to any of the site(s) of the Program.