

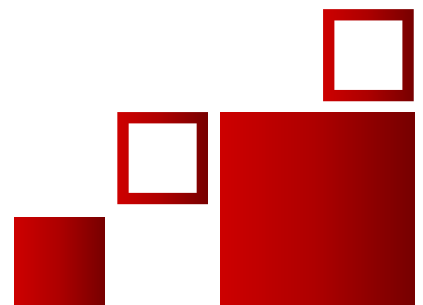
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Operational Efficiency and Growth through Managerial Reform at State-Owned Enterprises

A Strategic Imperative for the Airport Kiribati Authority

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Highlights

The Airport Kiribati Authority (AKA), a state-owned enterprise established under the Airport Authority Act 2019, is the sole operator of Kiribati's aviation infrastructure, managing two international airports and 19 domestic airstrips. As a critical enabler of connectivity and economic development for this small island developing State (SIDS), AKA faces systemic challenges that threaten its operational resilience and long-term sustainability. These include aging infrastructure, acute financial constraints and human resource management gaps, compounded by climate change and rising sea levels that pose existential risks to airport operations. Capital-intensive projects, such as fire truck acquisition, navigational aid upgrades and apron extensions, remain delayed due to reliance on government grants and donor funding. At the same time, fragmented workforce arrangements, hierarchical structures and misaligned compensation frameworks undermine efficiency and compliance with International Civil Aviation Organization (ICAO) standards. This policy brief outlines a strategic reform agenda centred on four pillars: financial innovation, human resource modernization, integrated planning systems and climate-resilient infrastructure. Proposed measures include introducing new revenue streams, implementing performance-based human resource systems, adopting a dual-track planning framework and investing in coastal defences, drainage upgrades and renewable energy integration. By embracing these reforms, Kiribati can secure safe, reliable and sustainable air transport services, positioning AKA as a model for state-owned enterprise transformation in the Pacific region.

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Disclaimers

The views expressed in this paper are solely those of the authors and do not necessarily reflect the official position or endorsement of the United Nations and the Board of Directors of the Airport Kiribati Authority. The authors assume full responsibility for any errors or omissions. This manuscript was partially edited with the assistance of Microsoft Copilot, in accordance with the *Principles for the Ethical Use of Artificial Intelligence in the United Nations System* (United Nations System, 2022). References to specific companies or commercial products are included exclusively for illustrative purposes and do not imply endorsement by the United Nations.

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Introduction

The Airport Kiribati Authority (AKA), established under the Airport Authority Act of 2019 as a specialized state-owned enterprise (SOE), serves as the sole operator of Kiribati's aviation network. Its mandate encompasses the management of two international airports, Bonriki and Cassidy, and 19 domestic airstrips dispersed across an extensive oceanic territory. As the principal gateway for trade, tourism and essential services, AKA plays a pivotal role in sustaining connectivity and fostering economic development in this small island developing State (SIDS) (Airport Kiribati Authority, 2025a).

Operating within a highly regulated environment, AKA is required to comply with national frameworks administered by the Civil Aviation Authority of Kiribati (CAAK) and international standards prescribed by the International Civil Aviation Organization (ICAO). These dual obligations necessitate robust systems for safety, security and operational efficiency, requirements that are particularly challenging given Kiribati's geographic isolation, limited fiscal space and constrained technical capacity (Airport Kiribati Authority, 2025b).

Despite notable progress in recent years, including improved revenue performance, enhanced safety protocols and incremental infrastructure upgrades, AKA continues to face systemic challenges that threaten its long-term sustainability. Aging infrastructure, especially deteriorating runways and aprons on outer islands, combined with logistical constraints and the absence of heavy machinery, impedes timely maintenance and compliance with ICAO standards (Airport Kiribati Authority, 2025a). Financial constraints remain acute, with capital-intensive projects such as fire truck acquisition, navigational aid (NAVAID) upgrades and apron extensions delayed due to reliance on government grants and donor funding (Airport Kiribati Authority, 2025b).

Human resource gaps, particularly in technical and regulatory expertise, limit the Authority's ability to implement a safety management system (SMS) and conduct internal audits (Airport Kiribati Authority, 2025a). Institutional weaknesses in strategic planning and integrated systems further hinder modernization efforts (Airport Kiribati Authority, 2025c).

Compounding these operational challenges, climate change and rising sea levels pose existential risks to airport resilience, necessitating urgent adaptation measures such as coastal defences, drainage upgrades and renewable energy integration (Airport Kiribati Authority, 2025c). Addressing these issues requires a transformative approach that combines targeted investment, capacity building and climate-resilient infrastructure planning.

This policy brief, prepared under the United Nations Micronesia Policy Brief Series, responds to the growing recognition of the need to strengthen AKA's institutional capacity and operational resilience. Drawing on recent assessments, stakeholder consultations and strategic planning documents, the brief outlines a reform agenda aimed at enhancing efficiency, equity and sustainability in AKA's development, operations and administration. By positioning AKA as a model for SOE transformation in Kiribati and across the Pacific region, the brief seeks to catalyze dialogue among policymakers, development partners and practitioners on practical solutions to shared challenges.

State-Owned Enterprises in Kiribati: Roles, Governance and Challenges

SOEs form the backbone of Kiribati's economic infrastructure and public service delivery. Operating across sectors such as aviation, maritime and land transport, telecommunications, energy, finance, agriculture, fisheries and media, SOEs are indispensable for connectivity and national development in

a geographically dispersed island state (Kiribati Audit Office, 2023; Ministry of Finance and Economic Development, 2023). Their dominant role reflects structural constraints that limit private sector participation, making SOEs critical for sustaining essential services and economic resilience.

The governance framework is anchored in the State-Owned Enterprises Act 2013, which mandates commercial viability, transparency and accountability. The Act requires SOEs to submit Statements of Intent (SOI), prepare annual and half-yearly reports and comply with performance monitoring standards. It also formalizes community service obligations (CSOs), ensuring that non-commercial mandates are explicitly agreed upon and compensated by the Government (State-Owned Enterprises Act, 2013). Oversight is exercised by line ministries and the State-Owned Enterprise Monitoring Unit (SOEMU) while the Kiribati Audit Office (KAO) conducts statutory audits. Development partners, including the World Bank, provide technical assistance and capacity-building support to strengthen governance and operational efficiency (World Bank, 2022).

Despite these provisions, systemic challenges persist. Many SOEs, including AKA, face financial constraints, weak corporate governance and limited institutional capacity. Dual mandates, balancing commercial objectives with CSOs, often blur accountability and undermine sustainability. Delayed financial reporting, inadequate board training and insufficient strategic planning exacerbate inefficiencies. These structural weaknesses have historically resulted in fiscal pressures, with SOE subsidies accounting for a significant share of public expenditure (Kiribati Audit Office, 2023). Addressing these challenges requires sustained reforms, capacity development and alignment with international good practices to ensure SOEs contribute effectively to national development goals. Table 1 provides an overview of Kiribati's SOEs.

TABLE 1: AN OVERVIEW OF THE STATE-OWNED ENTERPRISES IN KIRIBATI

SOE Name	Year Established	Sector	Mandate / Line of Business	Notes
Air Kiribati Limited (AKL)	1995	Air transport	Provides domestic and international air services; successor to Air Tuarua	Aiming for self-reliance; fleet renewal with Twin Otters
Airport Kiribati Authority (AKA)	2019	Aviation infrastructure	Manages two international and 19 domestic airports across Kiribati	Requires runway upgrades and maintenance for outer island airports
Broadcasting and Publications Authority (BPA)	1979	Media/communications	Operates Radio Kiribati; publishes "Te Uekera" newspaper	Radio since 1952
Bwebweriki Net Limited (BNL)	2017	Telecommunications	Develops telecom infrastructure, including submarine cables	Partners on East Micronesia Cable System
Civil Aviation Authority of Kiribati (CAAK)	2015	Aviation regulation	Ensures safety and security of aviation operations, ICAO compliance	—
Communication Commission of Kiribati (CCK)	2013	Telecommunications regulator	Regulates the telecom sector; manages the .ki domain and country code 686	Formerly Telecommunication Authority

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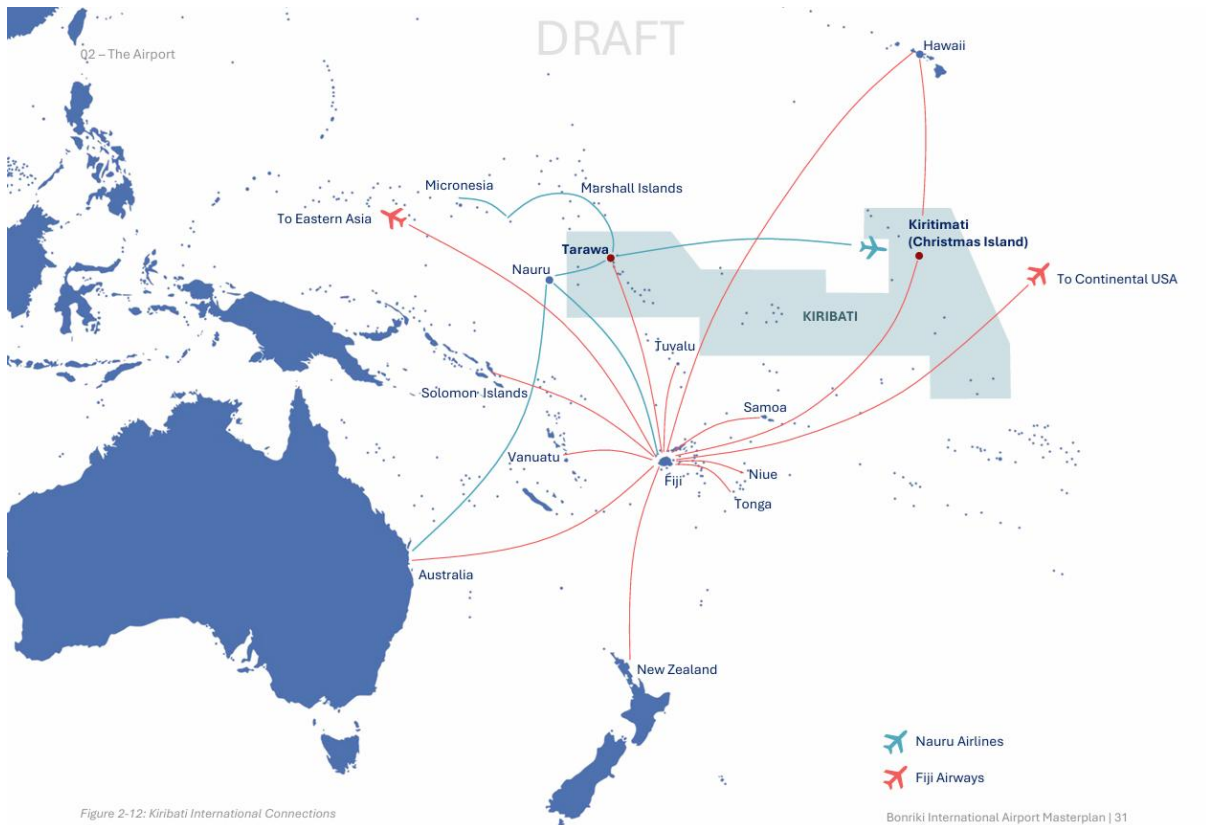
Development Bank of Kiribati (DBK)	1986/87	Financial services	Provides loans and advisory services for primary production, business and housing	SOE under the 1986 Act; expanded to all outer islands from 2018
Kiribati Coconut Development Ltd (KCDL)	Not specified	Agriculture/agro-processing	Processes coconut products: crude oil, soaps and feed	Transforms copra by-products into local goods
Kiribati Green Energy Solutions Ltd.	1984	Renewable energy	Develops and promotes solar and green energy solutions	Focuses on sustainable energy projects
Kiribati Housing Corporation	Not specified	Housing	Manages government housing stock and development projects	Listed SOE per KAO audit
Kiribati Insurance Corporation Ltd.	Not specified	Insurance	Provides insurance products to the public and private sectors	Listed SOE per KAO audit
Kiribati Land Transport Authority (KLTA)	2018	Land transport regulation	Regulates highways, vehicle licensing; enforces the Traffic Act 2017	Under the Public Highways Protection Act 2018
Kiribati National Shipping Line (KNSL)	Reorganized 2018	Maritime transport	Monthly shipping services to the Gilbert Islands; the sole government-owned shipping company	A major arm of the government for socio-economic policy support
Kiribati Oil Company Ltd (KOIL)	1986	Energy / Retail fuel	Sole marketer/importer of petroleum products, LPG and aviation fuel	Government-owned under the Companies and SOE Acts
Kiribati Ports Authority (KPA)	2010 (Act: 1990)	Port services	Manages and develops port infrastructure	Oversees navigation and port operations
Public Utilities Board (PUB)	1977 (SOE Act 2013)	Utilities	Supplies electricity, water and sewerage in South Tarawa	Corporate under PU Ordinance Cap 83; SOE under Act 2013
Tungaru Trading Company Ltd. (TTCL)	1981	Agriculture / Trade	Oversees copra buying, processing, export; outer-island livelihoods	—

Sources: Kiribati Audit Office (kao.gov.ki); Ministry of Finance and Economic Development (mfed.gov.ki); Ministry of Information, Communication, Transport and Tourism Development (mict.gov.ki); State-Owned Enterprises Act 2013.
Note: Additional SOEs listed by KAO include Central Pacific Producers Ltd., Captain Cook Hotel, Otintaai Hotel Ltd (defunct), Te Atinimarawa Co. Ltd., Plant and Vehicles Unit, Betio Shipyard (defunct) and Kiribati Provident Fund.

Airport Kiribati Authority: Connecting a Nation Across the Ocean

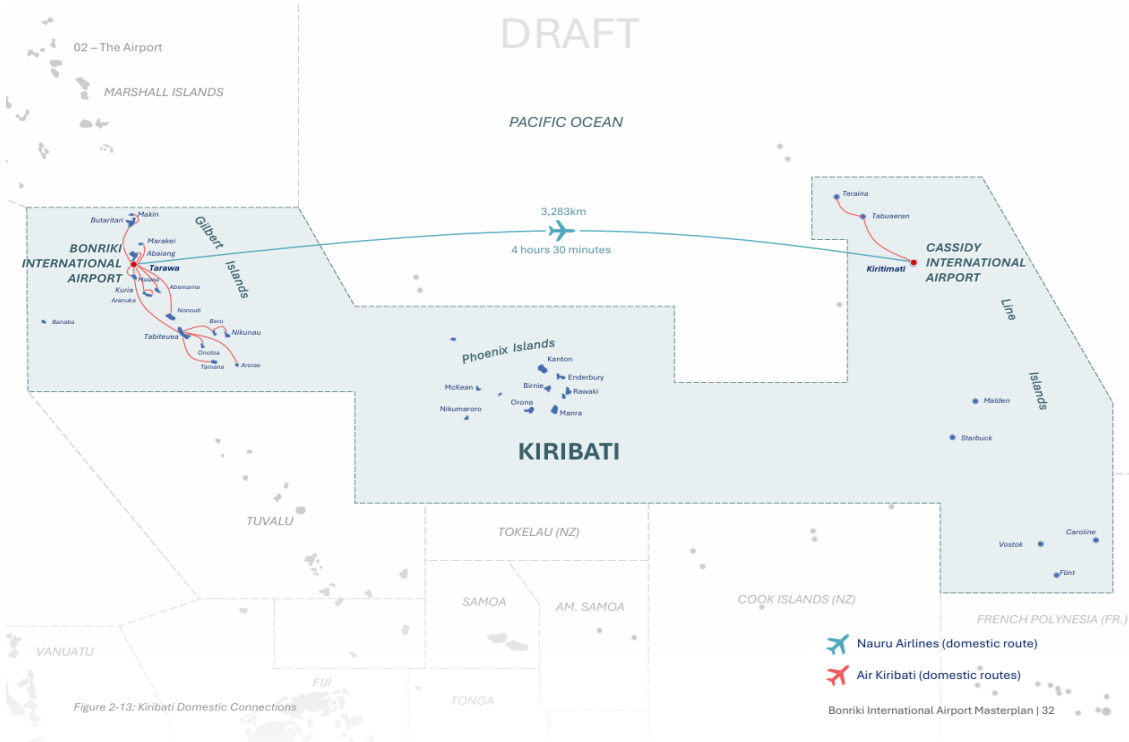
Kiribati is a nation dispersed across the vast Pacific Ocean, where aviation serves not merely as a mode of transport but as a vital lifeline. At the centre of this system stands AKA, which manages all international and domestic airports. For a SIDS, connectivity is synonymous with survival while it underpins trade, tourism, health services and economic growth (Airport Kiribati Authority, 2024; Bonriki International Airport Masterplan, 2025). Figures 1 and 2 illustrate the most recent international and domestic air routes for Kiribati.

FIGURE 1: INTERNATIONAL AIR ROUTES FOR KIRIBATI, AS OF NOVEMBER 2025



Source: Airport Kiribati Authority (2025). Bonriki International Airport Masterplan 2025 DRAFT August 2025, p.31.

FIGURE 2: DOMESTIC AIR ROUTES FOR KIRIBATI, AS OF NOVEMBER 2024



Source: Airport Kiribati Authority (2025). Bonriki International Airport Masterplan 2025 DRAFT August 2025, p.32.

Operating under the Government of Kiribati and guided by ICAO standards, the mandate of AKA is unequivocal: to ensure safe skies and maintain connectivity across the islands. Yet, this mission is complicated by structural and operational realities. The Authority contends with fragmented workforce arrangements, outdated systems and severe fiscal constraints. Nearly one-fifth of its workforce, nearly 200 staff, are funded externally by the Ministry of Information, Communications and Transport (MICT), resulting in uneven employment terms and blurred lines of accountability (Airport Kiribati Authority, 2025b). These institutional weaknesses reverberate throughout operations, where staff shortages, role duplication and reliance on manual processes undermine efficiency and compromise compliance with ICAO standards.

The financial outlook is equally challenging. With an annual human resource budget exceeding AUD 2.5 million, revenue growth has failed to keep pace, rendering sustainability increasingly uncertain. Recognizing these constraints, the AKA’s SOI for 2026–2028 charts an ambitious course: streamline organizational structures, introduce performance-based compensation, integrate externally funded staff and digitalize core operations (Airport Kiribati Authority, 2025b). These reforms are designed to enhance efficiency, strengthen governance and align the workforce with ICAO standards.

Bonriki International Airport, located on South Tarawa, serves as Kiribati’s primary gateway to the world. Currently accommodating approximately 44,000 passengers annually, traffic is projected to nearly double to 82,900 by 2043 (Bonriki International Airport Masterplan, 2025). This anticipated growth necessitates a comprehensive transformation. The master plan envisions a modernized facility featuring expanded aprons, upgraded runways and redeveloped terminals, each designed to meet ICAO standards and enhance passenger experience. The investment required is substantial: AUD 308.8 million over a 20-year horizon, with immediate priorities focused on security fencing, drainage improvements and utility upgrades. These measures are not cosmetic; they are essential to ensure safety, resilience and operational reliability in a region increasingly vulnerable to climate-related impacts.

Cassidy International Airport, located on Kiritimati Island, fulfills a distinct yet equally critical role within Kiribati's aviation network. It serves not only as the country's second international gateway but also as a designated extended-range twin-engine operational performance standards (ETOPS) alternate for trans-Pacific flights, a vital lifeline for emergency diversions and humanitarian missions (Cassidy International Airport Masterplan, 2025). Currently handling approximately 7,400 passengers annually, Cassidy is projected to reach 13,200 by 2043. Its single 2,102-meter runway accommodates ICAO Code 4E aircraft, supporting weekly services by Fiji Airways and Nauru Airlines alongside domestic operations by Air Kiribati. Planned upgrades include apron expansion, terminal enlargement, perimeter security fencing and solar-powered utilities. The 20-year investment plan totals AUD 166.9 million, with immediate priorities focused on air traffic control (ATC) commissioning, sewerage improvements and solar farm installation. Cassidy's significance extends beyond aviation; it underpins regional trade, tourism and climate resilience, serving as a strategic hub for emergency response and disaster relief.

AKA's strategy focuses on safety compliance, infrastructure modernization and financial viability. Key actions include:

- Upgrading fire trucks, NAVAIDs and apron lighting to meet ICAO standards.
- Installing solar grids at Bonriki and Cassidy to counter chronic power outages.
- Digitalizing operations through integrated systems and ICT upgrades.
- Diversifying revenue streams via airspace fees, commercial lounges and public-private partnerships.
- Embedding environmental safeguards, including waste management and oil spill policies.

These initiatives are ambitious but they reflect a clear vision to transform Kiribati's airports into resilient, efficient and globally connected gateways. For a nation spread across the ocean, this is more than infrastructure: it is the backbone of national development and a bridge to the world.

Financial Constraints and Income Generation

Despite its critical role in ensuring national connectivity and supporting economic development, AKA continues to face severe financial constraints. These limitations have significantly delayed capital-intensive projects essential for safety compliance and operational reliability, including the acquisition of ICAO-compliant fire trucks, upgrades to NAVAIDs and apron extensions at Bonriki and Cassidy airports (Airport Kiribati Authority, 2025b). Such delays not only compromise operational efficiency but also heighten safety risks, exposing the aviation sector to vulnerabilities that could undermine national development objectives.

The Authority's financial structure is characterized by a heavy reliance on government grants and donor funding, creating uncertainty in project implementation timelines and limiting flexibility in responding to emerging needs.¹ This dependency underscores the urgency of adopting innovative revenue-generation strategies to reduce fiscal exposure and strengthen financial resilience. Without such measures, sustainability will remain elusive, and modernization efforts will continue to lag behind regional and international benchmarks.

One promising option is the introduction of a foreign tourist fee, modelled on systems such as the United States' Electronic System for Travel Authorization (ESTA) and Japan's JESTA (Ministry of Land, Infrastructure, Transport and Tourism, 2024; U.S. Customs and Border Protection, 2024). Adapted to Kiribati's context, this mechanism could leverage the growing tourism sector to generate earmarked

¹ This issue is partly attributable to the volatility of Air Kiribati Limited's (AKL) revenue stream.

funds for airport infrastructure development. A modest fee applied to international arrivals would provide a predictable and sustainable revenue stream dedicated to capital projects while maintaining affordability for travellers. Such an approach would align with global best practices, enhance fiscal autonomy and reduce dependence on external financing.

In addition to tourist fees, complementary measures such as airspace usage charges, commercial concessions within airport terminals and public–private partnerships for non-core services could further diversify revenue sources. These strategies, combined with robust financial planning and transparent governance, would enable AKA to prioritize critical investments, improve compliance with ICAO standards and build resilience against fiscal shocks. Ultimately, financial innovation is not merely an option: it is a strategic imperative for safeguarding the future of Kiribati’s aviation sector.

Human Resource Management Gaps

An assessment of AKA’s human resource management (HRM) practices reveals systemic weaknesses that undermine operational efficiency and institutional resilience. Key challenges include fragmented staffing arrangements, hierarchical structures with overlapping roles, unclear reporting lines and misaligned compensation frameworks (Airport Kiribati Authority, 2025b). Approximately 20 per cent of the workforce is funded externally by MICT, creating inconsistencies in contracts, performance expectations and accountability. This fragmentation erodes organizational cohesion and complicates performance monitoring (Airport Kiribati Authority, 2025b).

Staffing shortages in critical areas, such as finance, airside operations, fire services and aviation security, have resulted in operational strain and heightened safety risks (Airport Kiribati Authority, 2025b). For instance, the Finance Department lacks a dedicated Finance Manager, delaying financial reporting and oversight while Fire Services and Airside Operations face significant workload pressures, increasing the likelihood of non-compliance with ICAO safety standards (ICAO, 2024). These gaps often compel staff to assume multiple roles, leading to fatigue and diminished effectiveness.

The HRM structure is vertically layered, with overlapping functions and unclear spans of control. Several positions report to multiple supervisors, including the HR Manager, Chief Operating Officer (COO) and departmental heads, creating confusion and weakening accountability (Airport Kiribati Authority, 2025b). Compensation practices further exacerbate inefficiencies: AKA applies the Government of Kiribati’s multi-tiered grading system (Levels 4–19), which is administratively complex and misaligned with actual job responsibilities. Grade compression, where senior managers share grades with technical staff, undermines internal equity, motivation and career progression (Airport Kiribati Authority, 2025b).

Financial sustainability compounds these challenges. The HRM budget exceeds AUD 2.5 million annually while income growth remains modest at 3.2 per cent per year, raising concerns about fiscal viability (Airport Kiribati Authority, 2025b). Without reform, expanding staffing and compensation risks exacerbating budgetary pressures and diverting resources from critical infrastructure investments.

To address these challenges, the following measures are proposed:

- Simplify the HRM structure by consolidating managerial layers and clarifying reporting lines to reduce administrative overhead and improve responsiveness.
- Introduce performance-based compensation aligned with SOE benchmarks to incentivize productivity and accountability.
- Integrate MICT-supported staff into AKA’s payroll under standardized contracts to ensure consistency in benefits, responsibilities and accountability.

- Develop a human resources policy manual to guide recruitment, grading, compensation and performance management.
- Link HRM expenditure to revenue generation and donor-supported programmes, capping HR costs at a fixed percentage of operating income to maintain fiscal discipline.

These reforms aim to create an agile, accountable workforce capable of meeting operational demands, ensuring compliance with ICAO standards and supporting the Authority's long-term sustainability.

Strategic Planning for Sustainability

In parallel with financial and HRM reforms, AKA must adopt a comprehensive planning framework that clearly distinguishes long-term development and maintenance planning from routine operational planning. This structural shift would enable systematic prioritization of capital investments, such as runway rehabilitation, solar grid installation and terminal expansion, while ensuring that day-to-day operational needs are met without compromising strategic objectives (Airport Kiribati Authority, 2025b; St. Louis Lambert International Airport, 2023). By delineating these planning domains, AKA can improve resource allocation, strengthen accountability and align infrastructure development with both national priorities and international aviation standards (ICAO, 2024).

A robust strategic planning framework should incorporate the following elements:

- **Dual-track planning approach:** Separate development planning (focused on capacity expansion and modernization) from operational planning (focused on routine maintenance and compliance). This distinction will allow clearer budgeting and prevent short-term operational pressures from overshadowing long-term infrastructure needs.
- **Integrated asset management system:** Implement digital tools to monitor the condition of runways, aprons and critical equipment. Predictive maintenance models can reduce downtime, optimize resource use and extend asset life cycles.
- **Scenario-based forecasting:** Incorporate traffic growth projections, climate risk assessments and technology trends into planning models. For example, passenger volumes at Bonriki and Cassidy airports are expected to nearly double by 2043, requiring proactive capacity planning to avoid congestion and service disruptions.
- **Stakeholder engagement and governance alignment:** Establish structured consultation mechanisms with government agencies, development partners and local communities to ensure that planning decisions reflect national development priorities under the KV20 framework and secure legislative support for implementation.
- **Financial integration:** Link strategic planning to medium-term expenditure frameworks and donor coordination platforms. This alignment will enhance transparency, facilitate resource mobilization and reduce duplication of efforts.

Implementing these measures will require strong institutional leadership, capacity building and sustained technical assistance. However, the potential benefits, enhanced financial autonomy, improved infrastructure reliability and strengthened compliance with ICAO standards, make these reforms imperative for the sustainability of Kiribati's aviation sector (Airport Kiribati Authority, 2025b).

Climate Change and Rising Sea Levels: Existential Risks and Adaptation Measures

Kiribati's geographic reality as a low-lying SIDS places its aviation infrastructure at the frontline of climate vulnerability. Rising sea levels, intensified storm surges and coastal erosion pose existential risks to airport resilience, threatening the continuity of air transport services that underpin national connectivity, trade and emergency response (Airport Kiribati Authority, 2025c; United Nations Conference on Trade and Development [UNCTAD], 2022). Bonriki International Airport on South Tarawa and Cassidy International Airport on Kiritimati are particularly exposed due to their proximity to fragile coastlines and limited elevation above sea level.

One of the most pressing concerns is coastal flooding and erosion. The increased frequency of king tides and storm surges has begun to compromise runway integrity and apron usability, creating operational disruptions and significant safety hazards (ICAO, 2024). Bonriki and Cassidy airports lack natural barriers to protect against tidal inundation, making them highly susceptible to climate-induced damage.

Drainage failures compound these risks. Existing systems are inadequate to manage extreme rainfall events, resulting in waterlogging and accelerated pavement deterioration (Airport Kiribati Authority, 2025c). These failures not only disrupt flight schedules but also increase long-term maintenance costs, straining an already constrained fiscal environment.

Energy security adds another layer of vulnerability. Current dependence on fossil-fuel-based power systems heightens operational risks during climate-induced supply chain disruptions and blackouts (Asian Development Bank [ADB], 2019). In an era of increasing climate volatility, reliance on imported fuel exposes airports to logistical and financial shocks, underscoring the need for renewable energy integration.

To safeguard airport operations and maintain compliance with ICAO standards, a climate-resilient infrastructure strategy is imperative. Priority actions include:

- **Coastal defences:** Construct seawalls, revetments and vegetative buffers to protect runways and terminal areas from tidal inundation and erosion (UNCTAD, 2022). These measures will serve as the first line of defence against rising seas and storm surges.
- **Drainage upgrades:** Install high-capacity drainage systems and adopt permeable pavement technologies to mitigate flooding risks and ensure operational continuity during extreme weather events (Airport Kiribati Authority, 2025c).
- **Renewable energy integration:** Deploy solar grids and battery storage systems at Bonriki and Cassidy airports to reduce reliance on diesel generators, enhance energy security and align with Kiribati's climate commitments (ADB, 2019).
- **Climate risk assessment and monitoring:** Establish real-time monitoring systems for sea-level rise, storm surge patterns and coastal erosion to inform adaptive planning and emergency preparedness (ICAO, 2024).

Failure to implement these measures will compromise aviation safety and reliability, undermining national development objectives under the KV20 framework. Conversely, proactive investment in climate adaptation will strengthen airport resilience, reduce long-term maintenance costs and position Kiribati as a regional leader in sustainable aviation infrastructure.

Conclusions

AKA occupies a pivotal role in sustaining connectivity and driving economic development in Kiribati. Yet, it faces systemic challenges that threaten operational resilience and long-term sustainability. This policy brief has identified four critical areas requiring urgent attention: financial constraints, human resource management gaps, institutional planning weaknesses and climate-related risks.

First, financial limitations remain acute, delaying capital-intensive projects such as fire truck acquisition, NAVAID upgrades and apron extensions. Continued reliance on government grants and donor funding creates uncertainty and exposes operational vulnerabilities. Without innovative revenue-generation strategies, such as introducing foreign tourist fees modelled on ESTA and JESTA systems, fiscal dependency will persist, undermining modernization efforts.

Second, HRM weaknesses, including fragmented staffing arrangements, hierarchical structures, unclear reporting lines and misaligned compensation frameworks, have resulted in operational strain and heightened safety risks. Addressing these gaps through streamlined structures, performance-based pay and integration of externally funded staff is essential to build an agile, accountable workforce capable of meeting ICAO compliance standards.

Third, institutional limitations in planning and integrated systems hinder modernization. A new planning framework that separates development and maintenance planning from routine operations will enable clearer prioritization of long-term capital investments while safeguarding day-to-day operational needs.

Finally, climate change and rising sea levels pose existential risks, threatening airport resilience and requiring urgent adaptation measures, including coastal defences, drainage upgrades and renewable energy integration. Failure to act will compromise aviation safety and reliability while proactive investment will strengthen resilience, reduce long-term costs and position Kiribati as a regional leader in sustainable aviation infrastructure.

The next three years will be decisive. Implementing the proposed reforms, financial innovation, HRM modernization, strategic planning and climate adaptation, will transform AKA into a model for SOE reform in the Pacific. Success will depend on strong leadership, stakeholder engagement and sustained support from development partners. By embracing this reform agenda, Kiribati can secure safe, reliable and climate-resilient air transport services, reinforcing its connectivity and resilience in an increasingly uncertain global environment.

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