



Australian Government

Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2016-17

KIRIBATI

September 2017

KIRIBATI AID PROGRAM PERFORMANCE INFORMATION 2016-17

SUMMARY

This report summarises the performance of Australia's aid program in Kiribati from July 2016 to June 2017 against the *Kiribati Aid Investment Plan (2015-16 to 2018-19)*.

Australia's aid program continues to support the Government of Kiribati to implement its significant economic reforms. In 2016-17, this included improvements to Kiribati's sovereign wealth fund and reductions in the cost of essential public services. This enabled the Government of Kiribati to make the most of revenue, to invest in critical infrastructure, and to create an environment for private-sector growth.

Our aid program also improves Kiribati's economic prospects and resilience through developing a better-educated and healthier population. In 2016-17, through an employment service, we enhanced the employability of young I-Kiribati and improved their chances of accessing migration opportunities in Australia and elsewhere. Australia's funding of health investments also contributed to reductions in water-borne diseases in South Tarawa, and an increased success rate in the treatment of tuberculosis. Across all of our investments, Australia continued its efforts to strengthen Kiribati's capacity to manage the impacts climate change, and ensure health and education services are responsive to disability and gender challenges.

Australia's program priorities and methods remain relevant and are consistent with the *Kiribati Development Plan (2016-19)*, the *Kiribati 20 Year Vision*, as well as our own aid policies. In the next reporting year, we will further shape the program to improve health security, and to integrate expected increases in funding from multilateral development banks.

We remain Kiribati's largest aid donor. In 2016-17, Australia provided an estimated \$30.2 million in official development assistance (ODA) to Kiribati (almost 20 per cent of its estimated 2017 budget). Kiribati's other long-term partners include Japan (\$20 million), the World Bank (\$20 million), New Zealand (\$14 million), Taiwan (\$13 million), and the Asian Development Bank (\$11 million). (Figures are 2017 estimates from Government of Kiribati budget papers.)

EXPENDITURE

Table 1 Total ODA Expenditure in FY 2016-17


Objective	A\$ million	% of total ODA
Objective 1: Implementing economic reforms	0.4 ¹	1
Objective 2: Building a better educated and healthier population	17.9	60
Infrastructure and climate change	1.2	4
Gender equality	0.7	2
Sub-total bilateral	20.2	67
Regional and global	9.5	31
Other government departments	0.5	2
Total ODA Expenditure	30.2	100


1. Expenditure to support economic reform is lower in 2016-17, as Australia's first contribution to the Joint Policy Reform Matrix was made in 2017/18 and funding for other donor led economic reform projects was not required.


PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Objective	Previous rating	Current Rating
Implementing economic reforms	Green	Green
Building a better educated and healthier population	Green	Green

Note:

 Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

 Amber. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

 Red. Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

OBJECTIVE 1: IMPLEMENTING ECONOMIC REFORMS



Australia's work with the Government of Kiribati's Economic Reform Taskforce to support the implementation of its economic reform plan is progressing well. The Government of Kiribati's economic reforms aim to: improve public financial management; improve the management of public assets and liabilities; and create an environment for private sector led growth. Our work to support implementation is enabled through the Joint Policy Reform Matrix; an arrangement which incentivises economic reform by disbursing funds into the government budget when the Government of Kiribati achieves jointly agreed reform targets (or policy actions).

DFAT rates progress against this objective as green, as six of the seven policy actions for 2016 were fully completed. Kiribati made significant progress on reforms to the Public Utilities Board, including revisions to the electricity tariff to increase affordability for low-income earners. There was also significant progress in relation to the management of Kiribati's sovereign wealth fund, the Revenue Equalization Reserve Fund, including the move to a more cost-effective management arrangement.

In July 2017, Australia also made its first financial contribution under the Joint Policy Reform Matrix. This has formalised Australia's engagement in the Economic Reform Taskforce, which also includes the multilateral development banks, the European Union and New Zealand, as well as Secretaries from key Kiribati ministries. This taskforce provides oversight and coordination of the economic reform process, including the matrix. This more formalised role has enhanced our involvement in ongoing – and productive – discussions in 2017 around a proposed infrastructure loan for outer islands development, and scenario analysis in support of achieving the government's \$1 billion target for the Revenue Equalization Reserve Fund by 2020.

OBJECTIVE 2: BUILDING A BETTER EDUCATED AND HEALTHIER POPULATION



Australia is working with the Government of Kiribati to improve standards in primary education, work with the Kiribati Institute of Technology to provide work-skills training aligned with labour market demands and reduce the incidence of communicable diseases. DFAT rates progress against this objective as green, with good progress continuing to be achieved in both the education and health investments. A key indicator of the progress of our support for vocational and technical training over the past year has been the significant increase in the number of I-Kiribati workers getting temporary jobs in Australia through our labour mobility programs.

The third phase of the Kiribati Education Improvement Program (2016-19, \$32 million) commenced in 2016 and has made strong progress against its objective to improve access to quality primary education. In 2016-17, the focus of this program was to embed the curriculum reforms (for Year 1-4) from the previous phases, expand those reforms to Years 5-6 (with a focus on improving learning and teaching standards), and develop the curriculum structure for junior secondary level education. Support to the Ministry of Education to strengthen inclusive education in primary schools also made good progress, with the implementation of student wellbeing and disability inclusion strategies, support for the integration of respectful relationships (a strategy for reducing the incidence of gender based violence) into the junior secondary school curriculum, and the continuation of teacher training. The rehabilitation of primary school infrastructure is progressing well, however, ongoing effective maintenance of school facilities remains an issue that Australia will continue to monitor.

The Skills for Employment Program (2016-20, \$17 million,) commenced in 2016 to build on the work of the Kiribati Technical and Vocational Education and Training Sector Strengthening Program. Its initial focus is to improve access to courses delivered by the Kiribati Institute of Technology (KIT) for young people (16-24 years), and includes efforts to engage young mothers, people with a disability and people from the outer islands. Through the newly established Employment Support Services at KIT, the program is also training and supporting I-Kiribati to secure employment both in Kiribati and overseas. In 2016-17, this support enabled 32 I-Kiribati to secure employment under the Northern Australia Worker Pilot Program and 113 I-Kiribati under the Seasonal Worker Programme (a significant increase from an average of 15 people per year between 2012 and 2016).

Australia's ongoing support for the National Tuberculosis Program has facilitated a transition over the past year to management by the Government of Kiribati. This has helped maintain Kiribati's high rate for successful TB treatment (increased to 93 per cent in 2016 from 80 per cent in 2015) and for TB detection (slight increase to 518 cases per 100,000 in 2016 compared to 516 in 2015). Hand-washing facilities and public awareness campaigns undertaken by the ADB-led South Tarawa Sanitation Improvement Sector Project, funded by Australia, are helping to reduce the number of diarrhoea cases in South Tarawa (by 10-15 per cent in 2016). This project is also upgrading sanitation infrastructure and is working with the Kiribati Ministry of Public Works and Utilities to help them strengthen their operations and the maintenance of sanitation assets.



These health statistics come from the Government of Kiribati's *Joint Annual Health Performance Review* (July 2017), a process which Australia has bolstered, including through participation in regular government-donor dialogue. Over the past year, Australia has also been working with the Government of Kiribati and other development partners to develop plans to enhance future support to health, with a focus on health security through communicable disease control.

MUTUAL OBLIGATIONS

The *Kiribati Aid Investment Plan* is based on shared goals and mutual obligations. In 2016-17, the Government of Kiribati:

- marginally increased the 2017 education budget, however, due to overall increases to its 2017 budget, the proportion of the education and health allocations declined
- implemented reforms agreed under the *Kiribati Economic Reform Plan* (also included in the Joint Policy Reform Matrix), including a review of the national trust fund, electricity tariff reform, finalisation of a fisheries joint venture policy, and progress towards completing audits of major state owned enterprises
- improved performance against gender equality indicators that it committed to in the Pacific Island Forum Leaders' Gender Equality Declaration, including Cabinet endorsement (in July 2016) of the *Family Peace Act* Implementation Plan.

As part of the Government of Kiribati's commitment to a zero-tolerance approach to fraudulent and corrupt actions against Australia's aid program, in 2017 the concept paper for the Kiribati Public Procurement Reform Program (2017-20) was submitted to Cabinet for endorsement. This program is designed to progressively improve government procurement (of which 50 per cent is using donor funds), including through legislation and organisational changes, and the introduction of procurement systems.

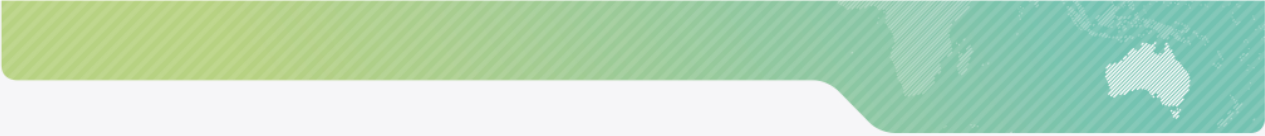
PROGRAM QUALITY

Aid Quality Checks ratings across all Kiribati investments were satisfactory. While some ratings improved, for the majority of investments the ratings were slightly lower. This mainly reflects more rigorous application of the new evidence requirements for ratings, rather than a drop in investment performance.

The efficiency rating for health was downgraded to 'less than adequate' (3) to reflect ongoing management issues with the tuberculosis program. The Government of Kiribati is now implementing this program, and management has improved.

The ratings for sustainability and for monitoring and evaluation for the entire scholarship investment (2010-16) were 'less than adequate' (3). This reflects the lack of a robust evidence base on which to monitor performance, due to inconsistent monitoring and evaluation throughout the investment. Additionally, while Australia delivers the program in partnership with New Zealand, the investment does not systematically support strengthening of Government of Kiribati's scholarship processes.

Across all investments, gender equality ratings were adequate or below. Gender equality ratings were downgraded for health, basic education and climate change. The lower ratings for health and climate change reflect more consistency in applying the minimum requirement for investments that do not target gender; and for education, it reflects consistently lower participation and performance rates by boys. Across all investments, officers are working to identify ways forward to improve gender equality.



An independent review of the disability investment found it effective, in that it is contributing to a more inclusive society in Kiribati and is having a positive impact on the lives of people with disabilities and their families. The review also noted the good progress made to support disability inclusion in other aid investments. The report highlighted monitoring and evaluation as the main area for further strengthening.

MANAGEMENT ACTIONS

In 2017-18, Australia will:

- support the Kiribati Ministry of Education to better identify maintenance and repair priorities for school infrastructure across Kiribati
- implement a finalised monitoring and evaluation framework for the Australia Awards scholarship program to support more robust evidence to inform program management and reporting
- identify and implement actions that will improve gender equality ratings across all investments.

ANNEX A- PROGRESS IN ADDRESSING MANAGEMENT RESPONSES

Management responses identified in 2015-16 APPR	Rating	Progress made in 2016-17
Work with regional fisheries organisations to assist Kiribati respond to the European Union's 'Yellow card' warning.	Partly achieved	Australia has provided support to the Forum Fisheries Agency to assist Kiribati respond to the European Union's 'Yellow card' warning'. This has included the development of an Action Plan and assistance to address illegal, unreported and unregulated fishing issues as requested by the Government of Kiribati. Kiribati currently still has a yellow card.
Support the Government of Kiribati to plan additional coastal management protection for South Tarawa.	Partly achieved	Progress towards completion of the <i>Long-term National Coastal Security Strategy</i> has been limited due to contracting issues. However, the terms of reference has been drafted and it is anticipated that the work will be completed before the closure of the Kiribati Adaptation Program III in February 2018.
Support the Government of Kiribati to access multilateral climate finance such as the Green Climate Fund, the Adaptation Fund and Climate Investment Fund.	Achieved	Australia is funding an adviser to assist the Government of Kiribati to access multilateral climate finance, such as the Green Climate Fund. This position has been instrumental in securing US\$585,000 in Green Climate Fund readiness funding.
Increase the employability of Kiribati Institute of Technology graduates by aligning courses with labour market demand; and provide support to access local and international labour markets through the Job Search Centre [now Employment Support Services].	Achieved	Australia funded a labour market study in 2016 to align KIT courses with labour market demand. KIT Employment Support Services has helped dozens of graduates find work in Kiribati, and hundreds of candidates to improve their interview and English language skills for overseas opportunities, including the preparation of résumés. This support has enabled more than 30 I-Kiribati gain employment under the Northern Australia Worker Pilot Program and a record 113 I-Kiribati under the Seasonal Worker Programme.
Improve the quality of monitoring of the Australia Awards Scholarships program to gather more robust evidence to inform program management and reporting.	Partly achieved	An updated draft monitoring and evaluation framework was prepared in late 2016. However, the framework was not finalised due to competing priorities in the implementation of the scholarships program. In 2017, the monitoring and evaluation framework will be finalised and implemented, and the I-Kiribati Australia Awards alumni will participate in the Global Tracer Study to support more robust evidence to inform program management and reporting.
Work with the Health Adviser to incorporate lessons learned from the independent review of the National Tuberculosis Program into the National Tuberculosis Strategic Plan and ensure that fiduciary risks associated with the transition to a Government of Kiribati-managed model are appropriately managed.	Achieved	The updated <i>National TB and Leprosy Strategic Plan (2016-20)</i> incorporates lessons learned from the National TB Program review. The <i>Transition Plan</i> (for a single fund and management framework for the new National TB program) incorporates steps to manage the fiduciary risks associated with the transition to a Government of Kiribati-managed model. The transition has progressed very smoothly.

Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

ANNEX B – PERFORMANCE BENCHMARKS

Progress towards Performance Benchmarks in 2016-17

Aid objective	Performance Benchmark	Rating	Progress in 2016-17
Implementation of Economic Reform Plan	Achievement of all prior actions under the Joint Policy Reform Matrix triggers the release of donor funding.	Achieved	Six of the seven policy actions (outlined in the Joint Policy Reform Matrix for 2016) were fully achieved and one was partly achieved. The Government of Kiribati has made strong progress towards completing the audited financial statements of the five largest state owned enterprises and has committed to complete this as a priority (expected by December 2017).
Better educated and healthier population	80 per cent of permanent / contract teachers complete training in the delivery of new year 6 curriculum.	Achieved	87 per cent of Year 6 teachers (107 out of 122 teachers) across all 94 primary schools have received professional development training on delivering the new Year 6 curriculum. This training focuses on enabling teachers to support improved literacy, numeracy, English communication and reasoning skills through the new curriculum.
	1056 children with improved learning spaces, and access for girls and boys including children with a disability to wash facilities.	Achieved	Over 2,300 children have benefitted from improved learning spaces through the rehabilitation of two of the larger primary schools in South Tarawa and one in Kiritimati Island. To date, Australia has rehabilitated 19 of a total 24 schools across Kiribati. Rehabilitation works have included new 'pre-fabricated kitset' classrooms (elevated above ground level to withstand extreme king tide events), refurbished classrooms, new and upgraded rainwater tanks, sanitation facilities and access to potable water. All upgrades follow the Accessibility Design Guide standards, which ensure easy access for children of all-abilities to school facilities.
	All trainers at KIT hold the training and professional qualifications for their industry within 12 months of commencing employment.	Partly achieved	95 per cent of KIT lecturers hold the necessary TVET qualification for their industry, with the remaining two lecturers studying toward qualifications in 2017–18. 87 per cent of lecturers hold a Training and Education Certificate IV qualification or commenced their studies in 2016–17. The remaining five School of Nursing and Health lecturers without a TAE qualification will commence studies in 2017-18, ensuring all current trainers are fully qualified by 2019. As professional training takes over 12 months to complete, this benchmark for future years will change to 'All new trainers at KIT will have commenced training to obtain professional qualifications for their industry within 12 months of starting employment.'

Aid objective	Performance Benchmark	Rating	Progress in 2016-17
Cross-cutting issues across all development assistance	Accredited courses at KIT have a female participation rate of 49 per cent and a participation rate of 2 per cent by people with a declared disability.	Partly achieved	Female participation in KIT accredited courses in 2016 was 61 per cent. This increase (from 48 per cent in 2015) is mainly due to the incorporation of the School of Nursing and Health into KIT. Efforts to increase the participation of women in non-traditional courses are also starting to deliver results. In 2017, the Kiribati Public Utilities Board offered 6-month internships to all 12 women who graduated with a KIT Certificate Level 2 in automotive, plumbing or electrical studies. In 2017-18, KIT is developing new initiatives to increase the participation of women in non-traditional courses, in line with the Community Support Strategy. Good progress is also being made on increasing the participation of disabled students in KIT. In 2017, KIT piloted dedicated short courses for visually impaired students (IT) and hearing impaired students (construction). In 2017, disability questions were, for the first time, included on the KIT registration form. However, as that data is not yet in the student management system, statistics on students with a declared disability will not be available until early 2018.
	Tuberculous case notification rate of 530 (all forms, per 100,000 population).	Achieved	The TB case notification rate has increased slightly to 518 cases (per 100,000 in population), from 516 cases in 2015. This is almost a 100 per cent increase from 2010 (265 cases). The overall higher rate of notification is due in part to the availability of a GeneXpert machine (installed in 2014) which enables up to 4,000 diagnosis a year compared to less than 1000 when it was just microscopy. It is also a result of ongoing training and community awareness programs – with over 65,000 people (including from the health sector and vulnerable groups, such as the disabled and prisons) now able to identify TB symptoms and with better awareness of the available health services.
	Rehabilitation of the existing sewage networks in Betio, Bairiki and Bikenibeu.	Partly achieved	ADB (with Australian funding) has completed rehabilitation works on the existing sewage networks in Betio and Bairiki. ADB anticipates works in Bikenibeu will be completed by December 2017. The extended timeframe is due to the discovery, when works started, that the Bikenibeu sewage network is several kilometres longer than is recorded in official network maps.
	Leak detection and repair is completed for South Tarawa Public Utilities Board water supply.	Achieved	Leak detection and repair of transmission mains and reservoirs over the last 12 months has resulted in an additional 339m ³ of potable water been saved. To date, 605m ³ per day of potable water has been saved, substantially exceeding the project target of 190m ³ . This has involved repairing the transmission main from Bonriki to Betio to reduce leakages, bringing the Buota reservoir back on line, and repairing the Bonriki reservoir to reduce groundwater losses.
	50 per cent of frontline police officers complete training on the enforcement of the new Family Peace Act and at least 15 per cent of all domestic violence cases result in protection orders.	Achieved	100 per cent of frontline police officers have completed training on the enforcement of the new Family Peace Act (enacted in 2014). In 2016, over 100 protection orders were issued across Kiribati, out of 600 domestic violence cases. From January to March 2017, there were 33 protection orders issued in South Tarawa, out 179 cases nationally for same period.

Note:

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations

Performance Benchmarks for remainder of Aid Investment Plan

Aid objective	Target	2017-18	2018-19	2019-20
Objective 1: Implementing economic reforms	Progress of economic reform priorities	Achievement of all prior actions under the Joint Policy Matrix triggers the release of donor funding.	Achievement of all prior actions under the Joint Policy Matrix triggers the release of donor funding.	Achievement of all prior actions under the Joint Policy Matrix triggers the release of donor funding.
		80 per cent of permanent / contract teachers complete training in the delivery of new year 7 curriculum by June 2017.	80 per cent of permanent / contract teachers complete training in the delivery of new year 8 curriculum by June 2018.	80 per cent of permanent / contract teachers complete initial training in the delivery of new year 9 curriculum by December 2019.
		1896 children with improved learning spaces, and access for girls and boys including children with a disability to wash facilities.	936 children with improved learning spaces, and access for girls and boys including children with a disability to wash facilities.	240 children with improved learning spaces, and access for girls and boys including children with a disability to wash facilities.
		All new trainers at KIT will have commenced training to obtain professional qualifications for their industry within 12 months of starting employment.	All new trainers at KIT will have commenced training to obtain professional qualifications for their industry within 12 months of starting employment.	All new trainers at KIT will have commenced training to obtain professional qualifications for their industry within 12 months of starting employment.
		Accredited courses (in 2018) at KIT have a female participation rate of 50 per cent and a participation rate of 3 per cent by people with a declared disability.	Accredited courses (in 2019) at KIT have a female participation rate of 50 per cent and a participation rate of 5 per cent by people with a declared disability.	Accredited courses (in 2020) at KIT have a female participation rate of 50 per cent and a participation rate of 5 per cent by people with a declared disability.
		Tuberculous case notification rate of 570 (all forms, per 100,000 population).	Tuberculous case notification rate of 600 (all forms, per 100,000 population).	-
		Rehabilitation of the sewage outfalls in Bairiki, Betio and Bikenibeu.	70 per cent of communities in South Tarawa are actively engaged in health and sanitation awareness programs.	Establishment of Sanitation Maintenance Fund program.

Cross-cutting issues across all development assistance	Improved resilience to the impact of climate change	Rainwater harvesting systems and infiltration galleries are installed in North Tarawa.	-	-
	Eliminating violence against women	70 per cent of frontline police officers complete training on the enforcement of the new Family Act and at least 20 per cent of all domestic violence cases result in protection orders.	90 per cent of frontline police officers complete training on the enforcement of the new Family Act and at least 25 per cent of all domestic violence cases result in protection orders.	100 per cent of frontline police officers complete training on the enforcement of the new Family Act and at least 30 per cent of all domestic violence cases result in protection orders.

ANNEX C- EVALUATION PLANNING

LIST OF EVALUATIONS COMPLETED IN THE REPORTING PERIOD

Investment number and name (if applicable)	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INK504 Kiribati Disability	Report of the independent review of the Kiribati Disability Inclusive Development Program	May 2017	June 2017	-	August 2017

LIST OF PROGRAM PRIORITISED EVALUATIONS PLANNED FOR THE NEXT 12 MONTHS

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
No evaluations planned for 2016-17	-	-	-	-	-

ANNEX D- AID QUALITY CHECK RATINGS

AQC RATINGS

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
INJ383	\$7.5m	2017 AQC	n/a	n/a	n/a	n/a	n/a	n/a
Growth & Economic Management	2010-20	2016 AQC	5	5	5	5	3	3
INI620	\$68.9m	2017 AQC	5	5	5	5	4	4
Improved Basic Education	2009-19	2016 AQC	5	5	5	5	5	5
INI894	\$4.6m	2017 AQC	5	4	3	4	4	3
Health	2010-20	2016 AQC	5	3	4	4	5	5
INK327	\$34.7m	2017 AQC	4	4	4	4	4	4
Infrastructure	2011-19	2016 AQC	5	5	4	5	4	4
INJ569	\$8.4m	2017 AQC	5	4	4	4	5	4
Climate Change	2010-18	2016 AQC	5	4	3	4	4	5

FAQC RATINGS

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
INI614 Scholarships	\$2.8m 2010-17	2017 AQC	5	4	4	3	3	4

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas. 5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas. 1 = Very poor; does not satisfy criteria in many major area.