

**FINAL**

## **Kiribati Skills for Employment Program (SfEP)**

### **INVESTMENT DESIGN DOCUMENT (IDD)**

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**(iii) Disclaimer**

The views expressed in this document are those of the Design team alone and do not necessarily reflect the views or policies of the Government of Australia, the Government of Kiribati or any organisation or individual consulted.

**(iv) Abbreviations**

APTC	Australia-Pacific Technical College
ASQA	Australian Skills Quality Authority
CBT	Competency-based training
DCC	Development Coordinating Committee
DFAT	Australian Department of Foreign Affairs and Trade
ELLN	English language, literacy & numeracy
EOPO	End of Program Outcomes
EQAP	Educational Quality and Assessment Programme
FSF	Flexible Support Facility
GDP	Gross Domestic Product
GoA	Government of Australia
GoK	Government of Kiribati
GTO	Group Training Organisation
HRD	Human Resource Development
FHEC	Fiji Higher Education Commission
JSS	Junior Secondary School
KCCI	Kiribati Chamber of Commerce and Industry
KDP	Kiribati Development Plan
KEF	Kiribati Education Facility
KEIP	Kiribati Education Improvement Program
KIT	Kiribati Institute of Technology
SfEP	Kiribati Skills for Employment Program
LMIS	Labour Market Information System
LMS	Labour Market Study
M&E	Monitoring and Evaluation
MC	Managing Contractor
MCIC	Ministry of Commerce, Industry and Cooperatives
MCTTD	Ministry of Communications, Transport and Tourism Development
MDGs	Millennium Development Goals
MELAD	Ministry of Environment, Land and Agricultural Development
MFAI	Ministry of Foreign Affairs & Immigration
MFAT	New Zealand Ministry of Foreign Affairs and Trade
MFED	Ministry of Finance and Economic Development
MHMS	Ministry of Health and Medical Services
MLHRD	Ministry of Labour & Human Resources Development
MOE	Ministry of Education
MPWU	Ministry of Public Works and Utilities
MTC	Marine Training Centre
NCCEC	National Career Counselling and Employment Centre
NEPO	National Economic Planning Office
NGO	Non-Government Organisation
NPV	Net Present Value
NZQA	New Zealand Qualifications Authority
ODA	Official Development Assistance
PIFS	Pacific Islands' Forum Secretariat
PQAF	Pacific Quality Assurance Framework
PRQS	Pacific Register of Qualifications Standards
QA	Quality Assurance
RTO	Registered Training Organisation (any country)
SOE	State Owned Enterprise
SPC	Secretariat of the Pacific Community
STA	Short Term Adviser
TVET	Technical & Vocational Education and Training
TVETSSP	TVET Sector Strengthening Program

## SECTION 1: EXECUTIVE SUMMARY

### 1.1 Introduction and Background

The **Australia-Kiribati Partnership for Development** (2009) provides the strategic context underpinning Australia's proposed continued investment in skills development for Kiribati, with its commitment to *"build on existing support by providing opportunities for people to develop workforce skills in areas of industry demand both domestically and abroad with an ambition to decrease youth unemployment in both Tarawa and the outer islands."* This will be achieved through initiatives to strengthen the management and teaching capabilities of technical and vocational education and training (TVET) institutions in Kiribati, to allow graduates to obtain relevant workforce skills leading to productive employment or further education.

The **Kiribati Development Plan (KDP) 2012-2015** sets out the strategy for the country to invest in its main asset, its people, and to transform the lives of I-Kiribati through further development of the economy and its people's capabilities. The theme of the plan is *"enhancing economic growth for sustainable development"* and it calls on stakeholders to address the problems of limited tertiary and vocational training opportunities for youth. The plan highlights that training does not currently link with the demands of local or overseas employers and there is a priority need for capacity building to better link employment opportunities with vocational training outcomes for young men and women to meet regional and international employment standards.

**Technical and Vocational Education and Training Sector Strengthening Program (TVETSSP):** Australia's current investment in skills development for Kiribati is through the TVETSSP, which was planned in three Phases, commencing in January 2011. Phase I transitioned into Phase II at the end of eighteen months and will continue through to the end of June 2016. In mid-2015, DFAT Tarawa Post commissioned an Independent Review of TVETSSP Phase I and II, and the development of an Investment Concept Note<sup>1</sup> and an Investment Design Document for TVETSSP Phase III (July 2016 – December 2019).

The Review<sup>2</sup> found the **achievements of the program** to include:

- The standard of teaching quality at Kiribati Institute of Technology (KIT) has been raised to recognised international levels.
- The pathway from KIT to Australia-Pacific Technical College (APTC) has provided access to Australian certificate III level qualifications.
- Stage 1 of KIT campus redevelopment is on track for completion by the end of 2015. This will support an increase in the number of places available in KIT courses.
- Industry advisory mechanisms are working well and have helped transition KIT delivery from a supply to a demand led training model. Transition to work activities have had some success in achieving employment outcomes domestically.
- Generally, employers find that KIT and APTC graduates have good soft skills, making them worthy employees while recognising further skills development is essential.

The Review also found that the program may need to invest further in selected capacity building activities with the Ministry of Labour and Human Resource Development (MLHRD) so they can provide stronger leadership for the sector. A summary of the findings of the Review is included in [Annex 7](#) (10).

Further investment is required to embed and build on the gains made, and to strengthen pathways from skills training to employment. TVETSSP Phases I and II were 'right for the time' however it is now time to take things in a new direction while building on the achievements to date.

**Moving from TVET to a broader concept of skills development:** Various observations from the Review—reflecting contemporary international views<sup>3</sup> of TVET—have informed the Phase III Design. The name of the program will be changed to move away from references to 'TVET', which is considered to be a sectoral or structural mechanism that facilitates skills development systems. 'TVET' also sometimes carries negative connotations as second choice or second

<sup>1</sup> The SfEP (formerly TVETSSP Phase III) *Investment Concept Note*, including the recommended option, was approved by DFAT on 26 November 2015

<sup>2</sup> *TVETSSP Phase I and II Independent Review*, Peddle and McKay, draft October 2015 (yet to be finalised and published).

<sup>3</sup> *Progress in delivering relevant skills in the Pacific sub-region*; Peter Morris, August 2015

chance education and training, sitting lower on the qualifications ladder that young people aspire to achieve. Therefore, taking the key 'skills' themes from the KDP and the Partnership for Development, Phase III will be called the **Kiribati 'Skills for Employment Program' (SfEP)**.

The SfEP consolidates progress already made through the past investment in TVETSSP, however it moves away from a focus on delivering only Australian qualifications to developing **KIT as a demand-driven training provider catering for domestic, regional and international labour markets** and aligning the source, level and rigour of qualifications accordingly. The program is planned for a 3.5-year timeframe, commencing July 2016 and ending December 2019, however, a much longer period of Australian investment in the sector is envisaged.

## 1.2 Alignment of investment with Australian aid priorities

The case for Australia's continued engagement in skills development for Kiribati is articulated as a key priority in **Australia's Aid Investment Plan for Kiribati for 2015/16-2018/19**. DFAT has committed to continuing to work with the Government of Kiribati to build a better-educated and more skilled population, and to help increase labour mobility. The Aid Investment Plan includes a performance benchmark to increase the number of female and male I-Kiribati who are supported to access domestic, regional and international employment opportunities. The proposed investment also aligns with priorities set out in the **Strategy for Australia's aid investments in education 2015-2020** and other key Australian Government policies such as **Development for All 2015-2020**.

The next investment phase will **build on the strengths of the existing skills program** and continue to target 16-24 year old women and men as the primary cohort to achieve internationally recognised qualifications. Additional support for students, including people with a disability and those with low educational attainment and opportunity, will be provided in language literacy, numeracy and employability skills to help improve completion rates and chances of employment. Off-shore employment remains a strong focus and the next investment phase will include **new initiatives** that seek to increase the quality and relevance of training to meet local, regional and international labour market demand, and to strengthen pathways to employment through workplace training schemes and a Job Search Centre.

The **thematic focus on skills and employability** provides a coherent basis for Australia to support achievement of its broader education and training objectives across the Pacific, and there are many opportunities for the SfEP to leverage off, and partner with, other skills programs such as the APTC. SfEP will also utilise the work funded by Australia through the Secretariat of the Pacific Community's (SPC) Pacific Quality Assurance Framework (PQAF) and Pacific Register of Qualifications and Standards (PRQS) for the proposed regional registration and (curriculum) accreditation of KIT.

## 1.3 The context for Australia's investment

**Kiribati presents a unique set of challenges** that donors must consider in responding to key development partnership objectives. The **geography and location** of the country presents the first challenge, as Kiribati is one of the most remote and geographically dispersed countries in the world, comprising 33 coral atolls spread over 3.5 million square kilometres of ocean, although only 2 percent (800 square km) is land area.

Significant and unique **challenges to growth** mean Kiribati will face a future of continued dependency on official development assistance (ODA), which is currently valued at 43% of gross domestic product (GDP). The nation's economic growth is expected to remain below the global average for developing countries, it is small in size, with limited natural resources (including land and freshwater), and narrow-based economies. The International Monetary Fund (IMF) expects growth in Kiribati to remain around 2.9% in real terms in 2014, and 2.7% in 2015, mainly reflecting the positive impact of some major donor-funded infrastructure projects. High population growth has caused a reduction in real GDP per capita, to one of the lowest of Pacific Island nations. There are virtually no opportunities for significant local private sector investment in the TVET sub-sector, and around 60% of employed people are public service employees.

Suggestions that aid and development initiatives such as SfEP should become sustainable over time need to consider the huge constraints Kiribati faces in terms of the lack of opportunity to generate revenue from exports and its remoteness from larger countries and markets. This is exacerbated by the very limited opportunities young people have to find work offshore and generate remittances. "**Sustainability**" within a Kiribati context includes a combination of sustainable development investments from donor partners and creating a sustainable employment market over time.

In consideration of these factors, **a long-term program of support for the Kiribati skills sector is envisaged**. At a minimum, this should be through to at least 2025, with a process of progressive implementation for the complete, extended period planned carefully during the first half of 2018 to allow enough time for a new design, if that is the outcome from the mid-term program evaluation. The SfEP Design builds on the previous 5.5-year investment, but it should be seen as a preparatory period to move KIT from being a conduit for the delivery of Australian qualifications to becoming a recognised and respected provider of demand-driven skills training in its own right.

Together with this change in direction for KIT is the necessary development of a national TVET sub-sector which must take responsibility for the leadership of change to support the initiatives being proposed in this Design. If **Ministry strengthening to achieve stronger sector leadership** is not seen as an essential ingredient of the proposed investment, running parallel to and supporting other investment activities, the risk of the program not achieving its outcomes to the extent intended will be compounded.

## 1.4 An overview of the proposed SfEP

It is proposed that Australia invests a total of **\$20 million in the SfEP over 3.5 years**: \$17 million for core program activities and \$3 million for additional activities to be funded through the Flexible Support Facility (FSF). (DFAT Tarawa post will seek separate approval for any further FSF activities beyond this amount.) This SfEP funding will represent approximately 28% of DFAT's annual Kiribati bilateral aid program allocation, based on current levels (\$20.23 for 2015-16). It is expected that the Government of Kiribati will maintain or exceed its current expenditure on KIT operational and staffing costs (estimated at \$1.45 million in 2016<sup>4</sup>).

The proposed investment in SfEP will support the Government of Kiribati to provide **labour market demand-driven skills development to young people who seek to work in domestic and offshore labour markets**. Local employment opportunities for formally trained graduates are limited, and there is no immediate evidence to suggest much potential to improve this situation significantly. Overseas employment therefore offers the most realistic solution to find “decent work”<sup>5</sup> for young I-Kiribati.

**The SfEP Theory of Change assumes that a more skilled and work-ready mobile workforce can better compete for jobs in national, regional and international labour markets.** The Theory of Change therefore builds on the relationship between access to high quality skills development and its contribution to raising the economic and social standards in Kiribati. The program Design is also premised on the logic that, by making quality skills training available to young women and men, aligning courses with labour market demand and providing additional workplace training, graduates will become more sought after by employers.

While the program Design aims to improve opportunities for I-Kiribati to access paid employment at home and abroad, SfEP is **not accountable for actually placing people in employment** because such outcomes are largely beyond the sphere of influence of the program.

There are **four interrelated components** of the program Design:

### **Component A: Increasing the equitable participation of 16-24 year-old women and men in skills development programs**

SfEP seeks to remove barriers to participation and increase learning and employment outcomes for young women and men, including people with a disability. The strategic focus of this component is to support specific interventions around multiple entry pathways to KIT, institutional strengthening focussing on social inclusion, diversity of courses available for young men and women, and improving accessibility for the educationally disadvantaged.

### **Component B: Increasing the recognition of KIT qualifications and the employability of graduates**

SfEP will provide new and innovative ways to prepare young I-Kiribati for work both on and off-shore. The strategic focus of this component is to support specific interventions in three key interrelated areas: (i) providing additional on the job workplace training to complement the formal training undertaken at Certificate III level, (ii) providing employment

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<sup>4</sup> Subject to confirmation. From 2016, this includes expenditure for Kiribati School of Nursing which has now been absorbed into KIT.

<sup>5</sup> The ILO describes 'decent work' as: meets people's basic aspirations, not only for income but also for security for themselves and their families, without discrimination or harassment and providing equal treatment for women and men. *ILO: Guide to the Millennium Development Goals: Employment Indicators, second edition (2013)*.



services such as the partnership with an Australian Group Training Organisation (GTO) to act as an employment intermediary, and (iii) seeking greater involvement of the private sector in providing labour market advice and promoting alignment of KIT courses with labour market demand.

### **Component C: Establishing KIT as a high quality, regionally recognised and registered training organisation**

SfEP will build on the achievements made under the previous two phases of the program, guided by the *National TVET Strategy 2013-2016*. SfEP seeks to further strengthen KIT so that it can operate effectively in an international skills market system. The strategic focus of this component is to support specific interventions around institutional strengthening to provide quality teaching and learning benchmarked to Australian and regional quality standards, and regional registration, with a view to improving KIT's long-term sustainability as a regionally registered and quality assured training organisation. KIT will be supported to expand delivery of internationally recognised qualifications through multiple pathways—its own qualifications, as well as qualifications recognized by Australia, New Zealand or regional institutions.

### **Component D: Improving the management and coordination of the Kiribati skills sector**

SfEP will provide an additional new modality for delivering Australian aid to Kiribati through a Flexible Support Facility (FSF). The FSF will support the delivery of activities related to SfEP outcomes, such as ministry strengthening interventions. It will also be available to deliver other aid and development activities, particularly those related to human resource development. The FSF will provide DFAT with a flexible delivery mechanism to better manage in-country development demands and strengthen alignment across its aid investments in Kiribati. It will permit DFAT to engage effectively with key stakeholders at a more strategic level. It will provide DFAT Tarawa post with a longer-term opportunity to more effectively manage the overall performance of its aid program through a holistic M&E framework, and promote more efficient procurement and resourcing arrangements. Other donors, Government or private sector partners may also be able to provide support and/or resources through the FSF.

## **1.5 Delivery approach, key partnerships and governance**

Support for TVETSSP Phases I and II has been successfully delivered through a **managing contractor** (MC). It is proposed that a MC will deliver this next phase of the program. This MC will be selected through an open procurement approach to the market in early 2016, with program commencement planned from 1 July 2016. The key activities scheduled under each program output are indicative only, and prospective MCs will be asked to develop and include innovative approaches in their technical response bids. The implementation scheduling focusses much attention on partnerships with Australian Registered Training Organisations (RTOs) and Group Training Organisations (GTOs) being in place as quickly as possible, while recognising the complexities of moving to a market model of course procurement, and the existing challenges of overseas labour mobility.

A stakeholder and cross-ministry **Strategic Program Advisory Group** (SPAG) will be established as a primary source of high-level advice to the program. The SPAG will be the highest level reference body for the program and will provide a forum for the development partners to meet, review progress against the program's performance assessment framework (PAF) and provide advice, where relevant, on new (or re-direction of) program activity and performance targets.

A **KIT Advisory Council** will be the peak public and private sector source of advice and support for KIT management to promote consistent alignment between the courses and services offered by the Institute with labour market demand and employment opportunities.

## **1.6 Risks and mitigation**

SfEP has been assessed as **low risk** overall. The key risks, along with suggested mitigation measures, are identified initially in *Annex 11*, however a more detailed and targeted Risk Register will be developed by the MC and approved by DFAT Tarawa annually.

Some risks around the operation of the FSF have been identified. These will be addressed during contracting negotiations with the successful MC and followed through during SfEP annual program planning and implementation.

Operational risks, primarily around engagement and support by Government of Kiribati Ministries and local private sector partners, have also been identified. Furthermore, external challenges such as limited labour mobility options or restrictive visa requirements have the potential to limit the achievement of outcomes, under Component B in particular. To help mitigate these risks, it is crucial that partners and stakeholders continue to be involved in all aspects of planning

and implementation. By constantly involving these representatives through mechanisms such as the SPAG, the KIT Advisory Council, and industry work groups, SfEP management will have direct and immediate knowledge of any potential or emerging external risks, and be able to assist in managing such risks. Similarly, constant and open dialogue between the Governments of Kiribati and Australia—including the strategic direction setting negotiated during meetings of the SPAG, and the dialogue undertaken as part of regular donor meetings between both countries—will assist in minimising potential relationships risks between these key partners.

## **1.7 Monitoring and Evaluation**

The Design provides an initial draft M&E Framework (*Annex 4*) which will inform the content for a comprehensive M&E Plan to be developed under the supervision of the program's M&E coordinator/advisor during program start-up in July 2016. The review of M&E reports will be a joint DFAT/MLHRD/KIT management activity under the jurisdiction of the Strategic Program Advisory Group (SPAG), and outcomes from these reviews will form the basis of changes to Annual Plans and/or direct other interventions as required. The SfEP monitoring and evaluation (M&E) approach is based on the Theory of Change, and systems will be put in place to enable tracking of implementation progress, ongoing attention to performance and effectiveness, and the evaluation of achievement of outcomes. M&E will focus on core data required to monitor program performance through an approach that has many innovative features as detailed in the M&E overview at *Annex 3*.

Evaluation questions direct M&E activity to provide information along specific lines of enquiry to provide the evidence required to report on the effectiveness or otherwise of program implementation. These questions are informed by DFAT's aid quality criteria and are derived from the SfEP Theory of Change to provide a useful and targeted guide for program M&E. The high level evaluative focus of the program will be supported by the following key evaluation questions. To what extent:

1. Has KIT been established as a regionally recognised and registered training organisation?
2. Has access to training at KIT been improved for women and people with a disability?
3. Are employers (from all labour markets) satisfied with the quality and relevance of training provided by KIT?
4. Have the Kiribati public and private sectors been more actively engaged in planning for course delivery and labour market intelligence?
5. Has the MLHRD implemented evidence-based policy and planning approaches to developing the skills sector?
6. Is the program on track to achieve targets for each objective?
7. What are the employment outcomes from KIT courses targeted at local, regional and international labour markets?

## **1.8 Gender equality**

Gender equality is widely accepted as essential to sound development practice and key to economic and human resource development. Furthermore, development which addresses gender inequalities and the various forms of discrimination experienced by women assists in progressing women's human rights. In the first two phases of the TVETSSP, a lack of quality M&E data has impacted on reporting against gender and social inclusion initiatives. Under SfEP, improving M&E data will be a high priority, and this will support ongoing gender analysis throughout the life of the investment to inform programming. Gender inclusion will be more comprehensively addressed through the SfEP by implementing an evolutionary approach from one that meets targets (female representation) to an approach that emphasises gender and social inclusion as a core strategic development issue. SfEP gender equality initiatives will bring a stronger emphasis on targeted activity for more equitable gender outcomes, as well as a defined approach to gender inclusion and assessment at each outcome/output level through specific targets in the M&E system. The program budget will allow for targeted initiatives to support the participation of women in traditional and non-traditional course areas.

## SECTION 2: ANALYSIS AND STRATEGIC CONTEXT

### 2.1 Social and Economic Environment

**Kiribati is one of the most remote and geographically dispersed countries in the world**, comprising 33 coral atolls spread over 3.5 million square kilometres of ocean – an area around half the size of Australia. However, only around 2 percent (800 square kilometers) is land area. Significant and unique challenges to growth mean Kiribati will face a future of continued dependency on official development assistance (ODA) currently valued at 43% of gross domestic product (GDP).

Kiribati became independent from the United Kingdom in 1979 and like many of its Pacific neighbours, it has made development progress over the past 35 years against a number of key indicators. For example, its citizens' life expectancy has increased, infant mortality rates have declined, and the incidence of infectious diseases are declining. Nevertheless, the nation's economic growth has been well below the global average for developing countries. Small in size, with limited natural resources (including land and freshwater) and narrow-based economies, contributing factors such as large distances to international markets and limited opportunities for commodity production have affected its growth. Its sparse population is scattered across numerous (outer) islands; it is heavily reliant on imports, including basics such as food and fuel, which means that international fluctuations in the prices of such commodities extends its vulnerability. Consequently, there are limited opportunities for private sector employment.

The Government of Kiribati itself notes that, in a nation where the entire country is coastal, rising sea levels are already creating challenges, with people in Kiribati experiencing extensive coastal erosion, not just of the beaches, but also of the land. This is now displacing some people from the traditional house plots they have occupied since the early 1900s, the same people who are losing their coconut trees, papaya trees and other varieties of vegetation they rely upon.<sup>6</sup> In 2014, Kiribati's overall GDP was \$US167M, of which exports accounted for only 11%. Inflation is currently 3%, and the country has only limited industrial activity. Among its highest-earning exports are fish fillets (\$782k), non-fillet frozen fish (\$82M) and copra (\$833k). Imports, which exceed exports by around \$40M annually include refined petroleum (\$18.7M) and rice (\$7.91M). Most of its exports go to Thailand, El Salvador, Colombia, Mexico and Japan, and it imports are sourced mainly from Australia, Fiji, South Korea, Singapore and New Zealand.

A more detailed overview of the social and economic context underpinning the Design can be found at [Annex 7](#).

### 2.2 Summary of Kiribati Development Challenges

**Small island economies face a range of challenges – particularly micro-states<sup>7</sup>** in the Pacific regions. Among the challenges<sup>8</sup> relevant to Kiribati's development are:

- Diseconomies of scale in economic activity
- Unbalanced market competition
- High transport and trading costs  
A rapidly increasing brain drain (the “best and brightest” people are more likely and more able to migrate successfully)
- Private capital outflows
- Income levels which are vulnerable to variations in economic, natural and political forces
- Limited natural resource and export diversity
- Vulnerability to natural disasters, and
- Considerable risk from climate change.

Kiribati ranks 102 out of 144 countries on the UNDP's 2013 Inequality-adjusted Human Development Index (HDI). In this position it is ranked below Timor Leste at 97, and also below its neighbour, the Solomon Islands, at 107.<sup>9</sup>

<sup>6</sup> Refer: <http://www.climate.gov.ki/category/effects/coastal-erosion/>, accessed 30 October 2015

<sup>7</sup> Kiribati (181 km<sup>2</sup>) Marshall Isl (181 km<sup>2</sup>) Nauru (21 km<sup>2</sup>) Tuvalu (26 km<sup>2</sup>) Palau (459 km<sup>2</sup>) FSM (702 km<sup>2</sup>) Tonga (747 km<sup>2</sup>)

<sup>8</sup> Identified challenges faced by Kiribati based on analysis of report by Tisdell, C (2009) “Economic Challenges Faced by Small Island Economies: An Overview” in Economic Theory; Applications and Issues, Working Paper #58

<sup>9</sup> UNDP Human Development Index Reports, 2014 data

Kiribati has shown only limited success in progress towards achieving the Millennium Development Goals. A December 2013 Council for International Development Report indicated that:

*Kiribati was “off track” in attempting to meet Goal 2 (achieve universal primary education); Goal 4 (reduce child mortality); and Goal 6 (combat HIV/AIDs and other diseases) – and was demonstrating only limited success in other areas / goals.*<sup>10</sup>

## 2.3 Employment in Kiribati

**Unemployment in Kiribati is very high, even when compared with other Pacific Island countries**, such as the Solomon Islands, Fiji and PNG. While 2,000 school leavers graduate every year, only 20% are able to find paid work. The average unemployment rate<sup>11</sup> for 15-24 year olds is around 55% (48% males) with young women and people with a disability especially disadvantaged in the labour market. Women face an unemployment rate in the formal sector of over 61% (2010 GoK Census). Outside of the public service, formal local employment opportunities are rare, and therefore, there is little employment movement between the public and (small) private sector, and private sector investment opportunities are extremely limited. Further, there is little expectation that significant private sector investment in Kiribati will increase. In the World Bank Report “*Doing Business in 2016*”, of 189 countries or selected cities, Kiribati ranked poorly. For example, assessed under the criterion “Starting a business”, it ranked at 142 (of 189), and was at the same level (142) for “Registering property”, while for the essential criterion of “Getting electricity”, Kiribati was even lower on the scale at 173.<sup>12</sup>

The International Labour Organisation (ILO) noted that there is a lack of reliable labour market data in Kiribati, as no labour market survey has been conducted. Accordingly, the main source of labour market data is the GoK five-yearly population census, with the most recent results available for 2010. Nevertheless, the ILO has identified labour market challenges in Kiribati which align with some of the issues being addressed by Australia (and New Zealand). (Analysis of domestic and international labour markets will be an ongoing activity under SfEP.)

## 2.4 Tertiary Study Opportunities for I-Kiribati

**There are four tertiary institutions in Kiribati:** The Marine Training Centre (MTC), KIT (including the Kiribati School of Nursing which has now been subsumed from 2016), the Kiribati Teachers College (KTC), and the University of the South Pacific (USP) – Tarawa Campus. There is no national university offering full undergraduate or postgraduate degree courses, although this is likely to change with the opening of the new USP campus. The Australia-Pacific Technical College (APTC) has a training delivery partnership with KIT however the formal agreement has not yet been extended into 2016 and beyond. However, KIT will continue to request priority access for Certificate II graduates into scheduled APTC Certificate III courses in areas relevant to priority overseas labour markets.

New Zealand has supported the Maritime Training College (MTC) in Tarawa for over 40 years. MTC is the most important source of private sector employment options for I-Kiribati. MTC generates significant foreign exchange earnings, most of which are remitted to Kiribati. More than 2,100 trainees have graduated from the MTC between 1984 and 2012. They have filled many thousands of jobs with European shipping lines.<sup>13</sup> NZ MFAT estimates that there are currently 600-700 I-Kiribati working in international shipping.

A small number of post-secondary I-Kiribati students (either scholarship awardees or self-funded) have also completed tertiary-level studies elsewhere in the Pacific and in Asia. Both Australia and New Zealand offer scholarships for university studies. A number of (competitive) scholarships for I-Kiribati are also offered by the governments of China, Cuba, Germany, India, Japan, Korea, Malaysia, New Zealand, Singapore, Taiwan, Thailand, United States (Fulbright), the UK (Chevening Scholarships) - and by the GoK itself.<sup>14</sup>

<sup>10</sup> Refer: <http://www.cid.org.nz/assets/CID-Resources/Fact-Sheets/FS12.-2014-format.-Pacific-MDGs.pdf> accessed 30 September 2015

<sup>11</sup> Respondents to Census data collection often state they are employed although not in paid work, thereby confusing the analysis.

<sup>12</sup> *Doing Business in 2016, Measuring Regulatory Quality and Efficiency*, World Bank, October 2015

<sup>13</sup> The MTC, established in 1967, provides training for ratings (trainees) to work on deck and engineering positions on international ships. It is the only institution in the Pacific to achieve *White List* status under the Maritime Labour Convention 2006, thus facilitating future employment opportunities for seafarers. (Source: UN Partnerships for SGDs - <https://sustainabledevelopment.un.org/partnership/>)

<sup>14</sup> <http://scholarship-positions.com/scholarships-for-kiribati-students/2012/11/09/>

## 2.5 Gender and Social Inclusion

Despite having previously had the highest number of women parliamentarians amongst Pacific Forum Island Countries (9%), **representation is still low, and has dropped following the 2016 elections** (to 7%). At the local government level, there are 10 women councillors, of a total of 332.<sup>15</sup> Therefore, both the Government of Australia (GoA)<sup>16</sup> and Government of Kiribati (GoK) policies emphasise the need to take gender equality into account in planning and implementing development initiatives. Through the Pacific Women Shaping Pacific Development program, itself part of a wider regional plan and approach, the GoA plans to spend approximately \$9.9 million over 10 years on initiatives supporting women's empowerment in Kiribati. The country plan for Kiribati commits to providing training to improve women's leadership, identify improved economic opportunities for women, and reduce violence against women.

A recent (2013) World Health Organisation (WHO) case study of Kiribati indicated that while **violence against women** fundamentally stems from gender inequality, it is exacerbated by other conditions and structures of daily life of Kiribati women. This challenging cultural framework is demonstrated by the relative values placed in education for boys over girls. And although primary education is universal and well attended by both girls and boys, access to secondary school is limited for both women and men. Moreover, as yet, there is no comprehensive curriculum on the prevention of violence against women.

To address issues of gender-based violence, the draft Kiribati national gender equality policy was developed in 2013 to align with the earlier draft *Women Development and Gender Equality Policy 1996*<sup>17</sup>. The policy reflects changing national priorities as outlined in the *Kiribati Development Plan 2012-2015*, and reflects specific gender issues that are priorities for Kiribati. It responds to the increasing amount of evidence on the extent of gender-based violence - and is now aligned with the revised the *National Approach to Eliminating Sexual and Gender-based Violence in Kiribati: Policy and Strategic Action Plan 2011-2021*.

Further detail supporting the approach to gender and disability can be found at *Section 4 (4.11 and 4.12)*.

## 2.6 Development Assistance

**For the past three years, total nett Overseas Development Assistance (ODA) has been approximately \$US64M per year.**<sup>18</sup> Australia is the largest international donor to Kiribati, providing \$20.23M in 2014-15 in direct bilateral assistance; and has budgeted for the same amount in 2015-16. This commitment is expected to continue. Other significant donor countries include New Zealand (\$US13m), Japan (\$US11m), EU (\$US3m), and Korea (\$US1M)<sup>19</sup>. Taiwan, a non-OECD donor, provides approximately US\$9m per annum.

## 2.7 Rationale for DFAT Engagement

**The proposed investment is aligned with Australian aid priorities.** Australia's continuing investment in skills development in Kiribati remains highly relevant, especially as human resource development (a priority under the Australian Aid policy) is critical in Pacific microstates such as Kiribati to help prepare for increased labour mobility. As Australian government policies on supporting increased labour mobility for Pacific microstates evolve, there is an emerging need to explore options to assist Kiribati to take full advantage of both these and broader regional pathways to employment and/or further study.

Education, including skills development, is a key priority in Australia's ***Aid Investment Plan for Kiribati for 2015/16-2018/19***. Australia has committed to continuing to work with the GoK to build a better educated and more skilled population, and to increase labour mobility. The Aid Investment Plan includes a **performance benchmark** to increase the number of female and male I-Kiribati supported to access domestic, regional and international employment opportunities.

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<sup>15</sup> Source: Pacific Women Shaping Pacific Development; Kiribati Country Plan Summary (<https://dfat.gov.au/about-us/publications/Documents/pwspd-kiribati-summary.pdf>; accessed 30 September 2015)

<sup>16</sup> Furthermore, DFAT has directed implementing contractors to incorporate gender issues into its major projects on teacher training and curriculum development.

<sup>17</sup> Never approved by the Government of Kiribati.

<sup>18</sup> World Bank, World Development Indicators 2008-2015, accessed 28 September 2015

<sup>19</sup> OECD tables, (2011-2012 figures) <http://www.oecd.org/countries/kiribati/recipientcharts.htm#K>; accessed 29 September 2015

One of four strategic priorities of DFAT's **Strategy for Australia's Aid Investments in Education 2015-2020** is the development of skills for prosperity by improving access to high quality post-secondary education and training, and aligning education and skills with labour market needs. The proposed investment also aligns with other key Australian Government policies such as *Development for All 2015-2020*.

**Australia's investment in skills development continues to support key Government of Kiribati and partnership objectives.** As reflected in the *Kiribati Development Plan 2012-15*, the *National TVET Strategy (NTVETS) 2013-16* and the Kiribati National Labour Migration Policy, skills development is a priority for the Government of Kiribati. The proposed investment supports the concept of 'migration with dignity' which maintains that I-Kiribati migrants should be sought after by the countries to which they wish to relocate either in the short or long term. The proposed investment will improve the quality and relevance of education and vocational qualifications that can be obtained in Kiribati matched to those required in destination countries.

Workforce skills development is one of the four high-level Priority Outcomes for the 2009 **Australia-Kiribati Partnership for Development**, and is likely to remain a priority under future partnership arrangements. Under this arrangement, the Governments of Australia and Kiribati have agreed to provide opportunities for people to develop workforce skills in areas of industry demand both domestically and abroad, with the goal of increasing youth employment.

Besides New Zealand's support for the Marine Training Centre, **Australia is the only significant supporter of TVET skills development in Kiribati** and our contribution is highly valued. Further information related to 'other donor activities in TVET can be found at [Annex 7](#) (11).

**Australia has achieved significant results through its investments in skills development, but there is still more to do.** The independent review (2015) of TVETSSP Phases I and II undertaken to inform this Design is documented at [Annex 7](#) (10) and highlights a number of achievements. However, further investment is required to embed and build on the gains made to date (with some adjustments in focus), and to strengthen pathways from skills training to employment. The review also found that discontinuation of the ministry strengthening element of the program has impeded the overall approach to the development of the national TVET system. The program will need to invest in selected capacity building activities in MLHRD so they can provide stronger leadership and support for the SfEP program and the sector.

## 2.8 TVETSSP Phases I and II

Between early 2011 and mid-2016, the Governments of Kiribati Australia have invested in the Technical and Vocational Education Training Sector Strengthening Program (TVETSSP) to improve the Technical and Vocational Education and Training (TVET) sector and to respond to the significant need to develop workforce skills. The long-term vision of the TVETSSP has been to support the Government of Kiribati's vision for an internationally respected TVET system which plays a valued role in improving national economic growth and in increasing the employability of I-Kiribati at home and abroad, especially for its young women and men.

The TVETSSP was designed to contribute to three sector result areas: (i) youth participation, (ii) workplace productivity and (iii) overseas employment opportunities – importantly the contribution that TVETSSP makes to these sector result areas was to complement a suite of other ministry strengthening efforts to support these initiatives. TVETSSP has been implemented in two phases aligned with Government of Kiribati planning cycles for national development (Phase I – January 2011 to June 2012, Phase II – July 2012 to June 2016, and the planned Phase III proposed from July 2016 to December 2019). A 15-20 year program of support is envisioned.

While most of the activities undertaken within the TVETSSP Stages I and II since 2011 have involved institutional strengthening of the KIT, in the initial phases of the program some capacity building support was provided to Government of Kiribati agencies, particularly to the MLHRD.

## 2.9 An Overview of the Development Problem

**The development problem centres on the limited opportunities for young I-Kiribati to access paid employment.** Local employment opportunities for formally trained graduates are limited and there is little immediate potential to improve this situation. Overseas employment offers the most realistic solution to find 'decent work'<sup>20</sup> for young I-Kiribati.

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<sup>20</sup> The ILO describes 'decent work' as: meets people's basic aspirations, not only for income but also for security for themselves and their families, without discrimination or harassment and providing equal treatment for women and men. *ILO: Guide to the Millennium Development Goals: Employment Indicators*, second edition (2013).

Those who seek to migrate temporarily or permanently to Australia, New Zealand, Canada, or to neighbouring countries in the South Pacific region face significant challenges in gaining a visa. A detailed analysis of international migration options for I-Kiribati can be found at [Annex 12](#). These challenges include: limits on numbers; sponsorship requirements, difficult (and sometimes ambiguous) visa application processes, and geographic restrictions on where a successful applicant can work in a receiving country. While the above factors create challenges in encouraging and managing migration from Kiribati to preferred destination countries, for I-Kiribati, the most significant challenge to “migration with dignity”<sup>21</sup> is in their limited skills relevant to offshore employment standards, qualifications and on-the-job work experience (apart from the maritime sector).

The initial phases of TVETSSP sought to deliver Australian qualifications; however, there has been little support to provide opportunities for appropriate practical training or to better align training to offshore labour market demand. There have also been gaps in initiatives to increase employability and attempts to address employment placement and additional work related skills.

### 2.9.1 The Development Problem – Cause and Effect

**With so few local employment opportunities and poor prospects for economic growth, opportunities for I-Kiribati to access off-shore employment need to be maximised - within existing policy constraints.** Almost all visas require some demonstrable qualification, and where possible, evidence of a period of work experience. This is one of the major *skills* challenges the new SfEP program seeks to resolve.

There are two main constraints to labour mobility: (i) the immigration and worker visa policies of destination countries (including Australia), and (ii) a reluctance and general lack of support by industry and unions in destination countries to accept overseas workers where there is a perception of taking a job from a local worker. Women face additional problems of safety and security, and the perceived additional health support costs for people with disabilities is a migration and employment constraint. Howes et al (2014)<sup>22</sup> also question the lack of political commitment to the labour mobility goals of Pacific development programs. The Australian Industry Group (AiG) has also identified the need to streamline skilled worker visa processes as a priority. The intent of the proposed investment however is not to try and influence the visa arrangements of a particular destination country but to implement initiatives that maximise opportunities within existing policy parameters and develop innovative private sector partnerships that support industry development priorities.

### 2.9.2 Barriers and Challenges for the Program to Address

**Improving the quality and relevance of education and training is the starting point to increasing the chances for I-Kiribati citizens to gain employment on- and off-shore.** Formal training and employment preparation alone however will not address the challenges to be faced by I-Kiribati seeking work offshore. These challenges were relevant in 2010 when TVETSSP Phases I and II were designed and, if anything, are even more relevant in 2015. The three linked imperatives that guided TVETSSP Phases I and II and which continue to inform the strategic direction of the SfEP are:

- i. Making more young people more employable at home through skills development;
- ii. Increasing labour productivity in both the private and public sectors in Kiribati through skills development;
- iii. Making I-Kiribati more employable abroad through internationally recognised vocational skills.

The September 2015 Independent Progress Review<sup>23</sup> of TVETSSP Phases I and II made 10 recommendations for continuing Australia’s support for TVET in Kiribati, organised under four themes: (i) strengthening TVETSSP relationships, (ii) strengthening planning, (iii) access and equity, and (iv) identifying research opportunities. The Design of SfEP addresses the issues identified in the Review and responds to its recommendations.

### 2.9.3 How SfEP Will Meet the Development Challenges?

The goal of the Government of Kiribati (GoK)<sup>24</sup> is to establish an internationally respected skills development sector which it expects will play a pivotal role in improving productivity and economic growth and increasing employment opportunities for the people of Kiribati. The GoK’s skills strategy is to enhance and improve youth employability, both

<sup>21</sup> Refer <http://www.fmreview.org/climatechange-disasters/mcnamara#sthash.4YXIEHtW.dpuf>; Accessed 30 August 2015

<sup>22</sup> Skill development and regional mobility: Lessons from the Australia-Pacific Technical College, Michael A. Clemens, Colum Graham and Stephen Howes, ANU, May 2014

<sup>23</sup> TVETSSP Phase I and II Review, Peddle and McKay, October 2015

<sup>24</sup> Government of Australia-Government of Kiribati Partnership for Development

locally and abroad, and they note that their capacity to achieve this relies in part on: aligning skills development to match labour market needs and standards locally and internationally, promoting good working conditions in workplaces, creating decent employment opportunities and establishing and maintaining labour market information systems.

The SfEP will have a strong focus on employability and related national systems development; however, it cannot address, nor attempt to address, the immigration barriers faced by those seeking offshore employment.

**The investment will continue to develop KIT as a high quality national skills training institution.** The investment will continue building the capacity of KIT with a view to improving its long term sustainability as a regionally registered and quality assured training organisation. KIT will also align its Quality Assurance systems with those of the Australian Skills Quality Authority (ASQA) while seeking regional recognition through the SPC Educational Quality and Assessment Programme (EQAP) audited by the Fiji Higher Education Commission (FHEC). KIT will operate in a market environment procuring services, courses and professional strengthening support according to its annual business plan. Further investments in KIT infrastructure may be made as bilateral aid allocations permit and full capacity utilisation of existing facilities at KIT is demonstrated.

**KIT is supported to expand delivery of internationally recognised qualifications through multiple pathways.** As a regionally registered training organisation, KIT will have the ability to offer its own qualifications, as well as qualifications recognized by Australia, New Zealand or regional institutions. Strengthening initiatives will be benchmarked to Australian and regional quality standards. This strategy (refer to Concept Design Model at *Annex 2*) sets out two main pathways to employment. The first is for students who seek employment in Australia or New Zealand. These students complete a Certificate II (CII) course developed and accredited by KIT under the EQAP and delivered at KIT with direct credit transfer to an APTC or other international Registered Training Organisation's (RTO's) Certificate III (CIII) qualification which is recognized in Australia or New Zealand. Skills assessment for progression from CII to CIII and where possible full or part-delivery of CIII qualifications will be at KIT.

For students who seek domestic employment the second pathway can be used through a KIT accredited course leading to Certificate II qualification. Students seeking regional employment can use either pathway to the qualification sought by the regional employer. This model enables KIT to make decisions about its course offerings based on labour market demand with the flexibility to "purchase" the development and delivery of courses from regional and/or international training providers who best meet the purchasing conditions around content, qualification level, quality, cost, mode of delivery etc.

KIT can also purchase from RTOs or other service providers institutional strengthening support determined by an annual quality improvement plan. **There are several advantages of this model.** There is a strong focus on providing employability skills to all students, and training supply can be matched to employment demand in a more time responsive and cost effective way as the market will dictate the cost, terms and conditions of the services required. The qualification level and industry recognition of qualifications is driven by labour market demand and there are no on-going service agreements with one RTO that would limit KIT's responsiveness to the labour market. It is anticipated this model will result in significant savings compared to the current model of delivery, potentially supporting access to skills training for more young i-Kiribati women and men.

## **2.10 The Primary Beneficiaries of the Investment**

**The primary beneficiaries of the investment will be young I-Kiribati women and men who leave school and seek access to formal skills development through KIT.** Australian support for skills development is highly valued by the GoK and has achieved significant outcomes for graduates, however overseas employment placements remain low. The next investment phase will build on the existing skills program and continue to target 16-24 year-old women and men as the primary cohort for participation in internationally recognised qualifications. Additional support for students, including women and people with a disability and those with low educational attainment and opportunity will be provided in literacy, numeracy and employability skills to help improve completion rates and chances of employment. The program will specifically target increasing the participation of young women in non-traditional trade areas as well as provide support and where appropriate, pastoral care to assist them adapt to the learning environment. The program will also consider ways to support improved access to skills training for young women and men from Kiribati's outer islands.



## SECTION 3: INVESTMENT DESCRIPTION

### 3.1 Investment Background

The next Phase (III) of Australia's investment in skills development for Kiribati builds on the current TVETSSP and is part of a longer term investment by the Australian Government to support the country's workforce development objectives as articulated in the *Australian-Kiribati Partnership for Development*. The SfEP will however bring new and innovative approaches to training delivery and employment seeking services for graduates.

### 3.2 Efficiency and Value for Money

The specific Value for Money (VfM) proposition offered in the Design is to **increase the number of graduates** from KIT by a minimum of 10% with a target as high as 20%,<sup>25</sup> in labour market relevant courses for the **same cost** as the previous investment in TVETSSP.

VfM requires plausible causal relationships between money that is being spent and corresponding outcomes. The review of TVETSSP Phase I and II<sup>26</sup> included an analysis of the quality of the program against the DFAT aid quality criteria including efficiency and value for money<sup>27</sup>. The review rated the program 'Satisfactory' (4 out of 6) for this criterion, noting that:

The cost of delivery, excluding infrastructure, is AUD 21 937 per graduate at KIT. This compares favourably to MTC and APTC unit costs (after considering the level of qualification from those institutions) and is deemed to offer VfM. TVETSSP Phase III may however improve VfM by reducing per unit costs by as much as 20-29%. The biggest driver of efficiency gains will be to optimize the utilisation of KIT staff and facilities and increase the number of graduates produced by KIT.

The review was also tasked to consider/suggest options that would reduce the unit costs for Phase III of the program (thereby increasing value for money), and provide credible and robust evidence and performance analysis to guide the design of Phase III. The design concept (*Annex 2*) builds upon these review findings to bring a new structural dimension to the development and delivery of courses and qualifications that are aimed at: (i) improving the relevance and orientation to labour market demand, and (ii) are developed and delivered in a more cost effective and sustainable way. In this way, the design approach has aimed to reduce the unit costs of TVETSSP Phase II by increasing levels of quality outputs. This has required deeper consideration of program effectiveness and cost against the following influences:

- i. The mix of nationally accredited and delivered courses
- ii. The mix of national and international trainers/tutors being used to deliver courses
- iii. The quantum, if any, of private sector support and investment
- iv. The quantum of national ministry funding, especially teaching salaries
- v. Differences in on-costs and overheads
- vi. Expenditure against fixed infrastructure including equipment that is amortised across the delivery unit being measured and included in the analysis
- vii. The type of QA system being used, both nationally and internationally, to support the delivery and the intensity and frequency of mentoring and compliance audits undertaken
- viii. The labour costs of international teachers deployed to support delivery of Australian qualifications and the frequency of visits under Short Term Adviser (STA) training provider agreements
- ix. The quality of student support services being deployed to support quality teaching and learning
- x. The focus and priority of STA time from international partners on institutional strengthening initiatives.

<sup>25</sup> The actual increase in student places will be agreed with DFAT after the facilities utilisation study is conducted and through the annual course profile planning process

<sup>26</sup> TVETSSP Phase I and II Review, Peddle and McKay, October 2015

<sup>27</sup> This criterion is rated as "to what extent is the investment making the best use of Australia's and our partners time and resources to achieve outcomes? Are there options that would reduce the unit cost?"

This consideration, and blending, of these elements has led to a number of value drivers that collectively present a value for money proposition for this Design:

- i. The delivery of nationally developed and regionally accredited courses will be more cost effective than sponsoring/supporting the delivery of Australia qualifications
- ii. The increased focus on KIT being registered and accredited for course development under a regional quality and regulatory system provides an opportunity of a more cost effective mix of courses
- iii. The move away from the current model of delivering 100% Australian qualifications to achieving a more relevant and balanced course profile driven by the needs of the consumer, i.e. students and the labour market
- iv. Creating a market model for KIT to manage the procurement of courses and services and drive its own value for money agenda
- v. Providing support for graduates to increase their employability and support for job seekers for both on- and offshore employment markets
- vi. Providing more course places and increasing targets for women and people with a disability
- vii. Setting targets for greater facility utilisation reflected in a higher student participation target
- viii. Making a greater investment in teacher development that enables more local course delivery within a Kiribati context
- ix. Investing in institutional strengthening around achievable areas of sustainable development including infrastructure, teaching and learning innovation, curriculum and learning materials and workplace training
- x. Making an investment in the national skills system to provide leadership for the development of the TVET sector and inter regional partnerships.

### 3.3 Program Logic and Strategic Policy Position

The initial concept of the TVETSSP was to provide a focus on the development of workforce skills, one of the three key areas identified in the Australia-Kiribati Partnership for Development, which aims:

To support the vision of the Government of Kiribati (GoK) for an internationally respected national TVET system which plays a valued role in improving national economic growth and increasing the employability of the people of Kiribati at home and abroad, especially its young men and women.

The program consists of four components which taken together form an integrated program to produce measurable outputs aimed at contributing to Kiribati economic growth and stability. The new goal for Phase III of the program is to achieve ***“A more capable, qualified and employment mobile I-Kiribati workforce.”***

**The theory of change for the next phase of the program commences with the observation that the ‘brand’ TVET needs to be reconsidered.** The new Design provides an opportunity to reposition TVET as an important enabler of economic growth and social improvement by helping to address youth unemployment issues. The program will also focus on marketing the benefits of TVET and the opportunities that can be gained from studying at KIT or the APTC. The next phase of the current TVETSSP reflects international and contemporary skills development thinking and embodies a more holistic concept for the Design and a new name. The title ***Kiribati ‘Skills for Employment Program’(SfEP)*** is predicated on the notion of skills development as the outcome from a series of interrelated processes rather than TVET as the mechanism by which skills development occurs.

The focus is on skills that are relevant to employment and the flow on contribution to economic and social growth for Kiribati. Skills in this Design are understood in the wider sense to incorporate knowledge, attitudes and behaviour which enhance the learning, employability and academic activity, in addition to the technical and occupational skills that comprise a program or course of study.

### 3.4 Program Logic and Theory of Change

**The theory of change is predicated on the assumption that a more highly skilled and work ready mobile workforce can better compete for jobs in national, regional and international labour markets.** The theory of change to move from the concept of a TVET sector support program in Phase I to that of a ‘skills for employment program’ is articulated in the program logic at [\*Annex 1\*](#). TVETSSP shifted from ostensibly a sector support program during phase II to concentrate on delivering 100% Australian qualifications through an auspicing agreement between KIT (through TVETSSP Managing Contractor ScopeGlobal) and TAFE South Australia. The SfEP moves to the paradigm of providing graduates with skills for employment through a skills market system development approach focussing on

domestic and international labour markets. The program logic recognises that for KIT to be a regionally recognised and respected RTO it must learn from and operate in, a regional skills market. The Kiribati market system is small and underdeveloped however to achieve the program's goal<sup>28</sup> the MLHRD and the private sector will need support to provide their vital contributions<sup>29</sup> in an efficient, effective and unencumbered manner.

**The theory of change builds on the relationship between high quality skills and human resource development and its contribution to the economic and social development of Kiribati.** The key feature of the program is to establish KIT as a high quality national skills training institution that prepares its graduates for local, regional and overseas employment. Ministry strengthening is also an important element of driving change in the approach and management of the skills sector. The program provides opportunities for investment in supporting initiatives through the Flexible Support Facility (FSF) such as infrastructure and government strengthening which will be determined on a needs basis jointly with the lead GoK counterpart, the Ministry of Labour and Human Resource Development (MLHRD).

The existence of a very small but largely uninvolved private sector creates difficulties in developing strategies to have them more involved in supporting skills development in Kiribati. The program is also challenged by an inability to influence destination country visa and immigration laws and the limited capacity of the MLHRD to execute innovative programs and policies to support necessary skills system reform and improvement. The SfEP will therefore focus extensively on achievable activities such as preparing young people for employment however there is an aspirational goal that graduates will find paid employment locally or overseas.

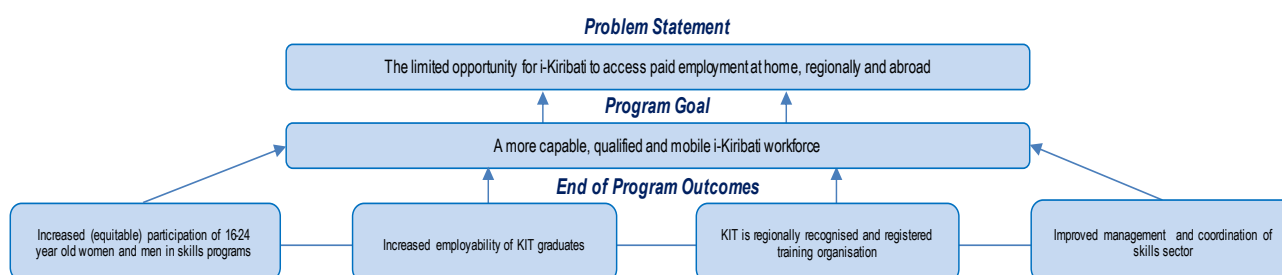
The SfEP builds on previous skills development programs and has similar objectives to the Australian-Pacific Technical College (APTC) in developing skills that will enhance employment and economic activity in the formal economy. A targeted course provision by KIT and supplementary workplace and employment services initiatives will focus on high level skills development in trade areas to enhance the opportunities for graduate employment in Australia and the Pacific region.

The whole program is embedded in the Australia-Kiribati Partnership for Development and the investment in skills development is reflected in the *Kiribati Development Plan 2012-15*, the *National TVET Strategy (NTVETS) 2013-16* and the *Kiribati National Labour Migration Policy*<sup>30</sup>.

The commitment to improving the relevance and quality of skills and qualifications provided by the TVET subsector is a high priority which aligns with the Pacific Education and Skills Development Agenda (PESDA)<sup>31</sup> complemented by skills development being an essential development priority for the Government of Kiribati.

The high-level program logic is provided at [Table 1](#) below. The full program logic is provided at [Annex 1](#).

**Table 01: High Level Program Logic Diagram**



### 3.4.1 Overall Strategic Focus

**The program Design is premised on the logic that making quality skills training available to young women and men** and by aligning courses with labour market demand, graduates will have a greater opportunity to find jobs. The concomitant logic is that if a greater emphasis is directed at building employability skills and providing additional intensive workplace training, opportunities for off-shore employment will be increased.

<sup>28</sup> Reference in Program Logic Diagram Annex 1. (high level summary at Table 1)

<sup>29</sup> The roles and responsibilities of the sectors and the strengthening initiatives are articulated throughout the program activity schedules at Annex 6

<sup>30</sup> Kiribati National Labour Migration Policy, October 2015

<sup>31</sup> Refer <https://dfat.gov.au/about-us/publications/Documents/pesda-2011.pdf>; accessed 2 November 2015

The Independent Progress Review of TVETSSP Phases I and II<sup>32</sup> provided extensive learning to help shape the structure and content of the proposed investment in SfEP. The key findings and recommendations from the review are found at *Annex 7 (10)*.

**SfEP has four interrelated end of program outcomes (EOPOs):**

- i. Increased (equitable) participation of 16-24 year-old women and men in skills development programs.
- ii. Increased recognition of KIT qualifications and the employability of graduates
- iii. KIT is recognised as a high quality, regionally recognised and registered training organisation
- iv. Improved management and coordination of the Kiribati skills sector

The program Design focusses on delivering results at the level of KIT, and while progress has been made in many areas of its operation, there is still a lot more to do. The program is ostensibly about delivering high-quality skills development courses and preparing young men and women for the world of work. While employment placement is an aspirational goal of the program, the program's performance accountabilities do not include employment placement.

**Sustained support for improving effectiveness and efficiency of the management of resources, particularly the financial and human resources will be critical to delivering results.** This will include addressing challenges created by current public sector staff management policies and impediments to managing personnel performance.

### 3.4.2 Program Assumptions

In the linkages between outputs, intermediate outcomes and end of program outcomes, the Theory of Change includes assumptions that:

- i. The context for ongoing support of the development of the national skills market system in Kiribati recognises the limited local employment opportunities and capacity to create a sustainable TVET subsector.
- ii. There will be continued or increased political commitment from Australia and Pacific Island countries to remove barriers to the placement of skilled and semi-skilled workers where there are labour market skills gaps.
- iii. Sustainability of the TVET subsector within a Kiribati context means a long term aid commitment from donor countries, particularly Australia.
- iv. The GoK will continue to make a financial contribution to the program through the MLHRD for funding national staffing and other agreed and planned resources.
- v. Cultural and micro-political contexts within the country do not distort the proposed governance arrangements that are crucial to skills market system development.
- vi. The management and staff of KIT will be empowered to operate in a commercial market economy environment which is crucial to the success of the program's course and services procurement model.
- vii. It will be possible to attract and maintain quality expatriate SfEP program staff, supported by the appointment of skilled and committed national staff to promote consistency of implementation.
- viii. To achieve the aspirational goal of placing people in employment off-shore, destination country visa arrangements will facilitate entry for work purposes and not unintentionally discriminate against I-Kiribati applicants.
- ix. The Australian labour market will accept I-Kiribati graduates into employment while recognising they may not in the first instance meet all skills levels for the occupation.
- x. Regional registration of KIT and course accreditation under the PRQS is achievable.
- xi. Relevant labour market information and analysis can stimulate the demand for courses that are more aligned with employment opportunities.
- xii. The private sector is willing to make an increased contribution to labour market advice to inform KIT course structures and content.
- xiii. The private sector will readily employ graduates of KIT and recognise the skills they have for appropriate levels of remuneration.

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<sup>32</sup> TVETSSP Phase I and II Review, Peddle and McKay, October 2015

### 3.5 Overview of Program Components and Output Structure

The main outputs from the Skills for Employment Program, to contribute to the achievement of the program goal, comprise carefully targeted support for developing key business and operational elements of KIT and the domestic skills market system, including the private sector. The investment in KIT will build capability, relationships, knowledge, information management systems and quality assurance mechanisms that will improve the quality and relevance of courses and qualifications to employment demand. Accordingly, the program consists of **four components** aligned with the EOPOs:

- A. Increasing the equitable participation of 16-24-year-old women and men in skills development programs
- B. Increasing the recognition of KIT qualifications and the employability graduates
- C. Establishing KIT as a high quality, regionally recognised and registered training organisation
- D. Improving the management and coordination of the Kiribati skills sector

### 3.6 Summary of Components and Strategic Focus

This section provides a summary of the focus of each program component and its strategic focus within the context of addressing the development problem. A summary of the sub-components and planned outputs is provided at the conclusion of each component.

#### 3.6.1 Component A: Increasing the equitable participation of 16-24-year-old women and men in skills development programs.

Training providers are delivery agents for government policy that is aimed at increasing the opportunities for all citizens through education and training that leads to employment. Equally the training provider has a duty of care to provide support and pastoral care and to protect them from discrimination.

The focus on this component is opening access and removing barriers to participation, especially for young people, real or perceived, to achieve equity and accessibility of courses on offer. Interventions will include training delivery modalities that are inclusive and recognise the needs of individuals. It also beholds on the training institution to provide courses with the content and recognised qualification integrity to increase the opportunity for KIT graduates completing them to find meaningful work, both at home and overseas.

**The strategic focus of this component** is to support specific interventions around multiple entry pathways to KIT, institutional strengthening focussing on social inclusion, diversity of courses available for young men and women and improving accessibility for the educationally disadvantaged.

##### 3.6.1.2 Component A: Sub-Components and Outputs

Sub-Components	Outputs
<b>Sub-Component A1:</b> Improved access to courses for the disadvantaged, especially women and people with a disability	<b>A1.1:</b> Vocational pathway (bridging course) for disengaged youth <b>A1.2:</b> Targeted places and funding in courses for women and people with a disability <b>A1.3:</b> Resource and implement targeted support programs for women to access non-traditional trade courses <b>A1.4:</b> Preparatory foundation and English language support provided
<b>Sub-Component A2:</b> Increase student support and services	<b>A2.1:</b> Student services centre and Alumni operating effectively <b>A2.2:</b> Engagement and support of Church, Government and non-Government sectors in planning and services to students <b>A2.3:</b> Students with special needs supported <b>A2.4:</b> Institutional Capacity Building for students, SfEP personnel and program partners in Child Protection completed

#### 3.6.2 Component B: Increasing the recognition of KIT qualifications and the employability graduates

**An aspirational goal of the program is to place KIT graduates in employment** both at home and overseas. For KIT graduates to be recognised by employers as being 'fit for purpose', that is they have the skills, attitudes and other attributes that make them 'employable', they must be able to compete for positions that become available in job markets. This component focusses heavily on aligning course offerings with labour market demand, proven through research and private sector involvement in planning and job seeking. A detailed labour market analysis of Kiribati and the region is provided at [Annex 13](#) and, together with other recent research,<sup>33</sup> is to form the basis for the development of the initial (prescriptive) KIT course profile for 2016, and the indicative course offerings for Semester 1, 2017. This component

<sup>33</sup> For example, but not restricted to, Kiribati Financing TVET ACER August 2014

reflects that the program cannot influence destination country visa requirements and accordingly focusses the majority of effort on graduate employability. An overview of the international labour mobility options for Kiribati graduates has been provided at [Annex 12](#).

**The strategic focus of this component** is to support specific interventions around three key interrelated areas: (i) providing additional on the job workplace training to complement the formal training undertaken at Certificate III level, (ii) providing employment services such as the partnership with an Australian Group Training Organisation to act as an employment intermediary, and (iii) seeking greater involvement of the private sector in labour market advice and promoting alignment of KIT courses with labour market demand.

### 3.6.2.1 Component B: Sub-Components and Outputs

Sub-Components	Outputs
<b>Sub-component B1:</b> Targeted transition to work strategies for students seeking domestic and off-shore employment	<b>B1.1:</b> Intensive Workplace Training Scheme implemented for priority off-shore employment categories <b>B1.2:</b> Business incubators and other business enterprise initiatives in place
<b>Sub-component B2:</b> Labour market studies inform all KIT course offerings	<b>B2.1:</b> Labour market demand and analysis studies completed <b>B2.2:</b> Labour market MIS developed and implemented through the JSC (and NCCEC) <b>B2.3:</b> Private Sector is actively engaged in KIT planning <b>B2.4:</b> KIT course profile reflects labour market demand, including short courses
<b>Sub-component B3:</b> Employment Services provided to assist access to local and international labour markets	<b>B3.1:</b> Memorandum of Agreement (MoA) with Australian Group Training Organisation and service agreement for employment brokerage services <b>B3.2:</b> Targeting the international job market through research and engagement with peak industry groups <b>B3.3:</b> Establish a Job Search Centre (JSC) at KIT and mentoring partnership with MLHRD NCCEC <b>B3.4:</b> Strategies to market KIT domestically and internationally developed and implemented

### 3.6.3 Component C: Establishing KIT as a high quality, regionally recognised and registered training organisation

**It is essential for the country's skills sector to have a credible quality assured training organisation** that is recognised as the 'public provider' of high quality employment related qualifications. This component deals with transitioning KIT from supporting the delivery of mainly Australian qualifications through an auspicing agreement with TAFE South Australia to a standalone training institution that is registered and quality assured through a regional TVET/Tertiary regulator. The key to the success of this component is to continue the development of KIT as a high quality, demand driven, accessible training provider that delivers courses aligned to jobs through multiple pathways including 'purchasing' training from outside the region targeted at regional and international labour mobility.

**The strategic focus of this component** is to provide a Skills Development Fund for the procurement of regionally and/or internationally accredited courses and specific interventions around institutional strengthening to provide quality teaching and learning and regional registration. The program builds on the direction of the *National TVET Strategy 2013-2016* and continues the achievements made under the previous two phases of the program.

### 3.6.3.1 Component C: Sub-Components and Outputs

Sub-Components	Outputs
<b>Sub-component C1:</b> Effective governance, structure and management of KIT	<b>C1.1:</b> KIT Advisory Council in place <b>C1.2:</b> KIT Management structure in place
<b>Sub-component C2:</b> Delivering Australian and KIT accredited courses and institutional strengthening	<b>C2.1:</b> Skills Development Fund (SDF) established for procurement of courses and strengthening services for the delivery of regional and internationally accredited courses <b>C2.2:</b> Service delivery MoA with Australian RTO(s) and APTC in place <b>C2.3:</b> Regional registration and quality assurance of KIT <b>C2.4:</b> Business planning, student records and management systems in place <b>C2.5:</b> Institutional strengthening programs implemented to meet Australian and regional delivery standards <b>C2.6:</b> Priority courses developed with industry support <b>C2.7:</b> Short courses offered on a fee-for-service basis

### 3.6.4 Component D: Improving the management and coordination of the Kiribati skills sector

The SfEP will operate in a limited (small scale) skills (TVET) market system environment constrained by a small private sector and limited resources and capacity within government to create and support a whole system model for the sector. The most recent progress has been made with the continued improvement of KIT as the national training provider however there has not been a planned nor strategic set of initiatives put in place to develop the country's broader skills sector. The effectiveness and efficiency of the management of the program and the broader Kiribati aid investment is a critical issue for DFAT to consider - particularly in terms of the risks and political economy that may impact from time to time on the program's operation.

Kiribati is an isolated location and the Phase I and II Review Report<sup>34</sup> highlighted major risks around attracting and maintaining suitable personnel on the program and the ability of service providers to deliver on time and on demand. There have also been constraints such as reduced program funding and very slow progress on previous ministry strengthening initiatives.

The strategic focus of this component is to support specific interventions managed through a new and innovative Flexible Support Facility (FSF) as an additional modality for the delivery of the SfEP and related activities. The FSF will provide DFAT with a flexible delivery mechanism to better manage in-country development demands and strengthen alignment across its aid investments in Kiribati. It will provide DFAT Tarawa post with an opportunity to manage the performance of its aid program through a holistic M&E framework, and promote more efficient procurement and resourcing arrangements. Other partners may also be able to provide support through the FSF.

#### 3.6.4.1 Component D: Sub-Components and Outputs

Sub-Components	Outputs
<b>Sub-component D1:</b> Support to MLHRD to improve the management and coordination of the skills sector (provided through the Flexible Support Facility)	<b>D1.1:</b> Mechanisms to improve the coordination of the skills sector across government and the region <b>D1.2:</b> Policy and planning systems to support skills sector development related to KIT <b>D1.3:</b> Limited support for the business systems component of the National Career Counselling and Employment Centre <b>D1.4:</b> Successful implementation of other activities through the Flexible Support Facility (FSF)

### 3.7 Overview of Program Outputs

The program approach will be to set targets to achieve results at program output level. The approach to targets and performance management will incorporate learning from the Phase I and II Review which is evidenced in the program logic model at [Annex 1](#). The "problem statement" which the program seeks to solve is articulated through the program goal and four (4) end of program outcomes (EPOO); these are achieved as a result of twenty-nine (29) intermediate outcomes. The intermediate outcomes are presented as the product of some thirty-four (34) program outputs of which six (6) relate to the Flexible Support Facility. A feature of the Design is the aggregation of the intermediate outcomes into four (4) program components and eight (8) sub-components. The 34 program outputs and the activities will be the basis against which achievement and results will be measured and analysed in the program's Monitoring and Evaluation Framework (M&EF) detailed at [Annex 3](#).

It is to be noted that activities under Component 4 **Improving the management and coordination of the Kiribati skills sector** will be developed through negotiation and consultation with the MLHRD during program implementation and accordingly a global budget sum has been allowed in the budget for these 'unspecified' activities under (D1.4).

### 3.8 The Strategic Design Concept

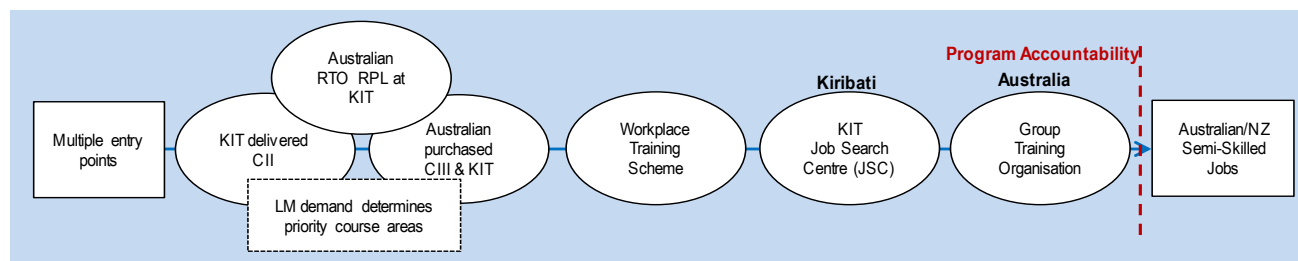
KIT is supported to expand delivery of internationally recognised qualifications through multiple pathways. As a regionally registered training, KIT will have the ability to offer its own qualifications, as well as qualifications recognised by Australia, New Zealand or regional institutions. Strengthening initiatives will be benchmarked to Australian ASQA standards as a reference point.

<sup>34</sup> TVETSSP Phase I and II Review, Peddle and McKay, October 2015



The Design Concept Model at [Annex 2](#)) details two main pathways to employment. The first is for students who seek employment in Australia or New Zealand. These students complete a Certificate II (CII) course developed and accredited by KIT under a regional quality assurance agency<sup>35</sup> delivered at KIT. These courses will have direct credit transfer to the APTC or other international Registered Training Organisation's (RTOs) Certificate III (CIII) qualification, recognised in Australia or New Zealand. Skills assessment for progression from CII to CIII and where possible full or part-delivery of CIII qualifications will be undertaken at KIT. A summary of the pathway to skills migration is provided at [Table 02](#).

**Table 02: Design Concept Pathway to Skills Migration**



For students who seek *domestic employment* the second pathway can be used through a KIT accredited course leading to a Certificate II qualification. Students seeking *regional employment* can use either pathway to the qualification sought by the employer. This model enables KIT to make decisions about its course offerings based on labour market demand with the flexibility to “purchase” the development and delivery of courses from regional and/or international training providers who best meet the purchasing conditions around content, qualification level, quality, cost, mode of delivery etc. KIT can also purchase from RTOs or other service providers institutional strengthening support determined by an annual quality improvement plan.

**There are several advantages of this model.** There is a strong focus on providing employability skills to all students, and training supply can be matched to employment demand in a more time responsive and cost effective way as the market will dictate the cost, terms and conditions of the services required. The qualification level and industry recognition of qualifications is driven by labour market demand and there are no on-going service agreements with any single RTO that would limit KIT’s responsiveness to the labour market. It is anticipated this model will result in significant savings compared to the current model of delivery (see Efficiency and VfM [3.2]).

To achieve the strategic intent of the program, a detailed set of activities has been defined to provide guidance for the development of procurement bids, but more importantly to support program implementation approaches that provide a practical, measurable and accountable framework to achieve the program’s goal and end of program outcomes.

### 3.9 Output and Minimum Level Activity Details

The following tables ([Tables 03 to 10](#)) provide a summary of the **key activities** to be implemented to achieve the program’s outputs. The activities are to be treated as a minimum approach and, as is the case with all facets of the program, innovative and cost effective solutions are encouraged from potential suppliers. The detailed activity schedules aligned to each component, sub-component and output are provided at [Annex 6](#).

#### 3.9.1 Component A: Increasing the equitable participation of 16-24-year-old women and men in skills development programs

**Table 03: Outputs and Key Activities for Sub-Component A1: Improved access to courses for the disadvantaged, especially women and people with a disability**

<b>A1.1:</b> Vocational pathway (bridging course) for disengaged youth	<ul style="list-style-type: none"> <li>Develop a Certificate I bridging course for people who have been disengaged from the education and training sector</li> <li>Set targets for participation based on research</li> <li>Develop, implement and audit child protection and working with children policies and provide (accredited) training for staff in policy implementation</li> </ul>
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<sup>35</sup> The Design proposition to have KIT registered under the Pacific EQAP and PQAf will require further investigation and government to government agreement to achieve this.



<b>A1.2:</b> Targeted places and funding in courses for women and people with a disability	<ul style="list-style-type: none"> <li>Consult with key stakeholders and set realistic targets for the participation of women and people with a disability by age and course area</li> <li>Set minimum target of 20% places for women in non-traditional trade course areas and 50% in all other course areas</li> </ul>
<b>A1.3:</b> Resource and implement targeted support programs for women to access non-traditional trade courses	<ul style="list-style-type: none"> <li>Initiate a range of innovative support programs to help remove barriers to participation and to achieve equity goals</li> </ul>
<b>A1.4:</b> Preparatory foundation and English language support provided	<ul style="list-style-type: none"> <li>Engage with stakeholders to develop and implement a new Foundation Program at Certificate I level with employability skills, English language, literacy and numeracy and re-engagement subjects</li> <li>Review existing KIT Employability Skills Program in terms of content and delivery approach and included in the new foundation program</li> </ul>

**Table 04: Outputs and Key Activities for Sub-Component A2: Increase student support and services**

<b>A2.1:</b> Student services centre and Alumni operating effectively	<ul style="list-style-type: none"> <li>Review existing approaches to the provision of student support services offered at KIT.</li> <li>Develop and implement a strategy to consolidate and upgrade student services, especially to support women and people with a disability.</li> <li>Establish and maintain a KIT Alumni including APTC graduates.</li> <li>Develop an Alumni Operational Plan and provide an annual budget and financial support for meetings and initiatives.</li> </ul>
<b>A2.2:</b> Engagement and support of Church, Government and non-Government sectors in planning and services to students	<ul style="list-style-type: none"> <li>Initiate and lead the implementation of a community support strategy to target assistance for women and people with a disability.</li> <li>Engage with the community to provide advice in preparing KIT's annual social inclusion plan.</li> </ul>
<b>A2.3:</b> Students with special needs supported	<ul style="list-style-type: none"> <li>Develop and implement a disability support plan and interventions to assist increase participation in courses for people with a disability.</li> <li>Provide appropriate training to staff to skill them in working with people with a disability.</li> </ul>
<b>A2.4:</b> Institutional Capacity Building for students, SfEP personnel and program partners in Child Protection completed	<ul style="list-style-type: none"> <li>Develop and implement SfEP Child Protection Policy</li> <li>Provide appropriate training to staff, KIT students and partners to skill them in understanding and complying with the SfEP Child Protection Policy</li> <li>Undertake institutional strengthening in Child Protection, after endorsement by the SfEP Strategic Program Advisory Group (SPAG).</li> </ul>

### 3.9.2 Component B: Increasing the recognition of KIT qualifications and the employability graduates

**Table 05: Outputs and Key Activities for Sub-component B1: Targeted transition to work strategies for students seeking domestic and off-shore employment**

<b>B1.1:</b> Intensive Workplace Training Scheme (WTS) implemented for priority off-shore employment categories	<ul style="list-style-type: none"> <li>Establish an intensive workplace training scheme (WTS) for each of the employment pathways identified as a priority for labour mobility.</li> <li>For 2016-17, the course areas to be supported by the WTS are Building and Construction, Plumbing (Drainage), Plumbing (Roofing) and Metals (Fabrication, Boiler making and Welding).</li> <li>The WTS is to be an off-site facility, workshop or existing (on-site) workplace where students can gain additional workplace competencies to complement their formal off-the-job training provided at KIT.</li> <li>Undertake a study to provide similar WTS opportunities for non-trades courses that may have higher participation by women, e.g. Aged Care or Children's Services</li> </ul>
<b>B1.2:</b> Business incubators and other business enterprise initiatives in place	<ul style="list-style-type: none"> <li>Maintain and support existing KIT business incubators.</li> <li>Develop a strategy and plan to increase the number of participants by a target agreed through the annual planning process</li> <li>Engage with the private sector for financial and workplace experience support to the current program.</li> <li>Engage with the private sector and establish partnerships with the Ministry of Commerce, Industry and Cooperatives and the Kiribati Chamber of Commerce and Industry to create a Business Enterprise Centre within KIT.</li> </ul>

**Table 06 Outputs and Key Activities for Sub-component B2: Labour market studies inform all KIT course offerings**

<b>B2.1:</b> Labour market demand and analysis studies completed	<ul style="list-style-type: none"> <li>As soon as possible after implementation, conduct the first labour market study to inform future course development and course offerings.</li> <li>Conduct annual labour market demand study and analysis of domestic, regional and international job opportunities undertaken by a Short Term Adviser working collaboratively with MLHRD.</li> <li>Identify demand driven skill development priorities for inclusion in KIT annual course profile.</li> </ul> <p><i>Note that labour market studies and analysis of employment opportunity as it relates to course planning will be an iterative process with formal reviews undertaken every 12 months.</i></p>
<b>B2.2:</b> Labour market MIS developed and implemented through the JSC and NCCEC	<ul style="list-style-type: none"> <li>Scope the functionality for a new labour market management information system (LMIS) for data collection and analysis; implement within the Job Search Centre (JSC) and NCCEC.</li> <li>Establish an operational working partnership between the KIT, JSC and the proposed National Career Counselling and Employment Centre (NCCEC).</li> <li>Develop a web based cost effective LMIS with multiple data access points (MLHRD/NCCEC and KIT).</li> </ul>
<b>B2.3:</b> Private Sector is actively engaged in KIT planning	<ul style="list-style-type: none"> <li>Conduct a review of current industry advisory arrangements related to curriculum development and course advisory mechanisms.</li> <li>Implement new approaches to gleaning feedback from key stakeholders, including ministries and the public sector.</li> <li>Establish and/or reconfigure a maximum of three industry committees of which one will be aligned to public sector training demand.</li> </ul>
<b>B2.4:</b> KIT course profile reflects labour market demand, including short courses	<ul style="list-style-type: none"> <li>Implement a total student places target of 400 per year with an annual new student intake increased from 180 to 200. Classes sizes of 20 for trade courses and 30 for non-trade courses.</li> <li>Undertake a facilities utilisation study at the commencement of the program and a business analysis of the cost of courses (qualifications) to be delivered at the Certificate I, II and III levels to set targets of qualifications to be delivered by international RTOs.</li> <li>Develop an annual course profile reflecting demand from the labour markets serviced by the Institute including (i) number of student places per industry and sub-industry area, and (ii) qualification levels and equity targets. Implement planning systems and processes to mirror contemporary Australian TAFE best practice aligned to ASQA planning standards.</li> </ul>

**Table 07: Outputs and Key Activities for Sub-component B3: Employment Services provided to assist access to local and international labour markets**

<b>B3.1:</b> Memorandum of Agreement (MoA) with Australian Group Training Organisation and service agreement for employment brokerage services	<ul style="list-style-type: none"> <li>The first task of the MC will be to undertake discussions with proposed Australian Group Training Organisation (GTO) partners and develop a model and costing for the services to be provided, allowing for: (i) pastoral care of students, (ii) employer incentives, (iii) residual skills assessment and gap training to meet occupational qualification level, (iv) accommodation and subsistence subsidies, (v) travel and insurances.</li> <li>Implement an MoA between KIT and an Australian Group Training Organisation to assist placing and supporting Certificate III graduates in Australian Jobs at the semi-skilled worker level.</li> </ul>
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<b>B3.2:</b> Targeting the International Job Market through research and engagement with peak industry groups	<ul style="list-style-type: none"> <li>• Develop a strategy to engage with peak Australian and regional industry and industrial groups, and unions to elicit support for labour mobility strategies and initiatives.</li> <li>• Initiate a strategy for the engagement of KIT trained employers seeking regular communication on satisfaction and areas of improvement.</li> <li>• Ongoing consultation with DFAT to promote a strategic approach that considers current and emerging Australian Government visa and immigration policy.</li> <li>• Work with and support key stakeholders to remove barriers to migration and to seek support from potential employers to host Kiribati workers through the GTO partnership and/or the Seasonal Workers and Northern Australia pilot program.</li> <li>• Monitor and report on offshore employment placements through the LMIS and tracer studies and conduct annual tracer studies on employer satisfaction through a variety of modalities.</li> </ul>
<b>B3.3:</b> Establish a Job Search Centre (JSC) at KIT and mentoring partnership with MLHRD NCCEC	<ul style="list-style-type: none"> <li>• Establish the KIT Job Search Centre (JSC) to support labour mobility strategies through a shopfront within KIT's new facilities.</li> <li>• A strategic role of the JSC will be to develop and implement communication and advocacy strategies to promote the program and its benefits to all stakeholders, particularly the private sector and the GoK.</li> <li>• Initiate a partnership with the MLHRD NCCEC and if appropriate other GoK ministries to cooperate and share resources to deliver job search services.</li> <li>• Establish a partnership between the JSC and the partner GTOs in Australia to facilitate visa arrangements.</li> <li>• Provide career and course information self-help desk support for students.</li> <li>• Appoint a Long Term Adviser (national or regional) to establish and manage the centre.</li> </ul>
<b>B3.4:</b> Strategies to market KIT domestically and internationally developed and implemented	<ul style="list-style-type: none"> <li>• Develop and implement an annual marketing and promotional plan to promote the courses and services offered at the Institute and to provide advice to intending students on the availability of special needs support, learning support (such as English).</li> <li>• Initiate a strategy to market and advocate the program to promote a wider understanding of the goals and benefits of participation (include the strategic level advocacy as a role within the Deputy Director, Organisational Development's portfolio)</li> <li>• Initiate school visits, industry visits, open days and public career forums and ongoing liaison with KIT's key training providers, public and private sector stakeholders.</li> </ul>

### 3.9.3 Component C: Establishing KIT as a high quality, regionally recognised and registered training organisation

**Table 08: Outputs and Key Activities for Sub-component C1: Effective governance, structure and management of KIT**

<b>C1.1:</b> KIT Advisory Council in place	<ul style="list-style-type: none"> <li>• Establish the KIT Advisory Council in line with the EQAP/PQAF governance standards as the peak reference group to management. Representation is to be appointed by the MLHRD including from the private sector (appointed chair and min 25% members), MCIC, MWYSA, MoE, NGOs/equity groups and DFAT. Membership to have minimum 50% women and the Team Leader will be the ex-officio member.</li> </ul>
<b>C1.2:</b> KIT Management structure in place	<ul style="list-style-type: none"> <li>• Initiate a functional analysis of the current management and senior staff roles and implement the new management structure with roles aligned to the SfEP program objectives.</li> <li>• A proposed SfEP governance and KIT management structure including new position titles and reporting relationships is provided at <i>Annex 8</i>. Staffing details and costs can be found in the Basis of Payment. The proposed organisational structure is to be reviewed by the MC in close consultation with the MLHRD and KIT management to support alignment with the business and operations of the Ministry and reach agreement on the final model.</li> </ul>

**Table 09: Outputs and Key Activities for Sub-component C2: Delivering Australian and KIT accredited courses and institutional strengthening**

<b>C2.1</b> Skills Development Fund (SDF) established for procurement of courses and strengthening services for the delivery of regional and internationally accredited courses	<ul style="list-style-type: none"> <li>KIT will have the delegation to purchase courses and institutional strengthening services through a Skills Development Fund (SDF) in a 'market model' aligning courses to labour market studies and international labour mobility opportunities. A budget line item of \$4.2 million has been allocated for course development, delivery and related institutional capacity building.</li> <li>Procurement and financial transactions to be undertaken by the MC in line with Commonwealth Procurement Guidelines.</li> </ul>
<b>C2.2:</b> Service delivery MoA with Australian & regional RTOs and APTC in place	<ul style="list-style-type: none"> <li>KIT to implement a partnership with Australian and regional RTOs to deliver 'international' Certificate III qualifications for the offshore employment pathway.</li> <li>Certificate III courses to be accredited under the Australian Qualifications Framework (AQF) and the RTOs registered with ASQA or under regional regulatory frameworks.</li> </ul>
<b>C2.3:</b> Regional registration and quality assurance of KIT	<ul style="list-style-type: none"> <li>Develop and initiate a strategy for KIT to become registered under a regional quality assurance regulator and to develop and deliver its own qualifications.</li> <li>Undertake a detailed quality audit against ASQA compliance and standards and develop a quality improvement plan to support the RTO process.</li> <li>Investigate options through the Fiji Higher Education Commission (FHEC) and the Pacific Registrar of Qualifications and Standards (PRQS) for the registration of KIT to comply with the policies of the Secretariat of the Pacific Community's (SPC) Educational Quality and Assessment Program (EQAP) and Pacific Quality Assurance Framework (PQAF).</li> <li>Undertake an assessment of KIT's progress towards becoming a regionally registered training provider as at June 2016.</li> <li>Develop a detailed plan to show how this initiative will be progressed in Phase III.</li> </ul>
<b>C2.4:</b> Business planning, student records and management systems in place	<ul style="list-style-type: none"> <li>Continued implementation of the Edu Point Education Management Information System (EMIS) complying with EQAP/PQAF standards for planning, monitoring and reporting</li> <li>Undertake an analysis of business requirements to review the functionality of the EMIS.</li> <li>Purchase or develop and implement the EMIS.</li> </ul>
<b>C2.5:</b> Institutional strengthening programs implemented to meet Australian and regional delivery standards	<ul style="list-style-type: none"> <li>KIT management will develop annual QIP plans and procure support for areas of the Institute essential to maintain the integrity, quality and relevance of course delivery and meet all registration compliance standards, including for: <ul style="list-style-type: none"> <li>i. Infrastructure and equipment</li> <li>ii. Teacher training and industry experience upgrading</li> <li>iii. Training and workplace development of support staff</li> <li>iv. Business and quality assurance systems</li> <li>v. Competency Based Training (CBT) curriculum and inclusive teaching and learning materials development and review processes</li> </ul> </li> </ul>
<b>C2.6:</b> Priority courses developed with industry support	<ul style="list-style-type: none"> <li>Develop a CBT-based curriculum development capability within KIT to develop and accredit courses to regionally accredited Certificate II level.</li> <li>Initiate a strategy to build the capacity of staff to develop curriculum by engaging with industry and community to identify essential learning outcomes and workplace competencies.</li> <li>Initiate staff training in CBT and appropriate quality management systems for the curriculum development approach.</li> <li>Investigate options to purchase commercial learning materials and also to deliver HRD in inclusive learning materials development.</li> </ul>
<b>C2.7:</b> Short courses offered on a fee-for-service basis	<ul style="list-style-type: none"> <li>Initiate an approach for the management of KIT's short course program including commercial demand, development and delivery models and modes, and fee for service opportunities.</li> <li>Investigate opportunities with the GoK and DFAT to re-investing revenue from short course fees back into KIT courses and services.</li> </ul> <p><i>Note: The program will not be managed through the GoK financial system.</i></p>

### 3.9.4 Component D: Improving the management and coordination of the Kiribati skills sector

**Table 10: Outputs and Key Activities Sub-component D1: Support to MLHRD to improve the management and coordination of the skills sector (provided through the Flexible Support Facility)**

*Note: Activities under this component will be developed in consultation with Post and MLHRD during program implementation.*

<b>D1.1:</b> Mechanisms to improve the coordination of the skills sector across government and the region	<ul style="list-style-type: none"> <li>The program will target strengthening for the MLHRD to support inter and intra government coordination through the Flexible Support Facility (FSF) including the following: <ul style="list-style-type: none"> <li>Support the MLHRD to improve worker mobilisation systems and processes, and liaison with employers, if opportunities for regional and international labour mobility are to be realised.</li> <li>Work with DFAT and MLHRD to support the implementation of the new Northern Australia pilot program for workers from Pacific Microstates and the extended seasonal worker program.</li> </ul> </li> </ul>
<b>D1.2:</b> Policy and planning systems to support skills sector development related to KIT	<ul style="list-style-type: none"> <li>Work in collaboration with key MLHRD personnel to guide the development and conduct of a series of consultative workshops related to national TVET systems design</li> <li>Development of supportive documentation such as briefing and options papers to assist the consultative process</li> <li>Support for the drafting of policy documents related to the TVET.</li> </ul>
<b>D1.3:</b> Limited support for the business systems component of the National Career Counselling and Employment Centre (NCCEC)	<ul style="list-style-type: none"> <li>The FSF will be the conduit for MLHRD institutional strengthening to develop business and labour market information systems to support the ministry's proposed employment placement services.</li> <li>Annual labour market studies to be managed through KIT will provide data and information for use by both the NCCEC and JSC.</li> </ul>
<b>D1.4:</b> Successful implementation of other activities implemented through the Flexible Support Facility (FSF)	<ul style="list-style-type: none"> <li>For activities directly related to the program EOPOs and funded through the FSF (reference process and management at (4.7))</li> </ul>

### 3.10 Budget and Resource Requirements

It is proposed that Australia invests a total of **\$20 million over 3.5 years** in SfEP, comprising \$17 million in the core components of the program, with an allocation of \$3 million for additional activities implemented through the Flexible Support Facility (FSF). This will represent approximately 28% of the annual Kiribati bilateral aid program allocation, based on current levels (\$20.23 for 2015-16). SfEP will commence in July 2016 and finish in December 2019.

The Government of Kiribati is committed to establishing an internationally respected national skills development sector, and it is expected that the **GoK will maintain or exceed its current expenditure** in workforce skills development (approximately \$1.45 million mostly for KIT operational costs<sup>36</sup>) as a proportion of its total budget.

The initial estimate of resource requirements for the proposed 3.5-year duration of the program are provided in the Indicative Budget and Resource Requirements – Summary Schedule at [Table 11](#). The schedule shows the estimated annual expenditure for core and FSF activities<sup>37</sup>. The majority of expenditure occurs in years 1 and 2 (around 24.7% each year) as this is the period when it is envisaged that KIT will have the capacity and capability to deliver the majority of its contracted training and provide optimum employment services to graduates seeking offshore work placements.

Expenditure estimates for activities to be managed under the FSF have been amortised across the program duration. These activities will be planned through a rigorous consultative process involving key stakeholders and implementation will be staged with the majority of expenditure (68%) being allowed for years 2 and 3 of the program. The FSF budget line also includes any capital expenditure and ministry strengthening program elements which will be determined through the previously identified SfEP program governance arrangements.

<sup>36</sup> Previously \$700,000 for KIT operational costs, but now approximately \$1.45 million including the School of Nursing allocation following the KSON merger with KIT.

<sup>37</sup> Core activities are defined as those being available for recurrent budget items over the 3.5-year contract period excluding MC fees and the allowance for FSF items not included in the core activities.

**Table 11: Indicative Budget and Resource Requirements – Summary Schedule**

A complete and detailed budget schedule has been provided to DFAT as a separate document as it contains commercial-in-confidence information and data that should be accessible on a 'restricted access' basis only.

The cost estimates in the following table are all indicative. The Basis of Payment will document the actual costs and allowances for all items.

SFEP BUDGET SUMMARY							
		2016-2017	2017-2018	2018-2019	2019		TOTALS
#	COMPONENT	\$A million	\$A million	\$A million	\$A million		\$A million
A1	<i>Improved access to courses for the disadvantaged, especially women and people with a disability</i>	\$0.12	\$0.12	\$0.12	\$0.06		\$0.44
A2	<i>Increased student support and services</i>	\$0.36	\$0.38	\$0.38	\$0.20		\$1.32
B1	<i>Targeted transition to work strategies for students seeking domestic and off-shore employment.</i>	\$0.55	\$0.47	\$0.47	\$0.29		\$1.76
B2	<i>Labour market studies inform all KIT course offerings</i>	\$0.22	\$0.14	\$0.14	\$0.07		\$0.57
B3	<i>Employment Services provided to assist access to local and international labour markets</i>	\$0.60	\$1.02	\$1.02	\$0.94		\$3.59
C1	<i>Effective governance, structure and management of KIT.</i>	\$0.21	\$0.20	\$0.20	\$0.10		\$0.72
C2	<i>Delivering Australian and KIT accredited courses and institutional strengthening</i>	\$1.08	\$1.71	\$1.71	\$1.49		\$6.00
D1	<i>Flexible Support Facility: A program implementation modality to provide support to MLHRD to improve the management and coordination of the skills sector.</i>	\$0.43	\$0.86	\$0.86	\$0.86		\$3.00
	SUB-TOTALS	\$3.57	\$4.92	\$4.91	\$4.00		\$17.39
							\$17.39
MC %	Indicative Management Fees (at 15%)	\$0.75	\$0.75	\$0.75	\$0.37		\$2.61
	TOTAL COSTS	\$4.31	\$5.66	\$5.65	\$4.37		\$20.00
	TOTAL COSTS INCLUDING FSF ESTIMATED EXPENDITURE	\$4.31	\$5.66	\$5.65	\$4.37		\$20.00

## SECTION 4: IMPLEMENTATION ARRANGEMENTS

### 4.1 Introduction

Australia has successfully delivered support for TVETSSP Phases I and II through a managing contractor (ScopeGlobal). It is proposed that a managing contractor will deliver the next phase of the program, selected through an **open procurement approach** to the international market in early 2016, with program commencement planned from 1 July 2016.

### 4.2 Program Financial Management

Australia recognises it needs to balance the development benefits of using partner government systems, including procurement systems with the associated fiduciary risks of using those systems while protecting Australian taxpayers' money. Recognising there is a need to maximise aid effectiveness, the program will not however be implemented through GoK financial systems. The 2014 update of DFAT's Assessment of National Systems in Kiribati, and the 2015 DFAT assessment of the Kiribati Education Sector Public Financial Management Systems (conducted for the Design of Kiribati Education Improvement Program Phase III) considered the residual risks of channelling funds through GoK systems are not manageable in the short-term. This position will be reviewed following a strengthening of financial systems.

### 4.3 Delivery Approach a Managing Contractor's Responsibility

The program Design aims to address the limited opportunity for I-Kiribati to access paid employment at home, regionally and abroad. This is a considerable challenge considering the poor prospects for economic growth in Kiribati and a skills sector challenged with limited resources and capacity to achieve the country's TVET goals. The aspirational goal of the program is to place people in meaningful paid employment at home and overseas with a particular focus on the international job market. The program accountabilities stop short of 'placing people in employment' as there are many variables outside of the program's control. These factors make it difficult to prescribe an exacting Design that has resolved all the nuances around the proposed elements of the program, particularly with respect to the regional registration and quality assurance of KIT and the role of an Australian based Group Training Organisation.

With that in mind, the key activities scheduled under each program output per the *Tables (03–10)* and at *Annex 6*, are indicative only, and prospective Managing Contractors (MCs) will be asked to develop and include in their bid technical responses innovative implementation approaches to achieve the end of program outcomes that will support the achievement of the broader program goal. A particular focus should be the partnership between the KIT and an Australia-based Group Training Organisation (GTO) for the purposes of providing/brokering employment placement services. Prospective MCs are to undertake discussions with proposed GTO partners and develop a model and costing for inclusion on the bid that will assist in achieving employment for KIT graduates in Australia.

Prospective MCs are to note that KIT is not a legal entity as it operates under the jurisdiction of the MLHRD. Therefore, contracts and agreements and procurement processes and systems must be managed through the MC and not through GoK financial systems.

### 4.4 Implementation Scheduling

The Implementation Schedule at *Annex 15* details the critical interventions anticipated to be initiated over the life (3.5 years) of the Program. The structure of the Implementation Plan follows the same structure as the component-output-activity schedules that have been provided in the report and annexes. The schedule is to be revised and updated into a detailed proposed work plan and included in prospective MCs' procurement bids. All projected timeframes are to be provided as indicative only and finalised prior to program commencement in consultation with DFAT and MLHRD. It is recognised that at the time of program implementation, there will be many existing activities in place so work plans must place the continuity of existing course delivery and avoiding disruption to student participation in courses as the highest priority. The Implementation Schedule recognises the current Phase II of TVETSSP is proceeding as an operational program delivering training and providing services to students and will continue until the end of June 2016.

Some aspects of the proposed program will need to be implemented quickly to support continuity of study for the students and alignment of new courses to be offered to identified labour market demand.

The implementation scheduling focusses much attention on getting partnerships with Australian RTOs and Group Training Organisations in place as quickly as possible, while recognising the complexities of moving to a market model of course procurement and challenges of overseas labour mobility. There is also an urgency to move in the early phase of the Program to develop strategies, systems and processes to enable KIT to become a regionally registered training

organisation. There is not the same urgency in implementing the ministry institutional strengthening as this is proposed to occur over the life of the Program, managed through the FSF, and initiated gradually over the first 12 months.

Implementation is to follow the principles of progressive engagement with a heavy reliance on flexibility and learning from previous experiences as well as regular progress reviews. Implementation must be participatory in nature and target achievable objectives in the short term and initiate strategies that may have a longer gestation period in a planned and highly consultative manner consistent with the availability of resources.

The program Theory of Change recognises that significant innovation in the Kiribati skills sector, while small in scale, and complex and lacking in capacity, will be challenging. Innovation is a central tenant of the objective to develop KIT as a regionally quality-assured RTO as well as in all facets of GoK institutional strengthening. Changes in government policy, for example, require credible situation analysis based on good evidence, a review of policy options including costs and implementation implications and a considered recognition of the political economy to elicit stakeholder support. The implementation of the SfEP will be underpinned by a stakeholder engagement strategy and effective communication systems to promote stakeholder commitment to the program and arrest any concerns or resistance to proposed changes.

Early in the program implementation phase, a Memorandum of Agreement (MoA) will need to be developed and agreed in consultation with DFAT and MLHRD, between KIT and an Australia- based Group Training Organisation, and between KIT and at least one Australian-registered training organisation - to enable the early commencement of recognition of prior learning (RPL) of KIT Certificate II graduates and the delivery of Certificate III level qualifications. The MoAs should reflect a partnering approach<sup>38</sup> and be similar in construct to a subsidiary agreement and include consideration of (i) purpose and legal obligations (ii) a scope of services and (iii) a basis of payment.

## 4.5 Program Governance

An ambitious yet achievable goal of the program is to increase the capacity of the MLHRD and the GoK more broadly to provide strong **leadership** to the skills sector. The program proposes a range of support and strengthening initiatives designed to build the capacity of the Ministry to improve the management of the skills sector and make a tangible contribution to developing KIT as an internationally respected institution.

A hallmark of the proposed governance arrangements is to work in partnership with existing government structures and where appropriate influence change progressively and with the full support of counterparts. The **governance** of the program will need to blend the operational management of KIT, the broader project management and the (yet to be specified) involvement in managing initiatives under the Flexible Support Facility. The MLHRD is the GoK's lead Ministry for the program. Governance arrangements will support the program's objectives through accountable management structures with single points of decision making, delegations and performance accountabilities.

### 4.5.1 Strategic Program Advisory Group (SPAG)

It is proposed to establish a stakeholder and cross-ministry Strategic Program Advisory Group (SPAG) as a primary source of high level advice to the program. The SPAG will be the highest level reference body for the program and provides a forum for the development partners to meet, review progress against the program's performance assessment framework (PAF) and provide advice, where relevant, on new or re-direction of program activity and performance targets. The operation of the SPAG does not in any way impact on DFAT's 'from time to time' meetings with the MLHRD or other ministries or stakeholders. Aid coordination in Kiribati is not problematic as there is strong coordination with New Zealand, the only other bilateral donor with interest in the TVET sector (as well as a few other players such as the ILO<sup>39</sup> with an interest or investment in skills development).

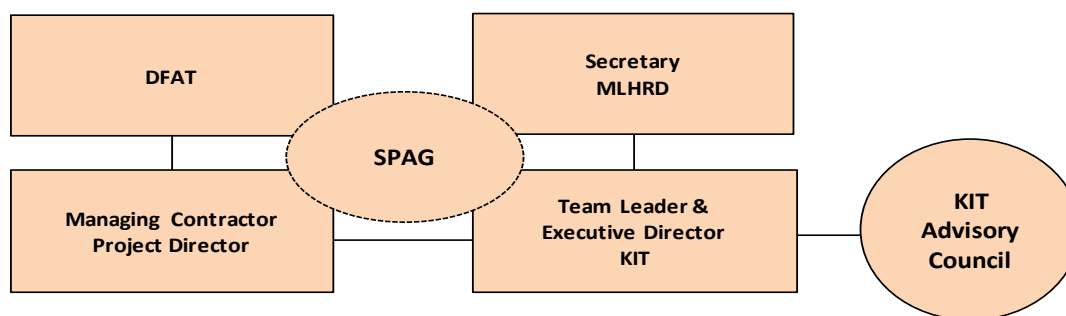
The proposed membership of the SPAG is to be drawn from DFAT, MLHRD, the National Economic Planning Office (NEPO) and the Ministry of Foreign Affairs and Immigration (MFAI) with a Managing Contractor representative and the Team Leader as ex officio member. A formal charter for the SPAG's modus-operandi is to be developed by the nominated members at their first meeting to guide the operation of the group. The figure, *Table 12* shows the relationship between the program's key players. The full proposed SfEP governance and KIT management structure is provided at *Annex 8*.

<sup>38</sup> <http://thepartneringinitiative.org/publications/toolbook-series/the-partnering-toolbook/>

<sup>39</sup> The ILO has developed and launched a Labour Migration Policy for the MLHRD in November 2015.



**Table 12: SfEP Governance Structure**



#### 4.5.2 Private Sector Involvement in Program Governance

A high priority objective of the program is to get greater buy-in from the private sector in the development and delivery of courses and closer engagement with students who seek to enter the job market. The involvement of the private sector in skills development initiatives in a small country like Kiribati is problematic. However, efforts must be made to get them to the table where critical decisions are made about course content and types of courses targeting jobs and to glean advice on the types of attitudes and behaviours employers are looking for in graduates.

Apart from the SPAG, there are two main groups being proposed to support the objectives of the program. The first is the KIT Advisory Council (detailed at [Table 08](#) [C1.1]) and the second a reinvigoration of the industry work groups (detailed at [Table 06](#) [B2.3]). Both advisory structures are considered essential to help guide KIT's objective to deliver high-quality, demand-driven education and training.

#### 4.5.3 KIT Advisory Council

A new KIT Advisory Council<sup>40</sup> will be established as part of the overall KIT reform process to meet good governance standards under the regional and Australian quality standards. The role of the Council is advisory and not management and the Team Leader will need to be vigilant to maintain the advisory role. The Council does however need to be seen by stakeholders as providing tangible and valuable support to take KIT into a new paradigm of providing quality skills development for local and offshore labour markets.

##### 4.5.3.1 Role and Function of the KIT Advisory Council

The long term sustainability of KIT and its growth to become a regionally recognised and respected training organisation is central to the primary purpose of the Council. It will provide strategic advice to KIT management to support them to achieve the Institute's longer-term goals and objectives, including advice aligned to performance management approaches articulated through the KIT Annual Plan. The Council's strategic 'advisory' roles are to:

- i. Provide strategic advice to KIT management in dealing with GoK on significant areas of institutional reform and strengthening
- ii. Initiate and support stakeholder engagement strategies to gain respect and support from potential employers.
- iii. Provide information and data on local and regional labour market demand.
- iv. Assist with the engagement of private sector representatives to the Industry Advisory Groups.
- v. Provide advice to support the establishment and operations of the new Workplace Training Scheme.
- vi. Endorse the Institute's Annual Plan
- vii. Proposed changes to the Annual Plan including budget included in Quarterly Reports.
- viii. Advocate to government on initiatives that will complement KIT's labour mobility and job search strategies.
- ix. Liaise with other peak advisory groups such as the 'Labour Mobility Working Group' currently being established by the MLHRD, to promote complementary strategies and initiatives that support skills development.
- x. Liaise with other government and non-government agencies to ensure the views of all stakeholders, particularly equity groups, are considered in the development of KIT's Annual Plan.

<sup>40</sup> The MC will review the status of KIT management's current initiative to establish new advisory arrangements, which includes reviewing the Terms of Reference and membership of existing advisory groups such as the KIT apprenticeship advisory board.

#### 4.5.3.2 Membership

Increasing the active engagement of the private sector in guiding and supporting the development of a strong skills market in Kiribati is an essential feature for the program Design. While recognising the limitations and scale of the local private sector, it does have a valuable role to play in partnership with the GoK and Australian Government in achieving the objectives of the Kiribati Development Plan (KDP) 2012- 2015 and the National TVET Strategy for Kiribati (NTVETS) 2013-2016. The KIT Advisory Council will therefore be established as the peak reference group to KIT management, in line with the ASQA and EQAP/PRQS standards.

The KIT transformation program will require strong, decisive and uncompromising support from across the government sector, especially in the areas of demand driven training supply and institutional regulatory and quality assurance reform. The potential influence of strong private sector leadership in managing organisational change cannot be underestimated. To reinforce the move from government and donor led KIT advisory processes, membership of the new Council will be selected from industry, within a Kiribati context with a target of 25% private sector members.

The MLHRD will appoint the Council members and the Secretary MLHRD will be the Chair. Apart from the private sector, representation should be sought from MCIC, MWYSA, MoE, DFAT and NGO/equity group reps. The Team Leader will be the *ex-officio* member. The Council will meet four (4) times per year and be supported by a Secretariat from KIT. A formal charter for the KIT Advisory Council is to be developed by the nominated members at their first meeting to guide the operation of the group.

#### 4.6 Program Reporting

The central tenets that underpin the Program reporting approach are simplicity, quality, timeliness and relevance. The frequency of reporting is detailed in [Table 13](#). The Team Leader will be responsible for the preparation and quality assurance of all Program reporting irrespective of the contributions to report drafts and/or source data and information. Progress reports will be prepared with the support and advice of the managing contractor with the primary audience being the Strategic Program Advisory Group (including DFAT). The review<sup>41</sup> of TVETSSP Phase I and II found there was a tendency to 'over report' anecdotally on progress, exacerbated by a lack of real-time data and information directly related to the PAF and M&E framework. There will be a focus on business systems implemented at both KIT and MLHRD which will be aligned to the detailed component-output-activity structure presented at [Annex 6](#).

The reports will provide data on the Program's performance and detail progress 'year to date' (achievements, milestones, progress towards SfEP target results, issues and problems encountered and solutions proposed, lessons learned) and forward recommendations that will improve performance in the following period. The schedule of performance assessments is contained in [Annex 3](#) (10).

The Team Leader and DFAT Program representative will decide on local meeting and consultative arrangements that complement the governance arrangements to support the formal reporting requirements detailed here.

**Table 13: Program Planning and Reporting Requirements and Schedule**

Report	Content and format	Audience	Indicative due date
<b>Annual Plan (including Budget) (1 Jan – 31 Dec)</b>	<ul style="list-style-type: none"><li>• Work Plan for the following calendar year, including descriptions of specific activities and how these will contribute to intended intermediate/end-of-program outcomes</li><li>• Summary budget for the following calendar year (by quarter)</li><li>• A Monitoring and Evaluation Plan, aligned with the program Theory of Change, and responsive to the draft MEF provided in this design</li><li>• Staffing Plan, including strategies to monitor and assess staff performance</li><li>• Updates for all Program strategies and plans</li><li>• Updated risk register</li></ul>	SPAG KIT Advisory Council	30 Sept 2016, 2017, 2018

<sup>41</sup> TVETSSP Phase I and II Review, Peddle and McKay, October 2015

<b>Six-monthly Progress Report</b> (1 Jan - 30 June)	<ul style="list-style-type: none"> <li>Progress against the Annual Plan, reported by progress against each End of Program Outcome, and by output, with supporting data and analysis</li> <li>Risk register update</li> <li>A summary of actual total program expenditure and previous six months expenditure, and projected expenditure for the next six months</li> <li>Any proposed adjustments to the Annual Plan (to be endorsed by the SPAG)</li> </ul>	SPAG KIT Advisory Council	31 July 2017, 2018, 2019
<b>Annual Report</b> (1 Jan- 31 Dec)	<p>Covering the whole 12-month period Jan-Dec:</p> <ul style="list-style-type: none"> <li>Progress against the Annual Plan, reported by progress against each End of Program Outcome, and by output, with supporting data and analysis</li> <li>A review of unplanned implementation issues addressed, any adjustments made to the program strategies as a consequence, and lessons learned</li> <li>Progress made in applying the M&amp;E Framework, including any desired adjustments</li> <li>A summary of total Program expenditure for the previous calendar year (by quarter)</li> <li>Sections summarising self-assessed performance against the following DFAT aid quality criteria: efficiency, monitoring and evaluation, sustainability, gender equality</li> </ul>	SPAG KIT Advisory Council	31 January 2017*, 2018, 2019  *may be substituted with six-monthly report
<b>Program Completion Report</b>	<p>Covering the whole 3.5 year period July 2016 to December 2019:</p> <ul style="list-style-type: none"> <li>Progress towards the end-of-program outcomes, including reporting by output, with supporting data and analysis</li> <li>A summary of total Program expenditure (including breakdown by quarter)</li> <li>A review of unplanned implementation issues addressed, any adjustments made to the program strategies as a consequence, and lessons learned</li> <li>Sections summarising self-assessed performance against the following DFAT aid quality criteria: efficiency, monitoring and evaluation, sustainability, gender equality</li> </ul>	SPAG KIT Advisory Council	31 December 2019
<b>Exception Reports</b>	<ul style="list-style-type: none"> <li>Exception Reports will advise DFAT of any major, unforeseen, occurring or emerging issues or publicity likely to have an impact (positive or negative) on the operation of the Program</li> <li>Proposed responses to such issues will also be described</li> </ul>	DFAT	As required
<b>Quarterly Financial Report</b>	<ul style="list-style-type: none"> <li>Actual program expenditure for the quarter</li> <li>Cumulative actual program expenditure (by calendar and FY)</li> <li>Expenditure forecasts (for the calendar and FY)</li> </ul>	DFAT	30 April 31 July 31 October 31 January each year

MC performance will be assessed through an annual *Partner Performance Assessment (PPA)* process using the standard DFAT assessment template and processes. The assessment will take into account any feedback from the SPAG.

Additionally, an *Independent Progress Review* will be completed mid-way through implementation (i.e. early 2018) to focus on program progress and MC performance. It will provide advice on ways to improve the impact and/or sustainability of the program for the remainder of its implementation period, and possibly beyond.

## 4.7 Flexible Support Facility

The SfEP has an objective to **improve the effectiveness and efficiency of aid coordination and program management** and the design modality for the future SfEP provides the opportunity to rethink and potentially, over time, reset DFAT's approach to its aid management in Kiribati to leverage stronger outcomes across its aid portfolio. In a relatively small developing country, SfEP needs to contribute towards an effective response where aid resources are being increasingly stretched and significant improvements to the quality of investments may be harder to achieve. The SfEP design proposes the establishment of a Flexible Support Facility (FSF) which will be an integrated element of the program with its activities directly aligned with and supporting the achievement of the program's objectives. There are potentially two stages (or options) for the FSF.

**Stage 1** proposes the FSF as a vehicle to deliver specific program initiatives aligned to SfEP objectives that can be developed and implemented to meet current or emerging needs utilising 'real-time' planning and resourcing processes. A major benefit of this model is the ability to respond to service demand quickly and efficiently and not to be locked into pre-planned activities based on assumptions of need that are likely to be affected by the local environmental, social or political factors. The EOPO areas and Outputs proposed to be covered by the FSF include, where not provided for in the related budget under core activities, are:

- i. Mechanisms, including human resource development to improve the coordination of the skills sector across government and the region [D1.1]
- ii. Support for access to labour mobility opportunities e.g., the extended Seasonal Worker Program and the pilot Northern Australia Pacific microstates employment program [D1.1]
- iii. Additional ministry and cross ministry strengthening initiatives [D1.1]
- iv. Policy and planning systems to support skills sector development related to KIT [D1.2]
- v. Limited support for the business systems component of the MLHRD National Career Counselling and Employment Centre [D1.3]
- vi. Infrastructure development [D1.4].

**The option of a longer term FSF** **Stage 2** proposes a solution that will give Post the opportunity to strategically manage the performance of a larger portion of its aid program through a holistic M&E framework, more efficient procurement arrangements, implementing more effective public and private sector stakeholder engagement processes and public relations strategies. There are significant strategic benefits of the FSF for DFAT's aid management in Kiribati that will yield improved aid investment quality and outcomes. DFAT Tarawa Post manages or supports a host of like and disparate programs across skills development, basic education, health, infrastructure and public sector management. Such programs frequently have similar key result areas in gender equality, social inclusion, M&E, business systems, strategy and policy and public sector strengthening.

As a centralised service the FSF could provide expertise and resources for coordinating, identifying and implementing initiatives in across a number of program areas, improve the effectiveness of program management, achieve financial benefits through economies of scale, reduce planning lead times, and simplify program management and reporting processes. The establishment of the FSF is a strategy to include, as appropriate, other separate DFAT programs into its management model. This may occur through transitioning new phases of programs other than SfEP, by novating existing contract arrangements or directly appointing new programs to the facility. It could also provide a significant support role to Post in managing complex and resource consuming small projects usually directly funded and managed by the Post.

**The management of the FSF is central to the effectiveness of the model.** A total allocation of \$3M is available within the budget under line [D1.4] to support SfEP-related activities administered through the FSF for the 3.5 year life of SfEP. Application of annual allocations to agreed activities will be approved by Post in consultation with the MLHRD and the Strategic Program Advisory Group (SPAG). The annual work plans will also identify potential initiatives to be funded through the FSF.

Further allocations to the FSF may be available to finance other Australian aid program activities unrelated to the SfEP. The exact nature and quantum of these activities will be determined by Post and driven in part by aid program allocations and the evolving nature of future Australian aid program investments within the region. Indicative non-SfEP activities might include: investments in the health sector to support a TB Elimination and NCD program (with an approximate allocation of \$1M per annum) and the construction of a second phase of KIT infrastructure re-development

and rehabilitation of the buildings at the nursing school at Bikenibeu (with possible support from other Government donors through a delegated cooperation with DFAT).

The SfEP MC will need to either manage or procure the management of the identified activities in adherence with the principles of Commonwealth Procurement Rules.

#### 4.8 Procurement of Products and Services from Australian RTOs

The major area of service procurement under this contract will be through the Skills Development Fund (SDF) for courses to be offered or sponsored by KIT and for strengthening services to enable KIT to become a regionally registered and quality assured training organisation.

The MC will abide by the Commonwealth Procurement Rules<sup>42</sup> under S105B (1) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and any related policies as they exist at the time of program commencement. The Commonwealth Procurement Rules are the keystone of the GoA's procurement policy framework and accordingly, the MC will design and implement robust procurement processes that are transparent while permitting innovative solutions that reflect the scale, scope and risk of the desired outcome.

For the purposes of this Design, "Procurement" encompasses the whole process of procuring goods and services and begins when a need has been identified and a decision has been made on the procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, the awarding of a contract, the delivery of and payment for the goods and services and, where relevant, the ongoing management of the contract and consideration of disposal of goods. It is understood that MCs will have their own procurement measures and policies within their standard operating procedures. To ensure potential MCs have the opportunity to consider innovative VfM propositions, it is beneficial not to include the specific details of a procurement process in this design document, in order to create competitive ideas from a VfM perspective. In the case of the SfEP, KIT is not a legal entity; however, this should not be a concern as the appointed MC will procure services through a procurement process where the funds will only exchange between the MC and the service provider. While there may be variation within potential MC's internal procurement-related processes, they must comply with the Commonwealth Procurement Rules.

#### 4.9 Monitoring and Evaluation

Monitoring and evaluation (M&E) for SfEP is based on a robust and readily understood theory of change. This will be monitored and evaluated via a comprehensive monitoring and evaluation (M&E) system that enables the tracking of implementation progress, ongoing attention to performance and effectiveness, and the evaluation of achievement of outcomes. The underlying principles of the M&E system are that:

- Mutual learning and continuous improvement are essential;
- Monitoring and evaluation is an integral part of all program activities; and
- The program must offer flexibility and simplicity in evaluating outcomes.

At its core, M&E will focus on systematically gathering and analysing the core data required to monitor program performance. This design document recommends the approach to M&E and sets out indicative tools, processes and requirements for the M&E system. The MC will build on the design specifications which follow and which are elaborated upon in Annexes 3 and 4 to develop a Monitoring and Evaluation Plan (compliant with DFAT's M&E Standards - June 2014), for subsequent consideration and DFAT approval. That M&E Plan will be reviewed and updated annually, and will comprise relevant elements of KIT's Annual Plan. While the monitoring of program implementation, outputs and outcomes is a shared responsibility across all staff, the MC will allocate sufficient human resources to M&E management processes. Provision for additional short-term support if and when required has been included in the indicative program budget.

**M&E Criteria:** The evaluative focus of the program will be defined by the list of evaluation questions that will be researched through the SfEP M&E system strategies and mechanisms. These have been framed against DFAT's investment rating criteria and have been determined aligned to the theory of change as: (the full investment rating criteria and sub-sets are detailed at Annex 3)

1. *Relevance: Relevance to the context*
2. *Effectiveness: Achievement of end of program outcomes*
3. *Efficiency: Activity management and VfM*

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42 <http://www.finance.gov.au/sites/default/files/2014%20Commonwealth%20Procurement%20Rules.pdf>; accessed 27-11-15

#### 4. Sustainability: Flow of intended benefits in the future

In addressing these criteria, it is anticipated that a number of related questions will need to be defined within the M&E Framework (MEF). The indicative MEF against the above key evaluation questions, and the proposed approach to M&E, are fully described in [Annex 3](#). The MEF specifies performance indicators that address the key evaluation questions, activity reporting, the relevant data source and disaggregation.

Learning from the TVETSSP experience with M&E systems in Kiribati requires that the approach for SfEP makes the distinction between activity reporting and outcome evaluation. The indicative MEF combines indicators for both periodic evaluation and routine monitoring, but the MEF may, as part of the M&E planning process, be specified as a performance assessment framework (PAF) for contractual reporting on activities and outcomes. If so, it must be attached to a condensed MEF that focusses on monitoring and evaluating program effectiveness.

**M&E Methods and Tools:** The collection, analysis and reporting of results from specified M&E activities is the responsibility of the MC. Much of the day-to-day monitoring of implementation progress, and the delivery of outputs, will be undertaken through KIT operational and management data. The M&E framework will be structured to allow on-going evaluation against KIT's performance and the program's performance, and where appropriate, the areas of synergy between the two. KIT data will come from application forms, program plans, course schedules and administration mechanisms, and KIT reporting of academic outcomes. The program will target qualitative and quantitative M&E tools. At a minimum, the M&E system will include the following elements:

- A **start-of-course** survey for all newly-commencing students at KIT to establish their current situation as a reference point for subsequent surveys. Simple information will be sought to understand motivations for application and their aspirations post training - to form a useful benchmark from which to assess changed perceptions (or not) later. It will also rate the effectiveness of KIT promotions, applications and ultimate selection processes.
- **End-of-course surveys** (for long-term students and short course participants) will seek to gain immediate perceptions of a student's training experience, in particular to assess the quality of training through satisfaction ratings. It will examine the student's perception of employment options, which is particularly useful for long-term KIT graduates who will be surveyed at multiple points longitudinally (start-of-course, end-of-course and tracer survey).
- The MC will adopt an **annual tracer study** to collect a range of simple data from graduates at 12 months and 24 months after completion of training. Data collected will be relatively limited, designed mainly to track graduates and their employment outcomes, with the focus on collecting quantitative data that can be aggregated over time, and reported simply.
- The **employer survey** (likely to be a qualitative case study) will assess employers' level of satisfaction with the quality and level of KIT graduates. Employers will also be asked to rate their perceived level of inclusion (and consultation) in KIT planning processes as well as their opinions on likely skills gaps or over-supply.
- The **stakeholder satisfaction survey** will elicit information about the effectiveness of the management of SfEP and stakeholder perceptions of the value of the program. This will be a simple instrument to be completed either by email and telephone. It will also seek to assess stakeholder perceptions around their inclusion in SfEP planning processes as well as the quality of interaction with program management and DFAT.
- The MC will develop a detailed **case study** methodology as part of the M&E Plan, to add insight to tracer survey findings. It may involve longitudinal case studies and/or other case study methods, and it will provide the basis for exploring the diversity of views on post-training outcomes. Case studies may also seek to include other perspectives, such as employers, family members, and others, to provide a more comprehensive examination of outcomes.
- The MC will undertake at least one **Annual Thematic Study** each year, which is intended to examine broader issues for a cohort of students or graduates, a priority sector or a target agency. It will be small-scale and will respond to a particular issue of concern or interest for the program in any given year. The topic will be chosen by DFAT and the MLHRD as part of the annual planning process, guided by options presented by the MC.

- In reviewing the M&E framework during the program start-up phase, a plan to collect disability disaggregated data will be developed and it should be explicit that the best practice Washington Group questions be used for collection of this data.<sup>43</sup>

**Information Management:** Data demand and use (in M&E) will need to take cognizance in the difficulty in maintaining quality and useful databases in Kiribati – not just in terms of administrative capacity, but also in terms of enabling systems and IT. The MC will be required to utilise the existing education management information system (EMIS), “Edu Point” to support the management of data required for M&E of all aspects of the program. The MC will review “Edu Point” functionality to ensure it provides standard management records, and to service indicators identified in the MEF. The MC will need to establish, as part of the M&E Plan, a quality assurance process for data collection and storage. This process should include data spot-checks, secure back-up of data regularly, mitigation of any risk to a volatile<sup>44</sup> server environment, and the design of interim data management procedures should Edu Point be offline for any extended period (this may include capturing and storing data in other formats, such as spreadsheets).

**Reporting systems:** The MC will prepare a number of reports over the life of the program, which will provide timely, formative, summary data (disaggregated by age, gender, disability status, disadvantage status, course name) to support the efficient implementation and review of the program. Reporting will focus on program outcomes, although user-friendly numerical reports will continue to be sent to relevant DFAT officers in a summary format.

#### 4.10 Risk Management

Risk identification, management and mitigation where relevant has been addressed in specific areas of the Design and referenced to the Risk Register at Annex 11. Overall, the SfEP has been assessed as **low risk**.

As a relatively secure country, Kiribati offers a safe working environment for Program personnel, consultants and KIT staff. Therefore, it is unlikely that safety and security risks will be a major determinant in achieving successful program operations. However, Kiribati’s remoteness does pose challenges to attracting and maintaining quality expatriate program staff.

Operational risks demonstrate a greater potential threat to the successful implementation of the program, particularly if the level of expected support from the MLHRD does not eventuate as planned; and /or external challenges such as limited labour mobility options or restrictive visa opportunities reduce achievement of outputs and outcomes in Component B, in particular.

To reduce the possible negative impact of both of these eventualities, it is crucial that partners and stakeholders continue to be involved in all aspects of planning and implementation. By constantly involving these representatives through mechanisms such as the SPAG, the KIT Advisory Council, and industry work groups, SfEP management will have direct and immediate knowledge of any potential or emerging external risks, and be able to provide appropriate advice to assist in managing such risks.

Stakeholder M&E Responsibilities are documented at Annex 5 identifying the monitoring and evaluation roles and responsibilities of most SfEP stakeholder and client groups; this table will need to be reviewed and updated annually so that the Program is informed by regular “external” identification and assessment of risks.

Should there be a significant change in the policy direction of the Government of Kiribati in relation to education and training support, which could lead to great insularity and restrict the level of partnering with other Pacific countries, a risk to the continuing strategic direction of the program will ensue. This, however, is an unlikely risk.

All program funding will be managed by the SfEP Managing Contractor, which will have in place appropriate financial management procedures and accompanying manuals; similarly audit guidelines will be implemented and documented. Provided these are appropriate, and approved by DFAT, any significant financial risk to the management and operation of all program components is unlikely to eventuate.

To promote public diplomacy outcomes, the MC will develop appropriate communications / media management plans and update as necessary. Such plans will provide the framework and guidance for managing any potential profiling risks to desired public diplomacy outcomes of the program. Similarly, constant and open dialogue between the Governments of Kiribati and Australia – including the strategic direction setting negotiated during meetings of the SPAG, and the

<sup>43</sup> Support resources to be accessed through: <https://www.did4all.com.au/>

<sup>44</sup> TVETSSP Phase II experienced volatility in the server environment due to sporadic electricity surges and power outages.

negotiations undertaken as part of regular donor meetings between both countries – will assist in avoiding potential relationships risks between partners.

While external partners are a crucial element of monitoring and addressing program risks, greatest responsibility must remain with internal program personnel. Overall program risk identification and management will be a standing item in the SPAG agenda and KIT operational risk management will be a standing item of business for all KIT senior staff meetings. Once risks have been identified and assessed, the SfEP Deputy Director (Corporate Services) and the Assistant Director (Quality Compliance) will be responsible (jointly) for addressing any significant risk issues raised, and updating any changed risk levels – as appropriate. While acknowledging the (generally) low risk levels to be faced by SfEP, it is important to note any specific risks which could impact the program. These risks are identified initially in Annex 11; a more detailed and targeted Risk Register will be updated from the initial Risk Register by the MC and approved by DFAT Tarawa on an annual basis.

#### 4.11 Gender Equality

In TVETSSP, a lack of quality M&E data has impacted on reporting against gender and social inclusion initiatives. There is evidence that specific (recent) policies and interventions have been instituted to provide greater gender balance in enrolments as evidenced in 2015 enrolments although this has occurred in the last year of the program. Further, there is no clear evidence of targeting to achieve gender equality across program outcomes across the life of the program

**Gender inclusion needs to be more fully addressed through the SfEP.** This will require ongoing gender analysis throughout the life of the investment to inform programming decisions, as well as an evolution in approach from one that meets targets of female representation to one that emphasises gender and social inclusion as a core strategic development issue. This design places a stronger emphasis on targeted activity for more equitable gender outcomes as well as a defined approach to gender inclusion and assessment at each outcome/output level with specific funding earmarked in the budget.

Gender equality is widely accepted as essential to sound development practice and as key to economic and human resource development.<sup>45</sup> Furthermore, development which addresses gender inequalities and the various forms of discrimination experienced by women assists in progressing women's human rights and supports a more just and cooperative society. Enabling women, as well as men, to develop their full potential and to have equal opportunity to contribute to their households' welfare and communities' development is a critical element for poverty reduction and the success of development activities. Research and practice has demonstrated that projects which take gender equality into account tend to achieve their objectives more often than projects that ignore them.

It is often assumed that women and men will benefit equally from the provision of training, tertiary studies and employment opportunities. However, research in the Pacific, Asia and elsewhere shows that women and men often have different needs and priorities relating to skilling for employment, and that unequal gender relations in society often constrain women from accessing and benefiting from the facilities and services provided.

Determined efforts need to be made to allow both women and men to participate and benefit equally from the outcomes of the SfEP initiative. This is essential for progressing women's human rights, as well as for effective and sustainable development.

Furthermore, both Government of Australia (GoA) and Government of Kiribati (GoK) policies emphasise the need to take gender equality into account in development initiatives. In Kiribati society, women and men may have different needs and priorities related to their roles and experiences, yet women are very often excluded from consultations and meetings where decisions are made regarding the direction, implementation and outcomes of education services.

*It is now widely recognised that development and governance processes will not be effective or sustainable until women and men participate in and benefit from such processes on a basis of both formal and substantive equality. Despite this, women continue to be significantly under-represented in governance and development processes, and experience discrimination and diminished opportunity in virtually all development sectors.<sup>46</sup>*

The Secretariat of the Pacific Community (SPC) identified enabling environment requirements for gender mainstreaming in the Pacific: political will; organisational culture; legal and policy framework; technical capacity; adequate resources; and accountability and responsibility. While some of these, for example, political will, and legal and policy framework are beyond the scope and/or capacity of SfEP to influence, the others can be, and need to be, part of a coordinated

<sup>45</sup> Refer to DFAT gender equality strategy *Promoting Opportunities for All: Gender equality and women's empowerment*, 2011, p.3

<sup>46</sup> *Stocktake of the gender mainstreaming capacity of Pacific Island governments – Kiribati*, SPC, 2015, p.1



approach to an implementing a cohesive gender strategy that seeks to meet the skilling and training needs of both women and men in Kiribati.

Therefore, to advance gender equality and promote the empowerment of women and girls, the following *principles* will need to apply to SfEP planning and implementation:

- i. Data needs to be collected in a form which can be readily analysed to inform planning, analysis and reporting of gender impacts.
- ii. SfEP personnel and consultants must understand the importance of and have the capacity to address gender equality.
- iii. The program must promote gender equality, and the importance of gender equality for SfEP activities, through communication to a wider audience.
- iv. The needs and priorities of women as well as those of men must be identified and addressed in SfEP's training and employment support activities.
- v. All information and communication undertaken as part of SfEP activities must indicate that opportunities are open to both women and men
- vi. The program is committed to building the knowledge, understanding and practical capacity of both women and men, in traditional and non-traditional roles by giving equal opportunity for their participation, including in leadership roles.
- vii. SfEP will provide and promote equal opportunities for women to participate in SfEP committees, planning groups, and course review activities.

To help promote the application of these gender equality principles, a recognised tool - a *Gender Responsive Checklist* - is often used in development sector environments. Adapted to suit the specific Kiribati environment, and the nature of SfEP, key questions to be addressed regularly during program implementation are indicated in the checklist attached at [Annex 17](#).

Gender issues also intersect with the disadvantaged and vulnerable groups in the community including the poor, children, and people with disability. Their specific needs and constraints to their access and use of training and capacity building opportunities need to be considered. For example, while both poor men and women are often disadvantaged with regard to access to training, *poor women* are even more disadvantaged. They must face the expectations and limitations imposed on them by society because the challenges that relate to their gender are often compounded by the constraints of poverty.

To address issues of **gender-based violence**, the draft Kiribati national gender equality policy was developed in 2013 that aligns with the earlier draft *Women Development and Gender Equality Policy 1996*.<sup>47</sup> The policy reflects changing national priorities as outlined in the *Kiribati Development Plan 2012-2015*, and identifies specific gender issues that are priorities for Kiribati. It responds to the increasing amount of evidence on the extent of gender-based violence and is now aligned with the revised the *National Approach to Eliminating Sexual and Gender-based Violence in Kiribati: Policy and Strategic Action Plan 2011–2021*.

The potential for gender-based violence arising directly from any SfEP activities or programs is unlikely however KIT personnel and SfEP program staff and advisers will participate in training and awareness programs. Such programs will focus on awareness and how to respond to claims of SGBV, promoting KIT as a 'zero tolerance institution', dealing with the impact that such violence can have on the whole of the Kiribati community and particularly on women undertaking training and employment programs.

#### **4.12 Disability Inclusiveness**

Disability-inclusive development is a priority for Australia's international engagement through DFAT, as stated clearly in the *Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia's aid program*<sup>48</sup>. The strategy aims to promote improved quality of life of people with disabilities in developing countries. As the strategy notes: "education is critical to developing skills to improve livelihoods, lift living standards and gain

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<sup>47</sup> The 1996 draft was never approved by the GoK

<sup>48</sup> Refer <http://dfat.gov.au/about-us/publications/Pages/development-for-all-2015-2020.aspx> , p. 5.

employment, enabling people in poverty to participate in and contribute to the economy. However, people with disabilities are particularly disadvantaged by poor quality, inadequate and inaccessible education”.

Research indicates that people with disabilities in developing countries generally experience poorer health outcomes, lower levels of education, less economic participation and higher rates of poverty than people without disabilities. This is partly because people with disability face barriers in accessing services including health, education, employment, transport, and information – and these are exacerbated in less advantaged communities such as Kiribati.

Despite some progress in advancing the rights of persons with disabilities, Kiribati still needs to take action to prevent discrimination and provide equal opportunities for people with disabilities. Although it has ratified the *Convention on the Rights of Persons with Disabilities* (CRPD) (on 27 September 2013), it has yet to submit its first “State Party’s Report” – which was due on 27 October 2015.<sup>49</sup> This Report, once submitted and publicly available, should provide DFAT and its partners and contractors with a better understanding of the current challenges facing increased inclusion of persons with disability in Kiribati, and thus provide practical management strategies.

The issue of disability has both a legal and a social element. Information about disability may remain hidden by families and communities. Stigmatising language is commonly used to refer to persons with disabilities; therefore, a degree of social exclusion may persist. Such social exclusion means that people with disabilities are unlikely to benefit from the training and employment support opportunities planned for SfEP. DFAT notes that: “People with disability face multiple barriers including stigma that may prevent families involving household members with disability in community life.”<sup>50</sup>

Information about disability and subsequent access to services in Kiribati is limited, with often-conflicting data confusing the situation. The most recent statistics appear to indicate that *Inclusion International* surveys in Kiribati in 2003–2004 identified 4.36 per cent of the population as living with a disability.<sup>51</sup> In contrast, the World Health Organisation (WHO) in 2004 suggested that the number of persons with a disability in Kiribati was 3,800 – a proportion of around 3.7% of the Kiribati population at the time.<sup>52</sup> The WHO also notes the global prevalence rate of disability as 18% which further supports the targeting of specific initiatives to support the inclusion of people with disabilities (PWD).

The SfEP program will need to maintain the commitment of both GoA and GoK to supporting people with disabilities to access opportunities for training at KIT and subsequent employment support through the JSC. Five approaches to supporting inclusive education and skill development in DFAT programs have been identified in *Development for All, 2015-2020*. All five have relevance for SfEP strategic planning and implementation, but two in particular (*shown by italics*) have particular significance:

1. improve the accessibility to and quality of education for people with disabilities through policy dialogue, teacher training, curriculum development and education infrastructure
2. encourage and support the implementation of inclusive education in Australian-supported education programs from early childhood education to technical and vocational training
3. *enhance targeted support for people with disabilities, as required, to meet their needs and enable them to realise their full potential in education and employment, including through the provision of alternative communication strategies and assistive devices*
4. *support skills training programs for people with disabilities to improve their ability to participate in the community and gain employment*
5. actively encourage and support people with disabilities to undertake tertiary study in Australia as part of the Australia Awards program.

To maintain this GoA commitment and offer equitable access to people with disability to all SfEP training and employment search services, the program should develop a *Disability-Inclusive Strategy*, and report regularly on

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<sup>49</sup> Refer to UN Office of the HC on Human Rights, at [http://tbinternet.ohchr.org/\\_layouts/TreatyBodyExternal/](http://tbinternet.ohchr.org/_layouts/TreatyBodyExternal/)

<sup>50</sup> *Kiribati Program Poverty Assessment*, DFAT, March 2014, p. 6

<sup>51</sup> “Implementing disability-inclusive development in the Pacific and Asia: Aspects of human resource development”; in *Development Bulletin* #74, 2011, ANU

<sup>52</sup> *World Report on Disability*, WHO, 2011, quoting: *Disability at a glance: a profile of 28 countries and areas in Asia and the Pacific*. Bangkok, United Nations Economic and Social Commission for Asia and the Pacific, 2006. (Note that this document referred to the Kiribati National Disability Survey of 2004)

Strategy implementation.<sup>53</sup> The Strategy should guide the implementation of KIT's training and professional development activities based on four principles:

*1 Awareness and recognition of persons with disabilities is increased through SfEP activities.*

Awareness-raising is essential. KIT lecturers, program personnel and students should be encouraged to learn to recognise and respect persons with disability among their peers and their current and future colleagues. To provide an evidence base, disability data among teachers, lecturers, and KIT students will need to be collected, to contribute to greater social awareness.

*2 Barriers to equitable access to training are reduced or eliminated.*

Facilities at KIT need to be accessible by persons with mobility disabilities, or classes arranged so that any such KIT teachers or students are not constrained in delivering or completing their courses.

Other non-mobility impairments, whether related to sight, hearing, or speaking, or to intellectual capacity, should be mitigated wherever possible by the use of readers or study partners.

*3 SfEP program materials should support access by persons with disabilities and reflect equitable practices.*

Lecturers, teachers, and materials' developers need to be trained in how to develop, choose and make use of materials which allow for and encourage access by people with disabilities. Furthermore, teaching and learning processes need to be free from stereotypes associated with persons with disabilities – whether in illustrations, photographs and in the use of language.

*4 The participation of persons with disabilities in SfEP activities should be encouraged at all levels.*

Every opportunity needs to be afforded to people with disabilities to engage in the program, whether as a lecturer, adviser or student. SfEP personnel will need to liaise with and build relationships with local and regional NGOs who work with people with disabilities, and with relevant public agencies in Kiribati such as the Ministry of Health's Tungaru Rehabilitation Services.

The proposed SfEP budget includes funding for targeted support for PWD which includes: advisor support, training programs, individual support and reasonable accommodation (transport/technologies/access etc) costs.

In summary, institutional strengthening will need to involve training and support for PWD and the SfEP Program commitment is to be based on the premise that program personnel, teachers, and KIT students will act as powerful, positive role models, by raising awareness, demonstrating how barriers to access can be mitigated, and including in course and training materials development, people with disability. The program will also consult local Disabled People's Organisations (DPOs) on the inclusion of PWD. Communication and program advocacy strategies will also include a focus on PWD.

#### **4.13 Private Sector**

Private sector development is widely recognised internationally as an “engine of economic growth” in developing countries. DFAT has noted<sup>54</sup> that *90 percent of jobs in developing countries are created by the private sector, 60 percent of all investments are funded by the private sector and the private sector contributes more than 80 percent of all government revenues*. Australia and other development agencies such as the World Bank (WB), the International Finance Corporation (IFC) and the Asian Development Bank (ADB) consistently identify private sector development as a fundamental area of focus to reduce poverty and support sustainable growth in the Pacific. A strong private sector creates vital jobs and services, providing people with the opportunity to improve their lives.

Further, improved dialogue between the private and government sectors provides an opportunity to collaborate to support increased private sector activity and to help overcome the obstacles to private sector investment in infrastructure and other enterprises.

Australian Government engagement with Kiribati acknowledges the country's economic challenges, and also accepts that despite substantial progress, the private sector in Kiribati faces numerous obstacles to progress in its role as a driver of trade, employment and growth. These obstacles include poor information access; administratively intense procedures

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<sup>53</sup> Understandably, however, training (and employment) in some areas and/or trades may not be appropriate for some persons with disability, depending on the nature and extent of an individual's disability/ disabilities.

<sup>54</sup> <http://dfat.gov.au/geo/pacific/development-assistance/Pages/economic-growth-and-private-sector-development-pacific-regional.aspx>

and regulations; skills shortages in (some) key areas; tariff and non-tariff barriers; limited investment finance; and poor infrastructure and institutions.

With poor prospects for economic growth and so few local employment opportunities, opportunities for I-Kiribati to access off-shore employment need to be maximised – although within existing international policy constraints.

The two main constraints to increased I-Kiribati labour mobility identified are:

- 1) The immigration and worker visa policies of destination countries (including Australia)<sup>55</sup>, and
- 2) A reluctance and general lack of support by industry and unions in destination countries to accept overseas workers where there is a perception of taking a job from a local worker.

Nevertheless, the Australian Government has recently broadened its support for labour mobility by expanding opportunities for Kiribati (and other regional) workers under the *Pacific Seasonal Workers Program*. There will also be opportunities available under the Northern Australia Pacific microstates employment pilot program. However, this five-year pilot program is modest, and expected to support up to only 250 suitably qualified workers from Kiribati, Tuvalu and Nauru (in total) to work in Northern Australia. While a worthwhile initiative, and one which represents significant progress over previous approaches, SfEP is expected to initiate new, and strengthen and expand its existing linkages, with the regional and Australian private sectors.

A broader intent of SfEP is to implement initiatives that maximise opportunities for I-Kiribati to seek overseas employment - within existing policy and implementation constraints; and to develop innovative private sector partnerships that support industry development priorities. To achieve this, the SfEP *Job Search Centre* will be established at KIT to facilitate the transition from study to work, both on and off-shore, while a partnership with an Australia-based group training company will facilitate employment of trainees, by:

- managing the skills assessment process of visa applicants,
- arranging skills gap training, and
- providing pastoral care and other necessary support for the trainee.

While this Design does not suggest that the *Job Search Centre* will meet all needs of skilled, I-Kiribati TVET graduates, it is an innovative approach which, if used in conjunction with other GoA initiatives, and a strong “outreach” role by KIT, can offer employment opportunities that optimise the newly acquired skills of I-Kiribati youth.

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<sup>55</sup> Refer to Annex 13 for a spreadsheet summarising the challenging visa requirements of many countries where e-Kiribati may have considered seeking employment, either before or after tertiary training.

## **SECTION 5: ANNEXES**

Annex 1: SfEP Program Logic  
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Annex 4: Monitoring and Evaluation Framework (MEF)  
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Annex 18: People and Organisations Consulted  
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