



Australian Government

Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2015-16

KIRIBATI

September 2016



KIRIBATI AID PROGRAM PERFORMANCE INFORMATION 2015-16 SUMMARY

Kiribati is a small Pacific Island country with a population of approximately 110,000. With gross national income per capita at USD2,280, Kiribati is one of the poorest countries in the region. Growth prospects are constrained and the government relies heavily on fisheries revenue. The capital, Tarawa, has high youth unemployment and rapid population growth is increasing pressure on its basic services and infrastructure. Climate change impacts are exacerbating these development challenges.

Australia’s aid program is working with Kiribati to maximise benefits from its human resources and its fisheries sector to improve its economic prospects, and strengthen its economic and environmental resilience. These strategic priorities are in line with the Kiribati Development Plan (2016-19) and Australia’s aid policy *Promoting prosperity, reducing poverty and enhancing stability*. Across all of our investments, Australia seeks to strengthen Kiribati’s capacity to improve gender equality, disability inclusiveness, climate change and disaster risk management. Australia’s aid program is delivered under the Kiribati Aid Investment Plan 2015-19, which deploys our resources to most effectively and efficiently achieve results in these areas.

Australia is the largest donor of aid to Kiribati. In 2015-16, Australia provided an estimated \$24.9 million of official development assistance (ODA) to Kiribati, equivalent to approximately 11 per cent of Kiribati’s Gross Domestic Product.¹ Kiribati’s other long-term partners are New Zealand, Japan, Taiwan, the World Bank and Asian Development Bank.

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Objective	Previous Rating	Current Rating
Objective 1: Implementation of Economic Reform Plan	Green	Green
Objective 2: Better educated and healthier population	Green*	Green

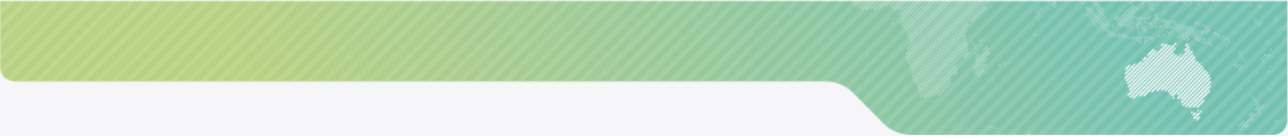
Note:

- Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.
- Amber. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.
- Red. Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

* The 2014-15 Kiribati Aid Program Performance Report rated performance against the *Australia-Kiribati Partnership for Development 2009-15*, which includes four partnership outcomes. Three of these outcomes broadly relate to the second objective of the new *Kiribati Aid Investment Plan 2015-19*. Two of these three outcomes (improved standards in basic education and increased opportunities to develop internationally recognised workforce skills) were rated ‘green’, but the third (improved infrastructure services) was rated ‘amber’. Improved infrastructure services is not a priority of the new Aid Investment Plan.

During 2015-16 there was good progress towards achieving our two key objectives. As part of work to support the Government of Kiribati to implement its **Economic Reform Plan**, Australia continued to engage closely with the Kiribati Economic Taskforce (including the Government of Kiribati, Asian Development Bank (ADB), World Bank, European Union and New Zealand) on progressing agreed economic reform priorities. Australia is supporting the implementation of Kiribati’s Economic Reform Plan (\$460,000 in 2015–16) by funding two advisers through the Pacific Technical Assistance Mechanism. The first, a Director of the National Economic Planning Office, is helping to improve budget planning and better coordinate development partner efforts. This support was valued by the Government of Kiribati and other stakeholders. Consequently, Australia agreed to extend this position until 2018. The second position, a Tax Adviser, supported the implementation of the Value Added Tax and an automated tax system. This support has

¹ In 2014 Kiribati’s Gross Domestic Product was USD166.8 million: <http://data.worldbank.org/country/kiribati>. As of 1 August 2015, 1AUD = USD1.32.



contributed to an estimated 23 per cent increase (\$6.5 million) in taxation revenue collection in 2015 over the previous year.

In 2015-16, Australia continued to support Kiribati in the management, development and surveillance of its tuna fisheries, through our support to the Pacific regional fisheries organisations (annual core funding of approximately \$5 million to the Forum Fisheries Agency and approximately \$4.3 million to the Fisheries Division of the Secretariat of the Pacific Community). In 2015, Kiribati achieved its highest ever fisheries revenue (\$207.1 million – a 45 per cent increase from 2014). However, an independent report found that there was under-reporting of catch, and the European Union issued a ‘Yellow Card’ warning to Kiribati under its ‘Illegal, Unreported and Unregulated Regulation’.² Australia will work with Pacific regional fisheries organisations in 2016-17 to assist Kiribati address these issues.


Australia is working with the Government of Kiribati to improve standards in **basic education**, in terms of both quality and access, in support of our second objective of building a better educated and healthier population. The results of the 2015 Pacific Island Literacy and Numeracy Assessment (PILNA) provide strong evidence for the success of the education reforms implemented with support from Australia’s *Kiribati Education Improvement Program, Phases I and II* (\$36 million, 2011-16). From poor 2012 PILNA results, Kiribati has significantly increased numeracy and literacy levels. The 2015 PILNA found that 93 per cent of Year 4 students were performing at or above the expected proficiency level in literacy (compared to only 66 per cent in 2012), and 73 per cent were performing at or above the expected proficiency level in numeracy (compared to only 29 per cent in 2012). Girls out-performed boys across all areas. The year four students assessed in 2015 benefited from approximately two years learning under the new national curriculum implemented under Phases I and II of our program, which has substantially improved the quality of the syllabus and teaching materials, and provided teacher training. Many of the students assessed in 2015 also benefited from learning in rehabilitated school buildings, including improvements to water and sanitation and access ramps for children with a disability, also implemented under Phases I and II of Australia’s program.

Other key achievements under Australia’s Kiribati Education Improvement Program in 2015-16 include:

- all Year 5 students had access to a new curriculum;
- 446 teachers were trained in the new curriculum (Years 1-5);
- 2054 children benefited from rehabilitated primary school buildings, built in line with Accessibility Design Guide standards;
- the primary school Net Enrolment Rate has increased from 82 per cent in 2011 to 99 per cent in 2015; and
- more children with a disability (from 179 in 2015 – 95 boys and 84 girls to 185 in 2016 – 106 boys and 79 girls) were able to access quality education services at the Kiribati School for Children with Special Needs.

In 2015-16, Australia continued to provide **quality skills training** aligned with labour market demand, to provide opportunities for young I-Kiribati to pursue domestic and international employment. In October 2015, an independent evaluation of Australia’s *Technical and Vocational Education and Training Sector Strengthening Program, Phases I and II* (\$23.6 million, 2011-16) found that the program had achieved most of its output targets, including substantial improvements to the quality, quantity, scope and equity of training delivered by the Kiribati Institute of Technology (KIT). However, it also found that the program’s design overestimated the opportunity for graduates with an international qualification delivered in Kiribati to

² The European Union “Yellow Card” warning reflects its significant concerns about Kiribati’s capacity to control compatible ‘Illegal, Unreported and Unregulated’ fishing activities by foreign fleets, including concerns about the traceability of fish caught in Kiribati waters and the lack of information on its licensed vessels. The European Union has drafted an action plan for Kiribati, which if not addressed, could lead to the European Union taking further steps, including trade sanctions on fisheries imports.



secure employment without additional support. In response to the findings of the independent evaluation, the third phase of the program (renamed the *Kiribati Facility: Skills for Employment Program*, \$20 million, 2016-19) has been designed with a stronger focus on strengthening pathways to employment. New initiatives includes a Job Search Centre, work placements and a vocational pathway bridging program to reach young people disengaged from the education system. Key achievements of the program in 2015-16 include:


- 172 I-Kiribati women (92) and men (80) graduated with an internationally recognised qualification from the Kiribati Institute of Technology in 2015;
- participation of women across accredited courses increased from 39 per cent in 2014 to 48 per cent in 2015, as a percentage of total enrolments;
- stage one of the redevelopment of the KIT campus was completed on time and within budget;
- the Kiribati Institute of Technology and the Kiribati School of Nursing were merged in January 2016 to strengthen Kiribati's capacity to provide quality-assured nursing and allied health education; and
- 32 awardees (17 male/15 female) were selected to commence Australia Award scholarships in Australia or the region in 2016, up from 30 in 2015. Twenty-seven awardees (10 male/17 female) successfully completed their awards in 2015, with a completion rate of 90 per cent (improving from 78 per cent in 2010).

In 2015-16, Australia provided greater support to Kiribati under the *Seasonal Workers Programme* and established the *Pacific Microstates – Northern Australia Worker Pilot Program*, which enables citizens from Kiribati, Tuvalu and Nauru to access multi-year visas to work in Northern Australia. The first 27 I-Kiribati workers under the pilot are expected to start work in Australia by October 2016, with more expected to commence later in 2016-17. The pilot will provide opportunities for workers to gain important workforce skills and experiences abroad in Australia context, and make modest remittances to their families.

Under the Australia aid program's second objective of building a better educated and healthier population, in 2015-16 Australia also made progress towards **better health outcomes** in Kiribati. Kiribati has the highest rate of tuberculosis in the Pacific outside of Papua New Guinea and the disease remains a very high public health priority. In 2015-16, Australia continued to support the Government of Kiribati's *National Tuberculosis Program*, delivered through a partnership with the Secretariat of the Pacific Community, to help improve the quality, accessibility and efficiency of tuberculosis diagnosis and treatment in Kiribati. Australia's contribution over 2012-16 was \$2 million. Aspects of the program have been successful: 90-95 per cent of identified tuberculosis cases have been successfully treated, exceeding the World Health Organisation target of 80 per cent. An increasing number of tuberculosis cases are also being detected (from 265 in 2010 to 419 in 2015 - per 100,000 population) which suggests the program is better reaching affected communities. However, an independent evaluation released in March 2016 found that there had been implementation delays to technical areas of the program (including advocacy, monitoring and evaluation and risk management) and limited evidence it had achieved sustainable outcomes, thereby affecting the overall development effectiveness of the program.

In 2016-17, the National Tuberculosis Program will transition from a project model to a government-led program as the Kiribati Government progressively assumes full management and financial responsibility. Australia will support this transition by providing interim funding to maintain key program functions while a single funding management framework for the program is developed, as part of updating the National Tuberculosis Strategic Plan, 2016-19. Australia's health adviser will work with the Ministry of Health to ensure lessons learned from the independent evaluation are incorporated into the government's Strategic Plan and to ensure fiduciary risks associated with the transition to Government management are appropriately managed.

Australian-supported regional programs are also improving health outcomes in Kiribati. World Bank technical assistance to the Ministry of Health is increasing the effectiveness of quarterly health sector coordination committee meetings, which monitor the implementation of the National Strategic Health Plan



and emerging health issues. Technical assistance has also been provided for the first Joint Annual Performance Review of the Health Sector in Tarawa, which aims to improve health service outcomes by identifying how best to allocate and use limited health resources.

Australia also continued its support for the ADB-led *South Tarawa Sanitation Improvement Sector Program*, with funding of \$13.95 million from 2012-17. The project is rehabilitating the existing sewerage network and outfalls to help reduce waterborne diseases, including diarrhoea in babies which contributes to Kiribati having one of the highest infant mortality rates in the Pacific. The project also promotes improved hygienic practices at the community level. In 2015-16, rehabilitation work on the sewerage network was 90 per cent complete and a contract for the rehabilitation of the sewer outfalls was awarded in August 2016.

Other key achievements in improving health and disability outcomes in 2015-16 were:

- Australian-funded improvements to facilities at the Kiribati mental health ward, including new separate facilities and a segregated open area for women and girls, to improve their care, security and dignity, were formally opened in October 2015 (\$200,000, 2014-15);
- with Australia's support, the Tungaru Rehabilitation Centre is now able to provide more effective rehabilitation services for people with or at risk of developing complications from a non-communicable disease. Australia financed the rebuild of the centre (re-opened in 2015), replacement of essential tools required for prosthetics services and support for outreach programs (\$831,000, 2013-16), contributing to a reduction in the amputation rate (5-6 amputation per month in 2015 compared to 7-8 per month in 2010). Kiribati has one of the highest incidences of amputations per population due to very high rates of diabetes; and
- 18 of 21 Kiribati medical interns under the Australia-funded *Kiribati Internship Program* (\$100,000 in 2015-16) have completed their training and become registered doctors (the remaining will complete by the end of 2016).

Improving **infrastructure services** in Kiribati was previously a priority outcome under the *Australia-Kiribati Partnership for Development 2009-15*. Australia's investments focused on the transport, telecommunication and energy sectors to help to improve economic growth and provide a cleaner, healthier environment. Good progress was made towards finalising Australia's infrastructure investments in 2015-16 after delays in 2014-15.³ Key achievements were:

- progress on the *Kiribati Road Rehabilitation Project* (Australia's contribution \$21.8 million, 2011-18) reduced travel time and provided a safer road network – 20.4 kilometres of asphalt/bitumen/concrete surfacing and 8.3 kilometres of drains have been completed. The project is due to be completed in early 2017;
- increased mobile (phone and internet) coverage in Kiribati, including in the outer islands, as a result of reforms to the telecommunications sector, including the privatisation of Telecommunications Services Kiribati Limited. The project is due to be completed in June 2018; and
- installation of an approximately 500 kilowatt peak capacity solar grid commenced in January 2016, to reduce Kiribati's dependence on imported diesel for power generation, and is due to be completed by the end of 2016.

Australia is also working with Kiribati to address issues of climate change resilience, gender equality, and inclusion of people with disability. Results achieved in 2015-16 included:

- the World Bank-led *Kiribati Adaption Project Phase III* (Australia's contribution \$5.1 million, 2011-16) is reducing coastal erosion and increasing the levels of freshwater supplies. Ongoing leakage detection and repair of water mains and reservoirs resulted in 266 cubic meters per day of potable water being saved

³ Refer to the *Kiribati Aid Program Performance Report 2014-15*, available at <http://dfat.gov.au/about-us/publications/Pages/kiribati-aid-program-performance-report-2014-15.aspx>.

(exceeding the project target of 190 cubic meters per day). Rainwater harvesting systems in Banaba and North Tarawa have been substantially completed, providing 4.3 cubic meters of potable water per day. Coastal protection works on South Tarawa combined with the mangrove planting activity on nine outer islands has resulted in 1.18 kilometres of coastline protected;

- assistance to eliminate sexual and gender based violence in Kiribati under Australia's *Pacific Women Shaping Pacific Development Initiative* (\$3 million, 2013-16) focussed on training police and judicial officers from Tarawa and the outer islands involved in sexual and gender based violence cases, construction of a family health clinic at the central hospital in Tarawa for victims of violence, and development of a 'Respectful Relationships' program for all junior and senior high schools; and
- Australia provided quality assurance advice and capacity building to the Kiribati Ministry of Public Works and Utilities, to ensure disability-related construction activities are fit for purpose and in line with the Kiribati national building code and Australian accessibility design guidelines (\$70,000, 2015-16).

PROGRESS TOWARDS PERFORMANCE BENCHMARKS IN 2015-16

Aid objective	2015-16 benchmark	Rating	Progress in 2015-16
Implementation of Economic Reform Plan	Procurement Review conducted and Development Fund Account #4 reconciled by Kiribati's Ministry of Finance and Economic Development (as agreed under the Economic Reform Plan and Joint Policy Matrix)	Partially Achieved	The Kiribati Ministry of Finance and Economic Development completed a bank reconciliation process in June 2016. However, the procurement review has been delayed by over 12 months due to Government of Kiribati funding issues. Post is assured this will be completed by the end of 2016 as the ADB have committed to fund the review. The Government of Kiribati and the ADB are in the final stages of recruitment, with interviews to be conducted in the coming months.
Better educated and healthier population	Improved enrolment and retention rates for girls and boys (including for those with a disability)	Achieved	The primary school Net Enrolment Rate has increased from 82% in 2011 to 99% in 2015. Australian support to the School and Centre for Children with Special Needs enabled the school to expand access to education from 179 children with special needs (96 boys and 84 girls) in 2015 to 185 (106 boys and 79 girls) in 2016.
	Increased number of female and male I-Kiribati are supported to access domestic, regional and international employment opportunities	Achieved	172 I-Kiribati women (92) and men (80) graduated with an internationally recognised qualification from the Kiribati Institute of Technology in 2015. Participation of women across accredited courses increased to 39% in 2014 to 48% in 2015, as a percentage of total enrolments. During the reporting period, two students identified themselves with a disability. 32 awardees (17 male/15 female) were selected to commence Australia Award scholarships in Australia or the region in 2016, up from 30 in 2015. 27 awardees (10 male/17 female) successfully completed their awards in 2015, with a completion rate of 90% (improving from 78% in 2010). 20 I-Kiribati workers were provided with visas to work under the <i>Seasonal Workers Programme</i> in 2015-16. A Memorandum of Understanding between the Governments of Australia and Kiribati was executed in April 2016 to enable I-Kiribati citizens access multi-year visas to work in Northern Australia under the new <i>Pacific Microstates – Northern Australia Worker Pilot Program</i> .
	Government and Partners agree a core indicator set, collect baseline data and monitor annually	Achieved	Australia and other partners worked with Government of Kiribati to finalise a core set of indicators for the health sector during the Health Sector Coordination Committee meeting in May 2016. Baseline data across the health sector will be collected and reported each year during a joint annual performance review.

Performance Benchmarks 2016-17 to 2018-19

[Note: subject to agreement with the Government of Kiribati as part of the Aid Partnership arrangement]

	2016-17	2017-18	2018-19
Priority 1: Implementation of Economic Reform Plan			
A	<p>Progress of agreed economic reform priorities</p> <p>Achievement of all prior actions under the Joint Policy Matrix, including improved public financial management, triggers the release of donor funding</p> <p>Mobilisation of a second in-line Director for the National Economic Planning Office by 1 December 2016</p>	<p>Achievement of all prior actions under the Joint Policy Matrix triggers the release of donor funding</p> <p>Contribution of Australian funded technical assistance to progressing agreed economic reform priorities is assessed by stakeholders as being effective</p>	<p>Achievement of all prior actions under the Joint Policy Matrix triggers the release of donor funding</p> <p>Contribution of Australian funded technical assistance to progressing agreed economic reform priorities is assessed by stakeholders as being effective</p>
Priority 2: Better educated and healthier population			
B	<p>Improve standards in basic education</p> <p>New year 6 curriculum developed by December 2016</p> <p>80 per cent of permanent / contract teachers complete training in the delivery of new year 6 curriculum by June 2017</p> <p>Three additional schools (up to 15 classrooms) upgraded, including water and sanitation facilities, by June 2017</p>	<p>New year 7 curriculum developed by December 2017</p> <p>80 per cent of permanent / contract teachers complete training in the delivery of new year 7 curriculum by June 2018</p> <p>Three additional schools (up to 15 classrooms) upgraded, including water and sanitation facilities, by June 2018</p> <p>Commencement of the Pilot of tablets pre-loaded with learning materials in identified primary schools by June 2018</p>	<p>New year 8 curriculum developed by December 2018</p> <p>80 per cent of permanent / contract teachers complete training in the delivery of new year 8 curriculum by June 2019</p> <p>Three additional schools (up to 15 classrooms) upgraded, including water and sanitation facilities, by June 2019</p> <p>Completion and evaluation of the educational outcomes of the Tablet Pilot including recommendations by June 2019</p>
C	<p>Provision of quality skills training aligned with labour market demand</p> <p>The Kiribati Institute of Technology (KIT) is accredited under the Australian Qualifications Framework (AQF)</p> <p>80 per cent of trainers at KIT meet Australian VET Quality Framework (AVQF) standards</p> <p>372 enrolments at KIT with 250 graduates. Retention rate of 77 per cent</p>	<p>KIT is accredited under AQF, the New Zealand Qualifications Framework (NZQF) and the Pacific Quality Assurance Framework</p> <p>80 per cent of trainers at KIT meet AVQF & regional Standards</p> <p>400 enrolments at KIT with 300 graduates. Retention rate of 80 per cent</p>	<p>KIT is accredited under AQF, NZQF and PQAF</p> <p>80 per cent of trainers at KIT meet AVQF & regional Standards</p> <p>400 enrolments at KIT with 300 graduates. Retention rate of 80 per cent</p>



	Accredited courses at KIT have a female participation rate of at least 49 per cent and a participation rate of 2 per cent by people with a disability	Accredited courses at KIT have a female participation rate of at least 50 per cent and a participation rate of 5 per cent by people with a disability	Accredited courses at KIT have a female participation rate of at least 50 per cent and a participation rate of 5 per cent by people with a disability
D Improved health outcomes	Tuberculous case notification rate of 530 (all forms, per 100,000 population)	Tuberculous case notification rate of 570 (all forms, per 100,000 population)	Tuberculous case notification rate of 600 (all forms, per 100,000 population)
	Increasing or maintaining Tuberculous treatment success rate at or above 90 per cent	Increasing or maintaining Tuberculous treatment success rate at or above 90 per cent	Increasing or maintaining Tuberculous treatment success rate at or above 90 per cent
	Rehabilitation of the existing sewage networks in Betio, Bairiki and Bikenibeu	Rehabilitation of the sewage outfalls in Bairiki, Betio and Bikenibeu	70 per cent of communities in South Tarawa are actively engaged in health and sanitation awareness programs

Cross-cutting issues across all development assistance

Improved resilience to the impact of climate change	Shoreline protection works are completed in six identified vulnerable sites in South Tarawa; and more than 30,000 mangroves are planted nationally to support coastal protection	Rainwater harvesting systems and infiltration galleries are installed in North Tarawa; Leak detection and repair is completed for South Tarawa	Coastal management policy and locally managed adaptation plans are accepted and approved by Government
		Public Utilities Board reticulated water network	

MUTUAL OBLIGATIONS

The Australian Aid Investment Plan for Kiribati is based on shared goals and mutual obligations. Our mutual obligations are discussed at Quarterly Aid Talks (where Australia is represented by its High Commission in Tarawa) and Biennial Senior Official Talks. In 2015-16, the Government of Kiribati:

- increased its allocation to education in its 2016 budget, however due to overall increases to its budget, the proportion of expenditure on education and health has declined;
- made good progress in implementing reforms agreed under the Economic Reform Plan and Joint Policy Matrix, including producing the second joint report on sources of fisheries revenue, the review of all existing fisheries joint ventures, and execution of the approved Revenue Equalisation Reserve Fund strategic asset allocation; and
- made good progress on the gender equality indicators it committed to in the Pacific Islands Forum Leaders’ Gender Equality Declaration, including improvements to police and judiciary services related to ending violence against women, and strengthening health and social services for victims of violence.

Both the Governments of Australia and Kiribati have committed to maintaining a zero-tolerance approach to fraudulent and corrupt actions against Australia’s aid program to Kiribati. In 2015-16 improvements were made to Kiribati’s procurement and financial systems to ensure that Australian aid funds are disbursed effectively, efficiently, economically and ethically. Improvements will continue to be made in 2016-17.

Australia cooperated closely with the Government of Kiribati to deliver its development assistance in line with the strategic objectives of the *Kiribati Aid Investment Plan 2015-19* and the *Kiribati Development Plan (2016-19)*. As the leading aid donor in Kiribati, Australia also worked to support improved coordination



among donors, greater coordination of development policies and programs with the Government, and promotion of gender and disability inclusive development.

PROGRAM QUALITY

Aid Quality Checks rating across all Kiribati initiatives were satisfactory. The efficiency of our infrastructure investments improved.

The effectiveness rating for Australia's support for the Tuberculosis Program was downgraded from 'good (5)' in 2014-15 to 'less than adequate (3)', and the monitoring and evaluation and the risk management of the program were also downgraded from adequate (4) to 'less than adequate (3)', reflecting the findings of the independent evaluation of the program.

The sustainability rating for Australia's economic reform program was downgraded from 'good (5)' to 'less than adequate (3)'. This reflects the need for continued capacity building at the Ministry of Finance and Economic Development.

Gender equality ratings in 2015-16 were adequate (4), except for economic reform which was downgraded from adequate (4) in 2014-15 to 'less than adequate (3)' as gender issues are yet to be comprehensively addressed. The gender rating for the Tuberculosis Program improved. The independent evaluation confirmed the ratio of males to females receiving program services is surpassing the global ratio of 1.7.

Independent evaluations of the *Kiribati Technical and Vocational Education and Training Sector Strengthening Program Phase I and II* and the *Towards Tuberculosis Elimination in Kiribati Program* were finalised in 2015-16.

MANAGEMENT RESPONSES

In 2016-17, Australia will:

- work with regional fisheries organisations to assist Kiribati respond to the European Union's 'Yellow card' warning;
- support the Government of Kiribati to plan additional coastal management protection for South Tarawa;
- support the Government of Kiribati to access multilateral climate finance such as the Green Climate Fund, the Adaptation Fund and Climate Investment Fund. DFAT is funding a PACTAM advisor to assist the Government of Kiribati to prepare high quality proposals;
- increase the employability of KIT graduates by aligning KIT courses with labour market demand; and provide support to access local and international labour markets through the Job Search Centre;
- improve the quality of monitoring of the Australia Awards Scholarships program to gather more robust evidence to inform program management and reporting. ; and
- work with the Health Adviser to incorporate lessons learned from the independent review of the National Tuberculosis Program into the National Tuberculosis Strategic Plan and ensure that fiduciary risks associated with the transition to a Government of Kiribati-managed model are appropriately managed.

ANNEX A- PROGRESS IN ADDRESSING MANAGEMENT RESPONSES

Management responses identified in 2014-15 APPR	Rating	Progress made in 2015-16
In 2015-16 the Kiribati program will continue to drive key infrastructure investments towards completion, notwithstanding ongoing implementation challenges. Post will maintain engagement with international technical auditors based in-country and relevant Government stakeholders to harmonise reporting and improve the efficiency of implementation procedures (particularly around safeguards and procurement).	Achieved	Progress towards finalising Australia's infrastructure investments improved in 2015-16 (see discussion above). Investments are now expected to be completed by 2018. Australia's engagement with auditors and stakeholders in 2016-17 was regular and effective.
In 2015-16 the Kiribati program will focus on increasing uptake and benefits from labour mobility opportunities under the expanded <i>Seasonal Workers Programme</i> and the <i>Pacific Microstates – Northern Australia Worker Pilot Program</i> . Support for labour mobility will be driven under the next phase of the <i>TVET Sector Support Program (known as the Kiribati Facility: Skills for Employment Program)</i> , the DFAT Labour Mobility Assistance Program (regional) and through greater coordination with the New Zealand Aid Programme in mobilising seasonal and longer-term workers.	Achieved	Significant progress was made towards increasing uptake and benefits from labour mobility opportunities in 2015-16. The first 27 I-Kiribati workers under the new <i>Northern Australia Worker Pilot Program</i> have been recruited and are expected to commence by October 2016, with more expected to commence later in 2016-17. 20 I-Kiribati workers (all male) were provided with visas to work under the <i>Seasonal Workers Programme</i> in 2015-16 and a larger contingent is expected to be deployed in 2016-17 following an Australian-supported marketing tour by the Kiribati Ministry of Labour and Human Resources Development (planned for late 2016). Australia continues to work in partnership with New Zealand on labour mobility, including sharing knowledge through the DFAT Labour Mobility Assistance Program. For example, Australia and New Zealand are working to develop an in-country database that manages information on workers from Kiribati for both the <i>Seasonal Workers Program</i> and New Zealand's <i>Recognised Seasonal Employers Scheme</i> .
In 2015-16, the Kiribati program will transition to new phases of its key strategic investments in Basic Education and the TVET sector focussed on increased and more equitable access and participation, and pathways to higher education and employment, both domestically and internationally. This will include responding to the current phase review findings for both sectors and incorporation of lessons learnt into future governance and implementation arrangements.	Achieved	The <i>Kiribati Education Improvement Program Phase III</i> incorporated the recommendations of the 2014 independent evaluation of Phases I and II. Phase III commenced in April 2016. The design for the third phase of the <i>TVET Sector Support Program</i> (renamed the <i>Kiribati Facility: Skills for Employment Program</i>) was also finalised in 2015-16 with a stronger focus on strengthening pathways to employment, as recommended by the 2015 independent evaluation of Phases I and II. It is expected to commence in October 2016.
Following the finalisation of the Assessment of National Systems 2014 Update Report, the Kiribati Program will monitor the reconciliation and acquittal of development spending through the Kiribati Government's Account #4; review and update procurement processes relating to DFAT funds; and support the implementation of financial and compliance audits by the Kiribati National Audit Office and other independent parties. Engagement with Economic Taskforce partners will also continue to support the implementation of broader economic and public financial management reforms.	Achieved	The reconciliation and acquittal of development spending through the Kiribati Government's Account #4 is expected to be completed by June 2016. A 'No Objection' template for Australian funded procurement greater than \$20,000 has been finalised and shared with the Kiribati Government. The Kiribati National Audit Office completed the audit of the three Accountable Cash Grants to assess the completeness, accuracy and compliance of financial reporting. Australia continued to cooperate with partners on the Economic Taskforce to agree on forward priorities for the Economic Reform Plan, including a comprehensive review of the Kiribati Government's procurement systems (funded by the Asian Development Bank).

Note:

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

ANNEX B- EVALUATION PLANNING

LIST OF EVALUATIONS COMPLETED IN THE REPORTING PERIOD

Investment number and name	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INJ197 - Workforce Skills Development	Kiribati Technical and Vocational Education and Training Sector Strengthening Program Phase I and II Progress Review Report 2015	28/10/2015	15/02/2016	15/02/2016	02/02/2016
INI894 – Kiribati Health	Mid-Term Evaluation: Towards Tuberculosis Elimination in Kiribati	9/03/2016	26/04/2016	26/04/2016	N/A – low value project

LIST OF PROGRAM PRIORITISED EVALUATIONS PLANNED FOR THE NEXT 12 MONTHS

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

ANNEX C- AID QUALITY CHECK RATINGS

AQC RATINGS

AQC investment performance over the previous 12 months and where available last year's AQC ratings.

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
INJ383 Growth & Economic Management	\$7.2m 2010-20	2016 AQC	5	5	5	5	3	3	4
		2015 AQC	5	5	5	5	5	4	4
INI894 Health	\$4.4m 2010-18	2016 AQC	5	3	4	4	5	5	4
		2015 AQC	5	5	4	5	5	4	5
INI614 Scholarships	\$2.9m 2010-17	2016 AQC	5	4	5	3	5	4	4
		2015 AQC	5	4	5	3	5	4	4
INK327 Infrastructure	\$34.5m 2011-17	2016 AQC	5	5	4	5	4	4	5
		2015 AQC	5	5	3	5	4	4	5
INJ469 Climate Change	\$5.1 m 2011-16	2016 AQC	5	4	3	4	4	5	4

FAQC RATINGS

Final AQC assess performance over the lifetime of the investment (ratings are not compared to previous years).

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
INI620 Improved Basic Education	\$41.6m 2009-16	5	5	5	5	5	5	4	5
INJ197 Workforce Skills Development	\$26.5m 2010-16	4	5	4	5	3	4	4	4

Definitions of rating scale:

Satisfactory (4, 5 and 6)

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

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

Less than satisfactory (1, 2 and 3)

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

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