System Capacity Grant Annual Progress Report Template

Status: Accepted

Country	Grant ID	Grant Agent	Grant Effectiveness/Start Date
Kyrgyz Republic	GPE0016568	SCG	01/01/2025

Grant Amount	Timeframe Examined in this Report		Date of Report Submission
84,680 (USD)	From Date	To Date	03/31/2026
	12/31/2024	12/30/2025	

Area(s) and activity group(s) covered by grant

Window 2: Mobilize coordinated action and financing to enable transformative change

- Strengthening sector coordination, including local education groups, joint sector reviews and monitoring the effectiveness of the country-level partnership
- Strengthening budget processes and ministry of finance engagement; identifying opportunities to improve the equity and efficiency of education expenditure, including processes toward gender equality
- Cross-sectoral convening

Implementation Progress

Overall Project Progress this Reporting Period

Overall progress this reporting period [1]	Previous Rating
Satisfactory (S)	NA

Detailed Description including factors that lead to an upgrade/downgrade in the rating

The System Capacity Grant (SCG) in the Kyrgyz Republic (2024-2027) is designed to support the Ministry of Education and education sector actors to successfully deliver on the vision of the Partnership Compact (2023-2027) and the Government of Kyrgyzstan's 'Altyn Kazyk' education reform plan (2024-2026). 'Altyn Kazyk' is the government's reform agenda to respond to the learning crisis at play in the country. The Compact and 'Altyn Kazyk' are complementary documents which guide development programming and government policy in the education sector; the SCG is designed to support delivery on both fronts.

To ensure support is provided in a holistic and integrated manner, it is structured in the framework of the four enabling factors, namely, (i) policy and implementation built on strong data and evidence, (ii) strengthened sector policy development and implementation with strong ender inclusion, (iii) effective sector coordination for optimization of government led and donor support interventions in the education sector, and (iv) efficient allocation and spending of public funding to maximize value for money of expenditure in the education sector. These in turn create the basis for identifying and tackling the four key challenge areas facing the sector: 1) Data and Evidence, 2) Gender Responsive Sector Planning, Policy, and Monitoring, 3) Sector Coordination, and 4) Volume, Equity, and Efficiency of Domestic Public Expenditure on Education.

Under the framework of the SCG, UNICEF and the Aga Khan Foundation, acting as co-Grant Agents, are each responsible for a portion of the activities set forth in each challenge area. AKF is responsible for key activities related to Challenge 3: Sector Coordination, in alignment with its function as the country's GPE Coordinating Agency. More specifically, AKF manages the following two key activities:

3.1 Supporting the Local Education Group (LEG), a sustainable platform, for inclusive and coordinated policy dialogue and interaction between all stakeholders in the education sector by:

3.1.1 Organization of Joint Sector Review (JSR) and LEG meetings (with Development Partner Coordination Council (DPCC) integrated) and other LEG-related events.

3.1.2 Technical assistance of Coordinating Agency (CA) roles for in-country sector coordination with the Ministry and LEG, operational support for LEG/JSR meetings, and donor coordination and partnerships. During this reporting period (January 1, 2025 – December 31, 2025), key accomplishments include the successful delivery of the 2024 Joint Sector Review, two LEG meetings, two GPE team visits to the country, all buttressed by consistent technical assistance, support in establishing new partnerships, and ongoing donor coordination.

Joint Sector Review

On February 26-27, 2025, the Ministry of Education, with support from AKF and other key stakeholders hosted the 2024 Education Joint Sector Review. Accordingly, it was well attended by various stakeholders from the public administration and education sector, private sector, civil society and international partners. Participants jointly agreed on the importance of the reform efforts to modernize the national model of school education, which can only be accomplished through the joint efforts of all. Key results, recommendations, and agreed next steps can be found in Annex 1 – Report on the Education Joint Sector Review Kyrgyz Republic 2024 and Annex 2 – Joint Action Plan JSR 2024.

Another notable accomplishment facilitated by the implementation of the JSR was the financial and strategic support provided to AKF and UNICEF by the UK's Foreign, Commonwealth & Development Office (FCDO). For many years, the FCDO had not been active in the education sector in Kyrgyzstan, however, from 2024 they became an active investor in the country. Through grant programming, they provided financial support to both AKF and UNICEF to deliver on the objectives of the JSR; a huge signal to development actors and the government regarding the commitment and sincerity of their support. The UK Ambassador to the Kyrgyz Republic alongside the Minister of Education shared opening remarks at the event, highlighting the level of importance and significance of such an event to the sector at large.

Local Education Group Meetings & Engagement

While funding under this SCG was formalized from January 1, 2025, AKF's role as Coordinating Agency became official in September 2024. Since that time, in coordination with the Ministry of Education, AKF has facilitated [two] LEG meetings – October 11, 2024, and November 6, 2025. Meeting minutes are attached in Annex 3 and 4 respectively.

During this period, there were also regular DPCC meetings (hosted by UNICEF as Chair of the DPCC Education Working Group), as well as ongoing support and engagement with the Ministry themselves. Although more regular meeting times were envisioned (e.g., quarterly), the frequency of meetings is largely linked to the availability of key Ministry counterparts, the need from the membership to discuss key issues, and other institutional requirements.

In parallel, AKF adopted a more intentional and inclusive approach to engagement with individual LEG members to strengthen the effectiveness of the platform. This included targeted outreach to key stakeholder groups, particularly civil society organizations (CSOs) and local NGOs, through dedicated meetings to clarify their roles, responsibilities, and opportunities for engagement within the LEG. Ongoing correspondence was maintained in both Russian and Kyrgyz to ensure accessibility, and active efforts were made to encourage and support meaningful participation across the membership. This approach contributed to strengthening the inclusivity and functionality of the LEG beyond formal meeting settings and ensured that no one was "left behind".

In the absence of regular face-to-face engagement, the LEG corresponds regularly through e-mail and other online platforms of data and document exchange ensuring that reviews, approvals, and formal notifications are disseminated and voted on as required. To that end, during the reporting period, several votes were held online to ensure approval of Multiplier Grant submissions and extensions; formal notifications from GPE were shared and discussed; and feedback was elicited to ensure productive and inclusive dialogue.

Notably, one of the key recommendations of the JSR was the establishment of sub-sectoral working groups in five priority areas: school education, preschool education, pedagogical education, professional education, and out-of-school education. The intention was that these sub-sectoral working groups would lead on monitoring results aligned with each group, as outlined in the Joint Action Plan. They would also be available to engage in relevant policy discussions or programming linked to their sub-sector. This recommendation was discussed and agreed upon during the LEG meeting on 6 November 2025, with all members unanimously supporting its adoption.

To ensure a comprehensive approach, each group will be co-chaired by one representative from the relevant ministry sub-sector unit and one from a development partner. AKF conducted a survey to gather feedback from LEG members regarding their interest in participating in which group(s) according to their expertise and interests, how often the groups should meet, and who might be interested in co-chairing alongside a Ministry counterpart. The majority of LEG members participated in the survey, and the results were shared with the membership.

As a result, five groups have been formally defined, and co-chairs from the relevant ministries will be identified in the next reporting period. A draft ToR has been developed to outline the group's expectations and formalize the mechanism. In addition, to facilitate cross-organization coordination and engagement with ministries, a key outcome of these groups will be their contribution to the preparation of the next JSR and MTR process, tentatively scheduled for October 2026.

GPE Country Mission

During the reporting period, AKF, in its role as Coordinating Agency to support sector coordination, supported the GPE team in their visit to the country. Prior to the activation of the SCG in this cycle, AKF solidified their position as CA during a visit in September 2024. There was one visit during the active reporting period in alignment with the JSR in February and served as a transition on the GPE side from one country focal point to another. This visit allowed both the outgoing GPE Country Lead to handover key relationships and provided fertile ground for the new team to make the necessary connections at the country level.

By participating in the JSR itself and meeting with key development partners as well as government counterparts, the new GPE team was able to better understand the local context and dynamics as it relates education sector reforms and political realities at play. This face-to-face engagement is critical to ensure productive and effective relationships from afar and truly laid out the foundation for continued conversations and dialogue with in-country stakeholders throughout the reporting period.

(ii) Which Implementation challenges or delays the grant experienced this reporting period the reasons behind these issues; how (well) these have been mitigated thus far; and what remains to be done by whom and by when to address the challenges.
During the reporting period, implementation of activities under Challenge Area 3 (Sector Coordination) progressed steadily, though several contextual and operational challenges affected the regularity and predictability of engagement. These challenges are not uncommon in coordination-focused programming, particularly in dynamic institutional environments, and have been managed through adaptive and collaborative approaches.
A key factor influencing implementation was the evolving institutional landscape within the education sector, including changes in government counterparts and focal points. While transitions are a natural part of public administration, they require renewed orientation, relationship-building, and alignment on processes related to the Local Education Group (LEG), Joint Sector Review (JSR), GPE engagement, and broader stakeholder coordination. This, at times, contributed to delays in convening meetings and advancing agreed coordination mechanisms.
For example, the former Ministry of Education and Sciences (MoES) was restructured into two entities - the Ministry of Education and the Ministry of Science and Higher Education. This transition required significant internal realignment of roles, responsibilities, and focal points. During this period, there was a temporary gap in decision-making authority, which delayed formal validation of the JSR report and endorsement of its recommendations.
In parallel, scheduling and convening multi-stakeholder platforms such as LEG meetings proved complex, given the need to align availability across senior government stakeholders, development partners, and other actors. As a government-led platform, the timing and frequency of meetings are closely linked to Ministry priorities and institutional calendars, which can shift in response to emerging demands. This occasionally resulted in longer intervals between formal convenings than initially anticipated. Notwithstanding this, technical assistance, engagement, and coordination support to the Ministry were maintained on a continuous basis.
From an implementation perspective, the reporting period also reflected early-stage operationalization challenges associated with the Coordinating Agency function under a new grant cycle. As co-Grant Agents and partners adapted to evolving roles, responsibilities, and processes under the SCG framework, including alignment with the newly approved Multiplier Grant with the Islamic Development Bank (IsDB), there

were periods where stronger prioritization and structuring of coordination support could have further accelerated delivery, particularly in relation to establishing more regularized engagement mechanisms.
To mitigate these challenges, several measures have been undertaken. First, AKF, in close collaboration with the Ministry, UNICEF, and GPE, maintained continuous engagement with key stakeholders through bilateral meetings, DPCC platforms, and regular communication channels (including email-based consultations and transparent document circulation), ensuring that coordination functions continued even in the absence of formal LEG meetings. This has included the systematic translation of key documents, presentations, and communications into both Russian and Kyrgyz to support inclusive participation. Second, targeted efforts were made to re-establish continuity with government counterparts following institutional transitions, including structured briefings and alignment discussions. Third, greater emphasis was placed on flexibility in planning and delivery, enabling coordination activities to respond to evolving sector dynamics while maintaining progress on core objectives.
Looking ahead, efforts will focus on strengthening the predictability and effectiveness of coordination mechanisms. This includes: (i) working with the Ministry to agree on a more structured yet flexible schedule of LEG engagements for 2026 (with tentative dates already identified); (ii) advancing the establishment and operationalization of sub-sectoral working groups as recommended by the JSR, to enable more continuous technical dialogue; and (iii) reinforcing internal coordination and planning between co-Grant Agents to ensure sustained prioritization of coordination functions.
These actions will be jointly led by AKF, UNICEF, and the Ministry of Education, with implementation expected to progress throughout 2026. This will be particularly important in the context of Kyrgyzstan's upcoming Mid-Term Review (MTR), which will require strengthened coordination, more frequent and broader stakeholder engagement, and enhanced alignment around data, priorities, and sector performance.
Collectively, these efforts aim to consolidate the foundations established during the reporting period and fu

Grant Implementation Progress, by Grant Window

Grant Window	Level of Progress this Reporting Period [2]	Previous Rating
Window 2: Mobilize coordinated action and financing to enable transformative change	Satisfactory (S)	NA

Detailed Description:
During the reporting period, key activities included the organization of the Joint Sector Review (JSR), facilitation of two Local Education Group (LEG) meetings, support to a GPE country mission, and provision of ongoing coordination and technical assistance through DPCC platforms, bilateral engagement with the government, and engagement with key education stakeholders from the donor, civil society, and public sector. Implementation is assessed as Satisfactory, reflecting strong delivery of major milestones and sustained coordination across stakeholders. While the frequency of formal LEG meetings was lower than initially planned, this was offset by continuous engagement through alternative coordination mechanisms, particularly in the context of institutional restructuring within the Ministry.
Key outputs delivered include the JSR Report and Joint Action Plan, LEG meeting documentation, coordination support to GPE processes, and continued stakeholder consultation and alignment through both formal and informal mechanisms.
The window is on track to achieve its systemic capacity strengthening objectives. Core coordination functions are operational, stakeholder engagement remains active, and there is evidence of strengthened alignment and partner mobilization. Moving forward, efforts will focus on further enhancing the predictability and regularity of LEG meetings, advancing sub-sectoral working groups to support more continuous technical dialogue, and contributing to the refinement of the Partnership Compact and sector priorities through evidence generated under the Mid-Term Review (MTR).

Lessons, innovative/promising practices

Implementation of the SCG during the reporting period has generated several important lessons and highlighted several emerging practices that show promise for strengthening sector coordination in dynamic institutional contexts.
A key lesson is the importance of adopting adaptive coordination models in environments characterized by institutional change. The restructuring of the education sector and shifts in government counterparts underscored that coordination mechanisms cannot rely solely on fixed schedules or formal platforms, or even singular interlocutors. Instead, effectiveness depends on the ability to combine formal convenings (e.g., the JSR and LEG meetings) with more flexible, continuous forms of engagement. In this context, maintaining momentum through bilateral consultations, informal alignment discussions, and iterative

follow-up proved critical to sustaining dialogue and ensuring continuity of sector processes.

Related to this, a promising practice has been the use of hybrid coordination modalities, whereby decision-making, document review, and stakeholder consultations are conducted both in-person and through virtual or written exchanges. The use of email-based consultations and online document circulation enabled timely approvals, feedback, and collective decision-making even when formal meetings could not be convened. It also allowed for multi-language engagement which is critical to productive dialogue. This approach has increased efficiency and inclusivity, particularly for development partners and stakeholders with competing priorities, and is expected to remain an important complement to in-person coordination platforms going forward.

Another key lesson relates to the centrality of sustained relationship management and onboarding in contexts with frequent institutional transitions. Changes in government structures and focal points highlighted the need for continuous orientation and re-alignment to ensure shared understanding of roles, processes, and expectations. A structured approach to onboarding, including targeted briefings, alignment discussions, clear communication of coordination mechanisms, and translated documents, has proven essential in maintaining continuity and supporting effective participation in sector dialogue.

The reporting period also highlighted the importance of intentional prioritization and role clarity in coordination functions, particularly during the early stages of grant implementation. As co-Grant Agents and partners operationalized the Coordinating Agency role within a new funding framework, it became evident that clear internal structuring, planning, and prioritization are critical to ensuring consistent delivery of coordination support. This has informed a more deliberate approach moving forward, including strengthened internal alignment and forward planning across partners.

In terms of inclusive practices, the systematic translation of key documents, presentations, and communications into both Russian and Kyrgyz has emerged as a practical and effective approach to strengthening participation and ownership across diverse stakeholders. Similarly, at AKF, we have grant focal points native in all three languages which allows for clear and effective engagement depending on stakeholder need and format. Ensuring that all actors can engage in a language accessible to them has supported more meaningful dialogue and reinforced the inclusivity of sector coordination platforms, particularly with government and civil society counterparts.

Finally, the JSR process demonstrated the value of using high-level, multi-stakeholder platforms to catalyze broader engagement and investment in the sector. The strong participation and visibility of the JSR contributed to renewed interest from development partners, including the re-engagement of FCDO in the education sector. This highlights the potential of well-structured coordination platforms not only to support alignment and accountability, but also to serve as strategic entry points for partnership development and resource mobilization.

Building on these lessons, the next phase of implementation will focus on further institutionalizing hybrid coordination approaches, strengthening predictability of engagement through agreed planning frameworks, and advancing sub-sectoral working groups to enable more continuous and technical dialogue. These practices are expected to enhance both the effectiveness and resilience of sector coordination mechanisms in support of the Partnership Compact and ‘Altyn Kazyk’ reform agenda.

Impact stories

N/A

Tangible Outputs, Knowledge Products, Results Framework and other Supporting Documentation

#	File Name	Document Type	Description
1	Joint Sector Review Report for 2024_Kyrgyz Republic.pdf	Knowledge Product	This is the official report that was published coming out of the Joint Sector Review

The documents listed were submitted with the progress report. If you’d like access to them, please contact the grant operations officer for your country.

Financial Reporting & Grant Management

Financial Reporting on GPE Grant

Cumulative Financial Absorption Rate

Approved Budget to Date	Cumulative Expenditure	Cumulative Financial Absorption Rate	Level of Financial Absorption
34,960	26,143	74.78	Off Track

Since the financial absorption is not rated as 'on track', please provide an explanation that identifies the main activities that have been delayed and their corresponding unspent amounts, as well as reasons for the delay and steps taken to ensure that expenditure absorption gets on track in the next reporting period.

The budget is currently "off track" compared to the total approved amount for the project lifecycle. However, implementation progress has reached 75% of the planned activities for the current reporting period (2025 forecast: USD 34,960; actual expenditure: USD 26,143).

The underspending of USD 8,817 in the current reporting period is primarily attributed to cost savings, as expenses for lunches during the two-day JSR event were directly covered by UNICEF Kyrgyzstan at the venue and therefore were not charged to the project budget. We were also able to cover some JSR costs from a concurrent project funded by the FCDO, which allowed for additional project savings and the ability to shift funds to later planned activities.

Additional efforts are being undertaken to accelerate implementation and improve financial absorption in the next reporting period.

Budget Variance Analysis for the Current Reporting Period

Total Approved Budget for the Current Reporting Period	Total Expenditure for the Current Reporting Period
34,960	26,143

Explanation for underspending or overspending in excess of 10%

The underspend of USD 8,817 is primarily due to cost efficiencies. Specifically, expenses for participant lunches during the two-day JSR event were covered directly by UNICEF Kyrgyzstan at the venue and therefore did not draw on project funds. In addition, selected JSR-related costs were absorbed by a parallel FCDO-funded project, creating further savings. These efficiencies allow the project to reallocate funds to upcoming planned activities later in the implementation cycle.

Management Performance

Level of management performance

Satisfactory (S)

Detailed Description

Overall, grant management during the reporting period is assessed as satisfactory. Financial management, procurement, and implementation processes are functioning effectively and in compliance with donor requirements.

While the cumulative financial absorption rate remains below target, this reflects the multi-year nature of the project, with the budget planned over three years, as well as the activity co-financing described above. For the current reporting period (Year 1), the absorption rate has reached 75%, demonstrating solid progress in line with annual implementation plans.

No major fiduciary or compliance issues have been identified. The underspending is mainly due to cost efficiencies, including partner coverage of certain event-related expenses.
Measures are in place to accelerate implementation and ensure improved budget utilization in the next reporting period.

Revisions to the grant

This period, have there been any revisions to the grant other than those submitted to the Secretariat for their approval?

No

How likely is that the grant agent will submit a request for revision to the Secretariat in the next 12 months for their approval?

Unlikely

Annexes

Annex 1: List of Acronyms

Acronym	Description
AKF	Aga Khan Foundation
CA	Coordinating Agency
CSO	Civil Society Organization
DPCC	Development Partners Coordination Council
FCDO	Foreign, Commonwealth and Development Organization
IsDB	Islamic Development Bank
JSR	Joint Sector Review
LEG	Local Education Groups
MTR	Mid-term Review
MoES	Ministry of Education and Sciences
NGO	Non-Governmental Organization
UNICEF	United Nations Children's Fund
SCG	System Capacity Grant

1 Highly Unsatisfactory- The grant has major shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is unlikely. Unsatisfactory - The grant has significant shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is uncertain. Moderately Unsatisfactory - The grant has moderate shortcomings or delays that limit or jeopardize the achievement of one or more outputs but a resolution is likely. Moderately Satisfactory - The grant is expected to achieve most of its major outputs efficiently with moderate shortcomings or delays. Satisfactory – The grant is expected to achieve almost all of its major outputs efficiently with only minor shortcomings or delays. Highly Satisfactory - The grant is expected to achieve or exceed all of the major outputs efficiently without significant shortcomings or delays.

2 Highly Unsatisfactory – The window has major shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is unlikely. Unsatisfactory – The window has significant shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is uncertain. Moderately Unsatisfactory – The window has moderate shortcomings or delays that limit or jeopardize the achievement of one or more outputs but a resolution is likely. Moderately Satisfactory – The window is expected to achieve most of its major outputs efficiently with moderate shortcomings. Satisfactory – The window is expected to achieve almost all of its major outputs efficiently with only minor shortcomings or delays. Highly Satisfactory – The window is expected to achieve or exceed all of the major outputs efficiently without significant shortcomings or delays.

3 tooltip