System Transformation Grant Annual Progress Report Template for Projects

Status: Accepted

Country	Name of project this grant is contributing to	Grant ID	Project ID (if applicable)
Kiribati	Kiribati - STG	GPE0000827	727KIR1003

Grant Agent	Grant Type	Approval Date	Grant Effectiveness / Start Date
United Nations Educational, Scientific and Cultural Organization	STG	01/08/2025	04/01/2025

Expected Closing Date	Grant Amount	Timeframe Examined in this report		Date of Report Submission
		From Date	To Date	
03/31/2029	2,499,993 (USD)	03/31/2025	03/30/2026	06/30/2026

Implementation Progress

Overall Project Progress this Reporting Period

Overall Progress this Reporting Period [1]	Previous Rating
Moderately Satisfactory (MS)	NA

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

The overall implementation progress for the period 1 April 2025 to 31 March 2026 is rated Moderately Satisfactory. While implementation outputs were fewer than originally anticipated, the rating reflects the substantial institutional, technical, and governance groundwork undertaken to establish the foundations necessary for effective delivery. In Kiribati, where geographic dispersion, limited connectivity, and climate vulnerability shape education service delivery, achieving sustainable results requires significant consultation, planning, and government engagement.

Throughout the reporting period, the Government of Kiribati, through the Ministry of Education, led key decisions on model school selection, fiduciary arrangements, and programme governance, ensuring that implementation remained aligned with national priorities and systems. Certain delays, particularly the timeline for Cabinet approval, were beyond UNESCO's direct control and reflected essential national decision-making processes required to secure government endorsement and ownership of the programme. Consequently, Year 1 focused primarily on establishing the governance, operational, and institutional arrangements required for implementation rather than delivering output-level results. Despite these initial delays, the programme remains on track to achieve its intended outcomes.

The progress achieved during the reporting period, including the establishment of governance mechanisms, alignment with national systems, strengthening of fiduciary arrangements, and development of institutional capacity, has created the conditions necessary to scale up implementation during Year 2. An acceleration plan has been developed to advance activities across all programme components, supported by an updated workplan that reflects revised sequencing and implementation priorities. Key milestones for Year 2 include completion of the baseline assessments, mobilisation of international technical expertise, finalisation of the Implementation Partners Agreement (IPA), and commencement of planned technical activities.

This approach reflects the programme's commitment to system transformation rather than the delivery of stand-alone project activities. UNESCO has leveraged its convening role and technical leadership to facilitate a nationally led process that prioritises government ownership, institutional strengthening, and long-term sustainability. Although this approach required additional time during the first year, it has established a strong platform for effective programme delivery and the sustainable achievement of programme outcomes over the remaining implementation period. UNESCO remains committed to working closely with the Ministry of Education, the GPE Secretariat, and development partners throughout implementation and will continue to keep the Secretariat informed of progress.

1. Key factors influencing implementation progress

1) Government leadership and programme governance

The programme was successfully launched, with the Ministry of Education central to its direction from the outset. The period preceding the formal launch was used strategically to ensure that government structures, accountabilities, and priorities were fully embedded in programme design and implementation arrangements, laying the foundations for government-led and sustainable delivery. UNESCO maintained close engagement with the Ministry throughout, including direct engagement with the Minister of Education and senior officials, to align programme direction with national education priorities and ensure decisions reflected government intent.
A Project Steering Committee has been established to provide strategic oversight of the programme. Terms of Reference, composition, and meeting cadence were developed collaboratively with the Ministry of Education, and the inaugural meeting is scheduled to take place in the coming months. Technical Committees for each programme component have also been established, embedding relevant expertise and institutional knowledge across all workstreams.

2) Fund transfer and fiduciary arrangements

Establishing financing and implementation arrangements through government systems was an important area of work during the reporting period. UNESCO engaged closely with the Ministry of Education and the National Economic Planning Office (NEPO) to clarify the procedures required for fund transfers through national mechanisms. Discussions confirmed a clear three-step pathway: designation of a government account as the receiving mechanism; execution of an IPA serving as the Grant Financial Agreement; and preparation of a Project Appraisal document for Cabinet endorsement.
NEPO confirmed that existing Ministry of Education annual reporting arrangements on account expenditure provide a fit-for-purpose accountability mechanism, removing the need for separate parallel systems. This is a practical expression of the programme's commitment to working through national processes. The groundwork completed in Year 1 positions fund transfers to proceed in Year 2. To avoid further delays, the draft IPA is being prepared in parallel with the baseline assessments, with the associated administrative processes already underway, ensuring that implementation arrangements and resource allocation are informed by, and cross-checked against, the assessment findings. Once the IPA is signed, fund disbursement will proceed in accordance with the agreed implementation arrangements.

3) Recruitment and onboarding of the national project coordinator

The recruitment and onboarding of a dedicated National Project Coordinator was a priority during the reporting period. Given the programme's scale, multi-component design, and the importance of close day-to-day coordination with the Ministry of Education, securing suitably qualified in-country coordination capacity was essential. The initial recruitment process was unsuccessful owing to the limited pool of specialised education and programme management professionals in Kiribati, and a second process was undertaken, resulting in the appointment of the Project Coordinator. Continuity of the function is assured for the remainder of the programme period, with UNESCO reviewing the most appropriate contractual modality to support this.
The Project Coordinator has since been onboarded and is embedded within the UNESCO project office at the Ministry of Education. An Administrative Assistant from the Apia Office is currently providing interim support for programme administration, with formal recruitment planned in the coming months. At the Ministry's request, the Administrative and Finance Officer function will be embedded within the Ministry of Education to strengthen government ownership of programme administration and build long-term financial management capacity within national systems, with the arrangements to give effect to this being finalised with the Ministry. Together, these arrangements ensure that the programme is implemented through and alongside government. With the full project team now in place, overall management is provided by the UNESCO Education Team in Apia with technical backstopping from the relevant headquarters teams, enabling regular technical engagement and day-to-day implementation support with the Ministry of Education.

4) School selection and cabinet endorsement

The most significant factor shaping implementation progress during the reporting period was the process to finalise and secure Cabinet endorsement for the ten model schools. The selection was guided by criteria encompassing geographic diversity, equity considerations, infrastructure readiness, connectivity potential, climate resilience, and scale-up potential, all developed in close consultation with the Ministry of Education to reflect national priorities.
Given the scale of planned investments and the strategic importance of these schools as the basis for baseline assessments, infrastructure planning, and procurement, the Government determined that the proposed selections required thorough consultation and formal Cabinet endorsement before implementation could proceed. Cabinet has now endorsed the selected schools, and the principals of the selected schools have been informed of the project, enabling preparations for the next phase of implementation.

2. Key achievements during the reporting period

The reporting period produced several important achievements that established a solid foundation for Year 2 implementation:

• Completion of the model school selection process and Cabinet endorsement of ten model schools across South Tarawa, North Tarawa, Abaiang, Marakei, and Maiana islands, including both government and mission schools.
• Establishment of the UNESCO project office within the Ministry of Education and onboarding of the National Project Coordinator, providing dedicated in-country coordination and technical capacity.
• Establishment of programme governance arrangements, including development of the Terms of Reference for the Project Steering Committee and Technical Committees in collaboration with the Ministry of Education.
• Technical consultations with the Ministry of Education ICT Taskforce to align programme activities with the ICT in Education Master Plan and identify Year 1 and Year 2 priorities.
• Development of Terms of Reference for baseline assessments and technical consultants under the teaching quality and KEMIS components, establishing a clear pathway for implementation in Year 2.
• Market engagement with ICT suppliers, energy providers, and infrastructure companies to inform procurement planning and implementation approaches.
• Active coordination with development partners, including DFAT, UNICEF, and ADB, to strengthen complementarity, avoid duplication, and draw on lessons from related initiatives.
• Completion of preparations for the joint GPE mission and the official launch of the System Transformation Grant (STG) programme, officiated by the Minister of Education, demonstrating strong national ownership and commitment to implementation.
• Secured strong leadership commitment and ownership from the Ministry of Education and its senior officials, reinforcing government leadership and facilitating timely decision-making throughout programme implementation.
• Established the institutional and operational foundations necessary to accelerate programme implementation in Year 2.

3. Year 2 priorities

The following priorities will guide implementation in Year 2:

• Convene the inaugural Project Steering Committee meeting and operationalise the Technical Committees.
• Complete school assessments for all confirmed model schools covering infrastructure, connectivity, energy, and digital readiness to inform implementation planning and procurement.
• Commence technical assistance and baseline assessment activities under the teaching quality and KEMIS components.
• Procure ICT equipment, connectivity infrastructure, and solar energy solutions, with installation commencing at priority model schools in Year 2.
• Finalise and operationalise the monitoring and evaluation framework, including the establishment of baseline values and targets.
• Deliver the activities under the Year 2 workplan while strengthening the Ministry of Education's institutional and technical capacity through technical assistance, training, and the effective functioning of the

Project Steering Committee and Technical Committees.

Project Implementation Progress, by Component / Objective

Component / Objective	Level of Progress this Reporting Period [2]	Previous Rating
Improve infrastructure, equipment and innovation to overcome barriers to learning	Moderately Satisfactory (MS)	

Brief description of the major activities undertaken and the relative level of success in fulfilling the project outputs and outcomes planned for this reporting period:

During the reporting period, priority was given to establishing the technical and operational foundations required for infrastructure investments across the selected model schools. Technical consultations with the Ministry of Education ICT Taskforce identified three key areas of focus: expanding internet connectivity to the ten model schools, with the South Tarawa and North Tarawa schools identified as priority sites for initial rollout; preparing baseline assessments covering school facilities, connectivity, energy requirements, and digital readiness; and exploring connectivity partnerships with local providers, including Kiribati Green Energy Solutions, Vodafone Kiribati, Oceanlink Kiribati, and Starlink for outer island schools.

Initial market engagement with ICT suppliers and infrastructure providers was undertaken, complemented by lessons learned from development partners with experience implementing similar investments in Kiribati. School selection criteria also incorporated infrastructure readiness, connectivity potential, and climate resilience considerations, helping to ensure that future investments are informed by operational realities and national priorities.

Following Cabinet endorsement of the model schools, preparatory work has advanced significantly: basic information for all ten model schools has been compiled from the Kiribati Education Management Information System (KEMIS), infrastructure assessments have been completed for three schools, and the principals of all ten schools have been informed of the proposed interventions through school consultations. Detailed technical assessments of the ten model schools will now proceed, drawing on specialised expertise appropriate to Kiribati's dispersed geographical context and the varying conditions across the selected islands, with UNESCO working closely with the Ministry of Education through the established Technical Committees. Completion of baseline assessments and initiation of procurement processes are key priorities for Year 2.

Component / Objective	Level of Progress this Reporting Period [2]	Previous Rating
Foster effective teaching and learning and innovations supported by ICT	Moderately Satisfactory (MS)	

Brief description of the major activities undertaken and the relative level of success in fulfilling the project outputs and outcomes planned for this reporting period:

Under this component, the project aims to strengthen teachers' digital competencies, support the integration of ICT into teaching and learning, and improve the availability and use of digital learning resources. During the reporting period, activities focused on implementation planning and stakeholder consultations to ensure that future interventions are aligned with national priorities, curriculum frameworks, and teacher development systems.

UNESCO engaged with the Ministry of Education, curriculum specialists, the ICT Taskforce, and the Kiribati Teachers College to identify priority areas for support. These technical consultations confirmed the need to strengthen teacher ICT competencies, review existing ICT and digital citizenship curriculum content, and establish a sustainable approach to teacher professional development for ICT-enhanced teaching and learning.

As part of this preparatory work, UNESCO developed the Terms of Reference for the baseline assessment and technical assistance required under this component. The proposed support will establish baseline information, review teacher ICT competency standards, assess curriculum and professional development needs, and map existing digital learning resources to inform programme implementation. Together, these activities will provide the evidence base needed to prioritise investments, sequence interventions, and establish realistic targets for implementation and monitoring.

Building on UNESCO's global technical expertise in teacher development, digital learning, and ICT in education, technical assistance under this component will be delivered through UNESCO's in-house specialists. This approach will provide timely access to specialised expertise, facilitate the application of international good practices, and ensure close alignment with Ministry of Education priorities while

strengthening national systems and capacities. This in-house support will supplement, rather than replace, locally engaged expertise. Given the limited availability of specialised ICT-in-education expertise within Kiribati, national institutions will also be engaged as part of the technical arrangement so that the expertise developed through the programme is retained within the national system. Working through the Ministry's ICT Taskforce and a hybrid technical team, implementation will follow a co-creation approach in which project outputs are jointly developed by national counterparts and international experts, strengthening institutional capacity within the Ministry throughout implementation.

The consultations and preparatory work undertaken during the reporting period have established a clear pathway for implementation in Year 2. Mobilisation of UNESCO technical specialists and commencement of the baseline assessment are expected to begin in July 2026. UNESCO will also engage with UNICEF to explore complementarity and synergy with the Learning Passport initiative, including in relation to digital learning content and platforms, with a view to maximising value, avoiding duplication of effort, and strengthening coherence across development partners' support for Kiribati's digital learning agenda.

Component / Objective	Level of Progress this Reporting Period [2]	Previous Rating
Enhance KEMIS and data availability/utilization for decision-making	Moderately Satisfactory (MS)	

Brief description of the major activities undertaken and the relative level of success in fulfilling the project outputs and outcomes planned for this reporting period:

A well-functioning education management information system is a critical enabler of evidence-based decision-making and system transformation. During the reporting period, activities under this component focused on identifying priorities for future KEMIS strengthening and establishing the foundations for technical support in Year 2.

UNESCO engaged with the Ministry of Education, the ICT Taskforce, and other relevant stakeholders to better understand existing education data systems, current KEMIS functionality, and key challenges affecting data management and utilization. These discussions highlighted the need to strengthen data quality, accessibility, integration, and use to support planning, monitoring, and decision-making across the education sector. Coordination with development partners was maintained throughout the reporting period to map existing support and ensure that programme interventions complement, rather than duplicate, ongoing initiatives. Given that several development partners are supporting EMIS-related work in Kiribati, additional internal consultations were undertaken before proceeding to KEMIS-related activities to ensure coherence across initiatives and avoid fragmented or overlapping system development efforts.

The consultations also informed the scope of future technical assistance under the programme. UNESCO developed Terms of Reference for a comprehensive KEMIS and education data systems assessment to be undertaken in Year 2. The assessment will examine existing systems and governance arrangements, identify institutional and technical gaps, map available education datasets, and develop recommendations and a phased roadmap for system strengthening. The assessment will also build on the comprehensive assessment of the institutional, governance, policy, and operational dimensions of KEMIS undertaken through earlier GPE-funded support under the Pacific Regional Education Framework (PacREF), which was shared with all KEMIS stakeholders, acknowledged by the Ministry of Education, and will serve as a key reference document to ensure that earlier findings and recommendations are incorporated into the design of future system strengthening interventions.

Component / Objective	Level of Progress this Reporting Period [2]	Previous Rating
Programme implementation, monitoring and evaluation	Moderately Satisfactory (MS)	

Brief description of the major activities undertaken and the relative level of success in fulfilling the project outputs and outcomes planned for this reporting period:

Considerable effort was made during the reporting period in establishing the institutional foundations required for effective programme governance and implementation. Following programme approval, UNESCO engaged closely with the Ministry of Education to develop the governance, coordination and implementation arrangements necessary for successful delivery, maintaining continuous engagement throughout the reporting period to ensure all arrangements were developed in line with national priorities and government procedures. As a result, the Project Steering Committee and Technical Committees have now been established, with their Terms of Reference jointly developed and agreed. The official programme launch, initially planned for March, was rescheduled to May in this spirit of alignment with the Ministry's priorities and government processes, reflecting UNESCO's commitment to supporting nationally led implementation. In parallel, financing and implementation arrangements were advanced through consultations with the Ministry of Education and NEPO on fund transfer mechanisms, accountability requirements and implementation modalities, laying the groundwork for programme delivery through national systems.

UNESCO also maintained active coordination with key development partners throughout the reporting period. Engagement with DFAT, UNICEF and ADB provided valuable lessons and insights that will inform implementation across all programme components while strengthening complementarity and avoiding duplication of efforts. Development of the monitoring and evaluation framework also advanced during the

reporting period, with baseline assessments deferred to Year 2 pending confirmation of model schools, which will provide the evidence required to establish baseline values and targets for programme indicators. The baseline assessments are expected to be completed within approximately three to four months of the recruitment of the technical experts, for which the assignments have already been advertised. Following completion of the assessments and validation by the Ministry of Education, the Results Framework will be updated and submitted to GPE.
Collectively, these efforts have strengthened implementation readiness, deepened stakeholder engagement and established the institutional foundations required to support accelerated programme delivery in Year 2. The strong leadership and commitment demonstrated by the Ministry of Education throughout the establishment of programme governance arrangements have positioned the project to transition from preparatory activities to full-scale implementation in accordance with the agreed workplan.

Component / Objective	Level of Progress this Reporting Period [2]	Previous Rating
Grant Agent's Implementation Costs	Moderately Satisfactory (MS)	

Brief description of the major activities undertaken and the relative level of success in fulfilling the project outputs and outcomes planned for this reporting period:
During the reporting period, UNESCO deployed Grant Agent implementation resources to support programme coordination, technical planning, fiduciary management, and stakeholder engagement. Key activities included in-country coordination missions to Tarawa, onboarding and support of the UNESCO Project Coordinator, and technical consultations with the Ministry of Education. Resources were also directed towards implementation planning across the ICT infrastructure, teaching quality, and KEMIS components, as well as preparation for the GPE mission and STG project launch event.
As Grant Agent, UNESCO maintained fiduciary oversight, risk management, and reporting responsibilities throughout the period while ensuring regular engagement with national stakeholders and the GPE Secretariat. These efforts contributed to the establishment of governance structures, implementation arrangements, and coordination mechanisms that position the programme for accelerated delivery in Year 2.

Lessons, innovative/promising practices

Several important lessons emerged during the reporting period that will strengthen programme delivery going forward.
The experience of selecting the model schools demonstrated that strong government ownership leads to more sustainable outcomes. While working through the Ministry of Education's consultation processes and securing Cabinet endorsement took longer than initially anticipated, the process resulted in evidence-based decisions that are nationally owned and well positioned for future scale-up. This experience reinforced the importance of prioritising the quality and sustainability of foundational decisions over the speed of implementation.
A key lesson also emerged from the establishment of the programme's implementation and financing arrangements. UNESCO engaged the Government in a comprehensive briefing process on UNESCO's IPA, including detailed discussions on its implementation and financial management modalities. Following these consultations, the Government confirmed its agreement to the IPA modality, reflecting a shared understanding of accountability requirements and a commitment to implementing the programme through agreed financial management frameworks. While this process required considerable time and coordination, implementing the programme through national systems generates lasting benefits by strengthening alignment with national financial management systems, reducing reliance on parallel implementation arrangements, and building institutional capacity within the Ministry of Education. This approach remains central to the programme's commitment to sustainable, government-led implementation.
The reporting period also highlighted the challenge of identifying suitably qualified education experts in Kiribati. The limited availability of national education professionals meant that recruiting the National Project Coordinator required more time than originally anticipated, reflecting broader in-country capacity constraints that the programme will continue to navigate. Throughout this period, the UNESCO Education Team remained fully engaged, maintaining close day-to-day coordination with the Ministry of Education to sustain implementation momentum. The programme will continue to prioritise a technical assistance approach whereby international experts work alongside the Ministry of Education to co-design and co-deliver programme activities, embedding expertise within national systems and strengthening institutional capacity through knowledge transfer, collaborative implementation and capacity development.
Finally, the reporting period demonstrated the value of strong cross-sectoral coordination. Collaboration among the Ministry of Education, NEPO, UNESCO, and development partners strengthened implementation planning, informed procurement approaches, and improved alignment between programme activities and national priorities. Building on these early gains, coordination with key partners, including DFAT, UNICEF, and ADB, will be further strengthened during the next implementation period to maximise complementarity, avoid duplication, and support effective programme delivery.

Impact stories

The impact story has been attached.

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

#	File Name	Document Type	Description
1	[STG Kiribati] Impact Story.docx	Knowledge Product	Impact Story
2	[STG Kiribati - updated] Workplan.xlsx	Knowledge Product	Updated Workplan
2	Project Steering Committee_TOR.docx	Knowledge Product	ToR for the Project Steering Committee
2	Technical Committee_TOR_ICT Infrastructure.docx	Knowledge Product	ToR for the Technical Committee
2	Technical Committee_TOR_Quality Teaching.docx	Knowledge Product	ToR for the Technical Committee
2	Technical Committee_TOR_KEMIS.docx	Knowledge Product	ToR for the Technical Committee
2	TOR_ICT Infrastructure_Baseline.docx	Knowledge Product	ToR for the baseline assessment
2	TOR_Quality Teaching_Baseline.docx	Knowledge Product	ToR for the baseline assessment
2	TOR_KEMIS_Baseline.docx	Knowledge Product	ToR for the baseline assessment

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
2,499,993	45,850.96	1.83	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 lower-than-planned financial absorption was primarily attributable to four groups of activities that were scheduled to commence following the completion of key implementation prerequisites. The delayed activities, the reasons for the delay, and the measures taken to accelerate implementation are summarised below.

1. ICT Infrastructure, Connectivity and Solar Energy Procurement (Component 1)

This component represents the largest share of programme investment and includes the procurement of ICT equipment, internet connectivity infrastructure, and solar energy solutions across the ten model schools. Procurement activities could not commence during the reporting period because the model school selection process first required completion and formal Cabinet endorsement.

Given the scale and strategic importance of the planned investments, the Government of Kiribati determined that Cabinet endorsement of the selected model schools was required before implementation could proceed. The selection process involved extensive consultations and technical assessments covering geographic equity, infrastructure readiness, climate resilience, and connectivity and therefore took longer than initially anticipated.

Cabinet has now endorsed the selected model schools, removing a key prerequisite for programme implementation. Baseline assessments covering school infrastructure, connectivity, energy requirements, and digital readiness are the next critical step and will provide the technical specifications required to initiate competitive procurement. As these assessments had not commenced by the close of the reporting period, they have been prioritised for Year 2. Completion of these assessments will enable procurement and installation activities to commence across the selected model schools.

2. Teaching Quality Technical Assistance (Component 2)

During the reporting period, activities under this component focused on implementation planning and technical preparation rather than delivery of technical assistance. Terms of Reference for the baseline assessment and technical support were developed, while consultations with the Ministry of Education, the ICT Taskforce, curriculum specialists, and the Kiribati Teachers College informed the scope and sequencing of future interventions. Mobilisation of technical assistance was intentionally sequenced following confirmation of the model schools and completion of programme establishment activities.

Technical assistance under this component will be delivered through support from UNESCO's in-house technical specialists, ensuring close alignment with Ministry of Education priorities and programme implementation arrangements. Mobilisation of technical specialists is scheduled to commence in Year 2 following completion of the model school selection process, with commencement of baseline assessment activities expected in July 2026. The assessment findings will provide the evidence base for delivery of the programme's teaching quality interventions in Year 2.

3. KEMIS Strengthening Technical Assistance (Component 3)

During the reporting period, activities under this component focused on technical consultations and implementation planning to establish the foundations for KEMIS strengthening in Year 2. Consultations with the Ministry of Education, the ICT Taskforce, and other relevant stakeholders informed the scope of future technical assistance, while Terms of Reference for a comprehensive KEMIS and education data systems assessment were developed.

Implementation was intentionally sequenced after the establishment of programme governance arrangements, confirmation of the model schools, and mobilisation of in-country coordination capacity to ensure that KEMIS strengthening is informed by verified programme priorities and system needs. The assessment is scheduled to commence in Year 2 and will provide the evidence base for a phased programme of system strengthening. The assessment findings will inform implementation of the KEMIS strengthening activities, including development of the strategy and roadmap, capacity-building initiatives, and improvements to education data management and use.

4. Programme Fund Transfers through National Government Systems

A significant proportion of planned expenditure was expected to be channelled through national government systems via the Ministry of Education. These transfers did not occur during the reporting period because the fiduciary and administrative arrangements required to operationalise government implementation were still being established.

During the reporting period, UNESCO worked closely with the Ministry of Education and the National Economic Planning Office (NEPO) to establish the fund transfer procedures, fiduciary accountability arrangements, and the legal and administrative requirements for implementation through government systems. The process for transferring programme funds has now been agreed, and NEPO has confirmed that the Ministry of Education's existing financial reporting arrangements will serve as the accountability mechanism. With these arrangements now in place, programme funds will be transferred in Year 2, enabling implementation activities to commence through national government systems in accordance with the agreed implementation arrangements.

5. Measures to Accelerate Programme Implementation and Financial Absorption

Several concrete measures have already been completed or are planned to accelerate programme implementation and expenditure in Year 2:

• Cabinet endorsement secured: The Government of Kiribati has endorsed the selected model schools, removing the primary bottleneck to programme implementation and procurement.
• Fiduciary arrangements confirmed: NEPO has confirmed the procedures for transferring programme funds through national systems, and the accountability framework has been agreed. Finalisation of the IPA and completion of the NEPO Project Appraisal are key Year 2 priorities. A draft IPA is being prepared in parallel with the baseline assessments to avoid further delays, enabling fund disbursement to proceed promptly upon signature.
• In-country coordination capacity established: The National Project Coordinator has been recruited and is embedded within the UNESCO project office at the Ministry of Education, providing dedicated day-to-day coordination to support programme implementation.
• Programme governance operationalised: The Project Steering Committee and Technical Committees have been established under the leadership of the Ministry of Education, providing the governance structure required to oversee implementation in Year 2.
• Baseline assessments to commence: Infrastructure, connectivity, energy, and digital readiness assessments for all confirmed model schools are prioritised for Year 2 and will generate the technical specifications required to initiate competitive procurement. The technical expert assignments have already been advertised, with assessments expected to be completed within approximately three to four months of recruitment.
• Procurement planning underway: Market engagement with ICT suppliers, connectivity providers, and solar energy companies was undertaken during the reporting period. A detailed procurement plan will be finalised in Year 2 to enable the timely launch of competitive procurement processes.
• Technical assistance to commence in July 2026: UNESCO's in-house technical specialists will be mobilised from July 2026 to provide technical support under the Teaching Quality and KEMIS components.
• Programme delivery preparations underway: Programme delivery preparations are underway to ensure that programme delivery can commence immediately following completion of the baseline assessments and mobilisation of technical assistance.

Together, these measures address the underlying causes of delayed financial absorption and position the programme to significantly accelerate implementation and expenditure during Year 2. As implementation transitions from programme establishment to full delivery, financial absorption is expected to increase substantially in line with the approved workplan and planned procurement schedule.

Budget Variance Analysis for the Current Reporting Period

Total Approved Budget for the Current Reporting Period
730,611

Total Expenditure for the Current Reporting Period
45,850.96

Explanation for underspending or overspending in excess of 10%
During the reporting period, substantial progress was made in establishing the institutional, governance, fiduciary, and technical foundations necessary for large-scale implementation in Year 2. As implementation during Year 1 focused primarily on establishing these enabling conditions, financial absorption remained below expectations, reflecting the front-loaded nature of programme establishment activities rather than substantive implementation delays.
Financial absorption for the reporting period (1 April 2025 to 31 March 2026) is therefore rated as not on track. Total expenditure amounted to USD 45,850.96 against total funds available for the reporting period of USD 730,611.00, representing a financial absorption rate of approximately 6.3%. Cumulative programme expenditure stands at USD 45,850.96 against the total approved project budget of USD 2,499,993.00, leaving USD 684,760.04 of the reporting period allocation unspent. Expenditure during the reporting period was limited primarily to operational and programme management costs, as programme funds had not yet been transferred through national government systems. In accordance with UNESCO's Implementation Partners Agreement (IPA) procedures, the initial fund transfer required the Ministry of Education, in collaboration with UNESCO, to identify, prioritise, and cost the activities to be financed through the first disbursement. This joint planning and budgeting process was completed during the

reporting period and established the basis for subsequent fund transfers and programme implementation.

Management Performance

Level of Management Performance
Moderately Satisfactory (MS)

Previous Rating
NA

Detailed Description
Management performance for the reporting period is rated Moderately Satisfactory. While implementation progress was affected by the contextual and operational factors outlined in this report, the grant was managed in accordance with UNESCO's Grant Agent policies and GPE requirements. Key management, governance, and fiduciary systems were established during the reporting period and are positioned to support full-scale implementation in Year 2.

UNESCO strengthened its in-country management capacity through the recruitment of a dedicated National Project Coordinator and the establishment of a project office within the Ministry of Education. Strategic oversight and project management are provided by the Education Programme team at the UNESCO Regional Office for the Pacific States, led by the Education Programme Specialist, under the overall leadership of the UNESCO Regional Director.

Throughout the reporting period, UNESCO adopted a collaborative and context-sensitive implementation approach, working in close partnership with the Ministry of Education and relevant government departments to co-design and co-deliver programme activities. The Education team provided continuous technical, operational, and coordination support through regular technical working meetings and consultations, ensuring that programme design, implementation sequencing, and work planning were aligned with national priorities, the Ministry's annual workplan, and the operational context of Kiribati.

The programme governance framework was developed through this collaborative process, resulting in the establishment of the Project Steering Committee and Technical Committees under the leadership of the Ministry of Education. This approach has fostered strong government ownership, with the Ministry identifying the STG programme as its flagship initiative for ICT-enabled education transformation. This strong ownership provides a solid foundation for accelerated implementation in Year 2.

Financial activity during the reporting period was limited primarily to programme coordination, consultant services, and mission-related expenditures, all of which were managed in accordance with UNESCO's financial regulations and internal controls. During the reporting period, substantial progress was made in establishing the fiduciary arrangements required to transfer programme funds through national systems. NEPO confirmed the procedures for fund transfers, and existing Ministry of Education financial reporting arrangements were recognised as a fit-for-purpose accountability mechanism, eliminating the need for parallel reporting systems.

No procurement activities were initiated during the reporting period, consistent with the programme's phased implementation approach. Baseline assessments and technical specifications are required before competitive procurement can commence, and a formal procurement plan will be finalised in Year 2.

UNESCO fulfilled all GPE reporting, fiduciary, and compliance obligations during the reporting period. No compliance issues, fiduciary concerns, procurement irregularities, or safeguard violations were identified.

Revisions to the grant

This period, have there been any revisions to the grant other than those submitted to the GPE Board or Secretariat for their approval?
No

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

Annexes

Annex 1: List of Acronyms

Acronym	Description
ADB	Asian Development Bank
DFAT	Australian Department of Foreign Affairs and Trade
GPE	Global Partnership for Education
ICT	Information and Communication Technology
IPA	Implementation Partners Agreement
KEMIS	Kiribati Education Management Information System
NEPO	National Economic Planning Office
SDG	Sustainable Development Goal
STG	System Transformation Grant
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund

Annex 2: Global Numbers Reporting Template

Provide the data related to GPE's three global numbers for this reporting period below

- Textbooks purchased and distributed through GPE grants
- Teachers trained through GPE grants
- Classrooms built or rehabilitated through GPE grants

Note: For cofinanced grants, please provide the proportion that can be attributed to GPE grant. For example, if the grant's financial contribution accounts for 50 percent of a teacher training activity, the proportion that can be attributed to GPE grant for the number of teachers trained through that activity would be 50%. If the unit of analysis in the indicator is the number of schools and not classrooms, please enter an estimated number of classrooms and provide an explanation in the comments box.

GPE Indicators

Textbooks purchased and distributed

#	Indicator	Actual Number Achieved (during this reporting period)	This system transformation grant annual progress report is learning oriented and seeks to:	Comments
1		0	0	

GPE Indicators

Teachers trained

#	Indicator	Actual Number Achieved (during this reporting period)	This system transformation grant annual progress report is learning oriented and seeks to:	Comments
1		0	0	

GPE Indicators

Classrooms built or rehabilitated

#	Indicator	Actual Number Achieved (during this reporting period)	This system transformation grant annual progress report is learning oriented and seeks to:	Comments
1		0	0	

Annex 3: Cumulative Beneficiary Children Reporting Template

Provide the **cumulative** number of children of pre-primary, primary and secondary school age (both in school and out of school) and other students (adolescents beyond secondary school age and adult learners participating in basic education programs), who **directly participated in project activities, received project-supported incentives or services, or benefited from project interventions so far. Also provide relevant disaggregated values by sex (applicable to all grants)**. If appropriate and available, provide disaggregated values by varied subgroups and by education level. Reporting beneficiary data cumulatively means counting all beneficiaries as a running total, adding up all beneficiaries since the start of the grant. Data on beneficiaries are to be collected using the methods and tools proper to each project. It is understood that some disaggregated data will only be collected if a project expressly targets specific subgroups through their interventions and uses their own methods for counting beneficiary children/other students.[i] Please provide the number or proportion of girls of varied subgroups in the comment section below, if available.

NOTE: For cofinanced grants, please provide the numbers for the entire program and indicate the proportion that can be attributed to GPE grant. For example, if the grant's financial contribution accounts for 40 percent of the program that is cofinanced by GPE and oher donors, enter 40% in "% atributed to this grant".

	Pre-primary (optional)	Primary (optional)	Secondary (optional)	Others (optional)	Total	% attributed to this grant (for

						cofinanced grants)
Number of children who directly benefited from the project						
Of which, girls						
Of which, children with a disability (optional)						
Of which, refugee children (optional)						
Of which, internally displaced children (optional)						
Of which, out-of-school children, in school-age (optional)						
Of which, children from marginalized ethno-cultural/ linguistic minorities: specify which ones (optional)						

Provide any comments on beneficiary children, if needed. This could include, for example, the definition employed by the grant for a particular subgroup (including a more granular description of these subgroups), the approach/tool used to calculate the number of beneficiaries overall or by subgroup, any limitation of the approach/tool employed for this calculation and reasons why data on beneficiary children are unavailable. Please provide the number or proportion of girls for varied subgroups in the comment section below, if available.

Annex 4: GEA Indicators Reporting Template

GEA Core indicators	Baseline	Results for this reporting period		GPE contribution (optional for cofinanced grants)	Comments
		Target	Actual		
Indicator name					
Date					

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

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

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