Kiribati Utilities Reform Programme Evaluation

Final Evaluation Report

09 February 2026

ALLEN + CLARKE

Acknowledgements

The evaluation team thank all those who participated in this evaluation, including representatives of the Government of Kiribati, particularly staff of the Public Utilities Board (PUB) and the Ministry of Line and Phoenix Islands Development (MLPID), and KURP delivery partners, including other development partners. We also thank community, council and commercial stakeholders for making us welcome and sharing their insights as users of the utilities. All participants gave their time generously, and the knowledge, experience and perspectives shared were invaluable in deepening the understanding of KURP's delivery and sustainability.

The evaluation was commissioned and funded by the New Zealand Ministry of Foreign Affairs and Trade (MFAT).

ALLEN + CLARKE
+64 4 890 7300
office@allenandclarke.co.nz
www.allenandclarke.co.nz

Table of contents

List of abbreviations and terms

Acronym / Term	Definition
ADB	Asian Development Bank.
AMA	Activity Monitoring Assessment. MFAT's internal performance and risk monitoring tool for development activities.
ArcGIS	A geographic information system used to capture, manage and analyse spatial asset data for utilities infrastructure.
Board	The governing Board of the Public Utilities Board (PUB).
Cowater	Cowater International Inc., the primary programme management contractor for KURP.
GEDSI	Gender Equality, Disability and Social Inclusion.
GoK	Government of Kiribati.
IMS	Information Management System. The integrated system introduced under KURP to support financial management, human resources, billing, asset management and reporting.
I-Kiribati	People of Kiribati.
KIT	Kiribati Institute of Technology.
KURP	Kiribati Energy and Public Utility Reform Programme. A six-year MFAT-funded programme supporting institutional reform and capacity building in the utilities sector.
MERL	Monitoring, Evaluation, Research and Learning.
MFAT	New Zealand Ministry of Foreign Affairs and Trade.
MFED	Ministry of Finance and Economic Development (Kiribati).
MISE	Ministry of Infrastructure and Sustainable Energy (Kiribati).
MLPID	Ministry of Line and Phoenix Islands Development (Kiribati).
NGO	Non-Government Organisation.
O&M	Operations and Maintenance.
PPE	Personal Protective Equipment.
PUB	Public Utilities Board. A Kiribati State-Owned Enterprise responsible for electricity, water and sanitation services in South Tarawa and electricity services in Kiritimati.
SOE	State-Owned Enterprise.
SOEMAU	State-Owned Enterprise Monitoring and Advisory Unit (Kiribati).
SPC	The Pacific Community.
STREP	South Tarawa Renewable Energy Project. Led by the Asian Development Bank with some MFAT co-financing.
STSP	South Tarawa Sanitation Project.
STWSP	South Tarawa Water Supply Project.
Value for Investment (VfI)	Assessment of the efficiency and effectiveness of programme inputs in achieving intended outcomes.

Executive Summary

Executive Summary

Introduction

The Kiribati Energy and Public Utility Reform Programme (KURP) is a six-year, NZD 23 million investment by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) to strengthen institutional capability and service performance in Kiribati's utilities sector. The programme has focused on the Public Utilities Board (PUB) and the Ministry of Line and Phoenix Islands Development (MLPID), delivering a coordinated package of support including improved financial management and information systems, workforce development and training, prepaid metering, new generation assets, and strengthened occupational health and safety and asset management practices. KURP was designed to address long-standing challenges in electricity service delivery in South Tarawa and Kiritimati, while supporting the transition to a more reliable and resilient utilities system alongside major development partner investments.

This evaluation was commissioned by MFAT to assess progress over the 2019–2025 period and to inform future investment decisions. It examines progress against four intended outcomes relating to governance and management, workforce capability, service stability, and routine maintenance, and considers value for investment and implications for MFAT's future engagement in Kiribati's utilities sector.

Key Findings

Progress towards outcomes

- **Outcome 1 – Strengthened governance and management:** The MFAT investment in KURP supported the strengthening of management systems and financial processes, stabilising cashflow through the introduction of prepaid metering and an Information Management System (IMS). These improvements enabled better management decision-making. However, governance capability did not keep pace with management improvements, and early momentum waned, creating risks to the durability of gains as utilities systems and investments become more complex.
- **Outcome 2 – Improved workforce confidence and competence:** Training and systems support under KURP improved workforce confidence and competence across PUB and MLPID, particularly for practical, safety-critical and administrative tasks. These improvements supported day-to-day performance but remain unevenly embedded and vulnerable to staff turnover, limited organisational ownership, and uneven uptake of advanced system functionality.
- **Outcome 3 – Improved service stability and reduced outages:** The KURP-supported generation upgrades improved electricity service stability, reducing the frequency and duration of outages in South Tarawa and Kiritimati. However, ageing and fragile distribution and transmission networks now constrain the sustainability of these gains and limit the effective integration of renewable energy investments.
- **Outcome 4 – Improved maintenance practice:** The KURP investment supported improvements in safer and more systematic maintenance practices through

strengthened occupational health and safety systems, improved access to personal protective equipment (PPE), and new asset management tools. While staff confidence and asset visibility improved, maintenance systems remain foundational and are not yet embedded as business-as-usual, posing ongoing sustainability risks.

Sustainability and resilience

- Across all outcomes, progress achieved under KURP is foundational rather than fully embedded. Many gains depend on continued consolidation and remain vulnerable to disruption (such as leadership changes) and increasing system complexity.
- Governance capability has not developed at the same pace as management systems, with early governance processes and gains not sustained through the full KURP delivery period. This creates risks as PUB and MLPID assume responsibility for more complex assets and investments.
- Routine maintenance is widely viewed by stakeholders as the single greatest risk to long-term sustainability**,** reflecting historic under-investment, environmental exposure and the growing scale and complexity of assets.
- Distribution and transmission network weaknesses now represent the primary constraint on achieving Outcome 3 in full**,** limiting the sustainability of service stability gains and the effective integration of renewable energy investments, including South Tarawa Renewable Energy Project (STREP).
- Workforce capability gains remain vulnerable to staff turnover, uneven uptake of advanced system functionality, and limited organisational ownership of new practices. Staff turnover is an inherent risk for workforce capability development in the Pacific and requires a sector-wide and strategic approach that is beyond the scope of KURP alone.
- Stakeholders consistently distinguished between the sustainability of progress achieved to date and what is required to achieve sustained progress towards long-term outcomes, particularly for safe distribution and renewable energy integration.
- Ending MFAT support at this point would place recent gains at material risk**,** particularly as PUB and MLPID assume responsibility for major new infrastructure funded by development partners.

Value for Investment

- The investment in KURP represents a sound use of MFAT resources, and efficiency gains were strongest where delivery was integrated and managed end-to-end under the one contract. Project management arrangements enabled effective sequencing, prioritisation and adaptive delivery of complex reforms, contributing to measurable organisational improvements at PUB.
- A focus on output reporting and the absence of a strong outcome-focused monitoring framework limited visibility of programme-level efficiency and strategic oversight.
- Efficiency gains have been uneven across institutions, with MLPID yet to fully benefit from metering-related improvements due to implementation delays that were outside the control of the KURP project delivery team.

High-level recommendations

The evaluation found that a next phase of MFAT support is both required and appropriate to sustain and extend the foundational gains achieved under KURP. The recommendations focus on how future engagement should be structured and where investment should be directed, recognising that the benefits of infrastructure investment depend on institutional readiness and that recent gains remain vulnerable as system complexity increases.

Given the scale of infrastructure investment underway by other development partners, a future phase should be designed to align with, and complement, those programmes. Strong governance and capable institutions are critical to maximising the return on infrastructure investments. MFAT could position New Zealand's support as a facilitator and coordinator of institutional strengthening across Kiribati's utilities sector, with a clear emphasis on governance, regulatory and system capability rather than infrastructure delivery. Building on prior investment in the PUB and MLPID, this approach would help align development partner investments behind a coherent programme of organisational and system reform.

A priority action is a fit-for-purpose review of governance and regulatory arrangements for utilities provision. This review should clarify roles, mandates and coordination mechanisms across PUB, the Kiribati Ministry of Infrastructure and Sustainable Energy (MISE), MLPID, and other relevant agencies, to ensure they are appropriate for the future scale and complexity of energy, water and sanitation services in both South Tarawa and Kiritimati, particularly as responsibility for development partner-funded assets transitions to national ownership.

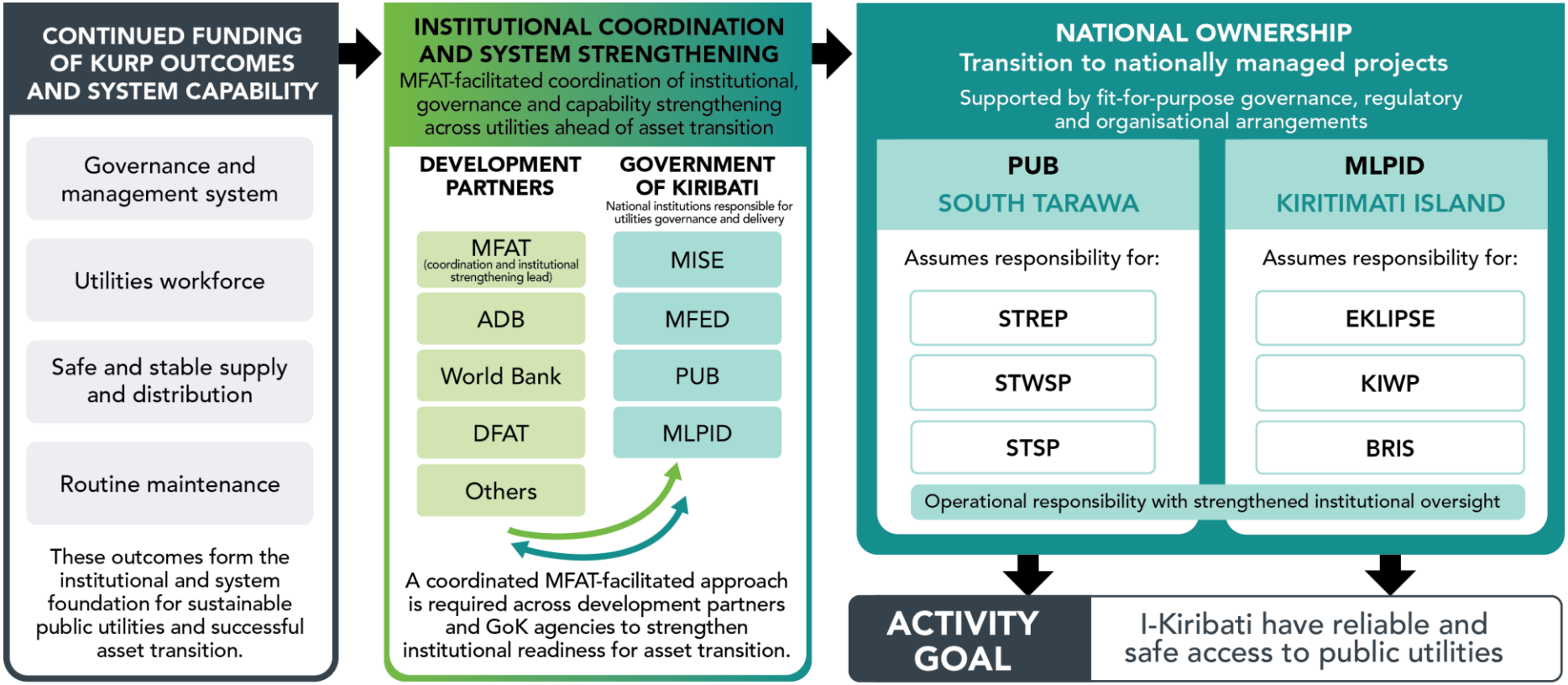
Continued investment in workforce capability is also required, shifting from stand-alone training towards sequenced, sector-wide capability development across technical, administrative and customer-facing functions. This should include strengthening communication and maintenance capability, which are central to sustainability and customer confidence, and (subject to alignment with other partners) targeted upskilling for water and sanitation functions as multi-utility responsibilities expand.

Future support should maintain an integrated, grant-funded delivery model where it provides strong value, reduces fragmentation, and enables adaptive management. Infrastructure-related support should shift away from generation and focus on distribution, transmission and routine maintenance systems, which now represent the primary constraints on sustainable service delivery and renewable energy integration. Without targeted attention to network condition, safety and losses, the benefits of existing and planned investments, including STREP, will not be sustained.

Finally, a fit-for-purpose monitoring, evaluation, research and learning (MERL) framework should be required in any next phase, embedded from design and refined as delivery matures. Reporting should shift from outputs to outcomes, system performance, sustainability risks and programme-level value for investment to support strategic oversight, learning and adaptation.

Taken together, these recommendations position future engagement as a protective and enabling investment. **Figure 1** illustrates how the programme outcomes contribute to sustainable utilities provision over time, and where continued support is most critical as the sector transitions to greater complexity, climate exposure and infrastructure transfer.

Figure 1: The relationship between KURP outcomes and long-term sustainability of utilities in Kiribati



Introduction

1 Introduction

1.1 Evaluation purpose

The Ministry of Foreign Affairs and Trade (MFAT) commissioned *Allen + Clarke* to undertake an evaluation of the Kiribati Energy and Public Utility Reform Programme (KURP) to assess the programme's progress over the 2019–2025 period and to support future investment decisions. The evaluation considers KURP as an integrated package of support across the energy and utilities sector by:

- Assessing progress against KURP's intended outcomes, with a focus on the extent to which the outputs have contributed to achievement of the outcomes and strengthened utility performance and organisational capability.
- Providing insights into the sustainability of MFAT's approach to supporting the Public Utilities Board (PUB) and the Ministry of Line and Phoenix Islands Development (MLPID).

The evaluation aims to strengthen learning about what has worked, and what has not, in KURP implementation. This includes examining implementation approaches, governance arrangements, and the factors that have supported or constrained sustainable improvements in PUB and MLPID performance.

The evaluation contributes to MFAT's wider learning and accountability requirements. It assesses the programme's effectiveness, efficiency, relevance and resilience, and draws out practical lessons to inform MFAT's future engagement in Kiribati's utilities sector.

Structure of the report

- **Section 1** provides an overview of KURP and outlines the purpose and methods of the evaluation and how the report will be used.
- **Section 2** presents the findings, organised around progress toward outcomes, value for investment, and implications for future MFAT support.
- **Section 3** provides recommendations for MFAT on potential future investment in Kiribati utilities provision.

Further detail, including the stakeholder list, evaluation matrix, and supporting documentation are provided in the appendices.

1.2 Overview of KURP

KURP invested NZD 23 million through a six-year partnership between MFAT, and the Kiribati Ministry of Infrastructure and Sustainable Energy (MISE), Ministry of Finance and Economic Development (MFED), Ministry of Line and Phoenix Islands Development (MLPID), and the Public Utilities Board (PUB). The programme was established in response to persistent challenges in electricity, water and sanitation service delivery in both South Tarawa and Kiritimati Island, including limited generation capacity, ageing distribution infrastructure,

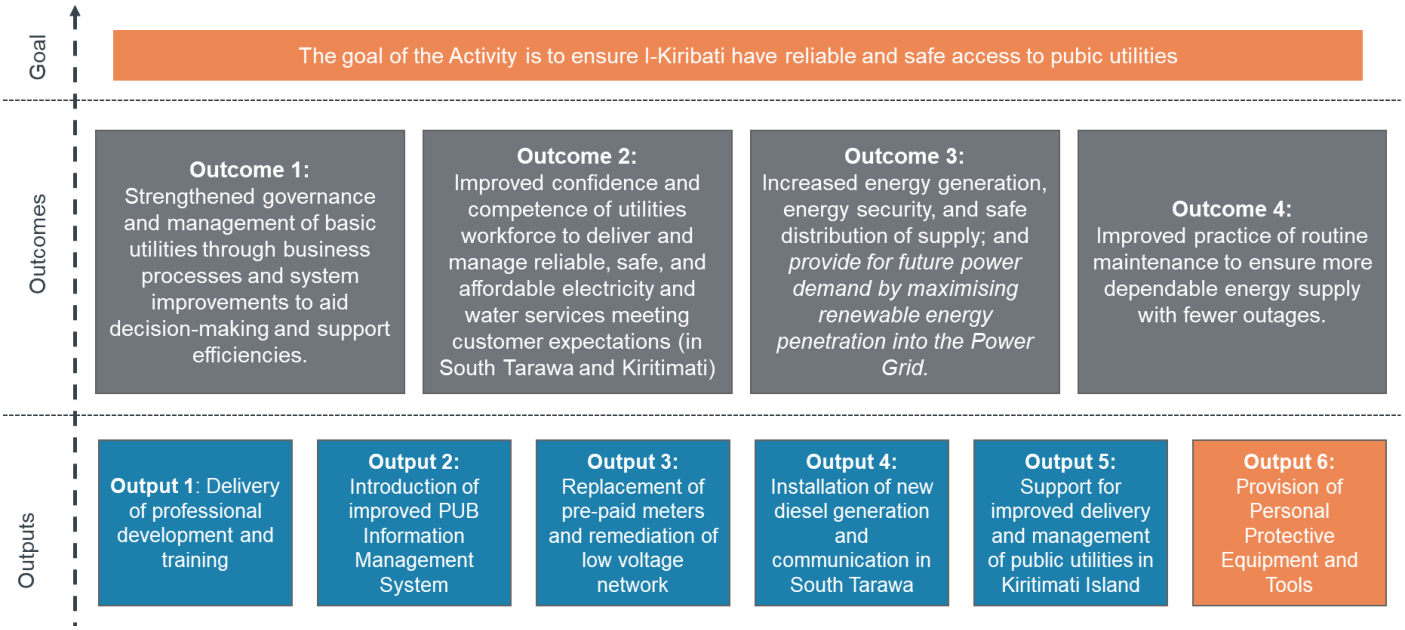
financial management weaknesses, and workforce capability gaps. The three core components of the KURP are:

- Funding of the PUB Chief Executive Officer (CEO) position to strengthen organisational leadership.
- A NZD 2 million contribution to the Asian Development Bank (ADB) led South Tarawa Renewable Energy Programme (STREP) to support the transition to more resilient and sustainable energy generation.
- Institutional reform, including improvements to finance systems, a new PUB Information Management System (IMS), human resource development and technical training, installation of prepaid meters, and procurement of generation assets.

Cowater International was contracted to provide programme management support for increased implementation efficiency.

The investment in KURP was designed to deliver on the programme Theory of Change shown below in **Figure 2**.

Figure 2: KURP Theory of Change



Note: The Outcome 3 text included in italics was missing from the Theory of Change in many KURP documents. It is unclear when, or how, this text was removed, however it is of relevance to the KURP project, particularly as it relates to the investment in STREP and future focus for investment. This is discussed more in section **2.2.3**.

1.3 Context matters

A key consideration for all utilities provision is the context in which they operate, and this is particularly important when it comes to planning for the future. In both South Tarawa and Kiritimati, utilities provision and planning occur in a context of population growth and risk related to climate change and sea level rise. Key aspects of this context are outlined on the next page.

South Tarawa context:

Why utilities provision must change, and why integrated planning matters

Urban form and land constraints

Capital area on Tarawa Atoll; narrow islets linked by causeways over ~30–35 km, with very limited land (~15 km²). Long, exposed utility corridors and little space for new infrastructure.

Economic and service reliance

Government and most formal-sector services are concentrated here. Reliable, affordable utilities are critical for households, essential services, and economic activity.

High population concentration

~63,072 people (2020), around 53% of Kiribati's population. Density averages ~4,200 people/km², with some areas reported >7,500 people/km².

Sustained in-migration from outer islands continues to increase pressure on services.

Climate and environmental risk shapes everything

Very low-lying (often ~2 m above mean sea level), exposed to erosion, storm surge and inundation; groundwater is limited and vulnerable to drought and contamination, increasing reliance on desalination and demand management.

Rapid growth means rising demand

Population projected to increase sharply (about ~58,000 in 2016 to ~96,000 by 2040), with growth concentrated in South Tarawa raising demand for electricity, water and sanitation at the same time.

Interdependence across electricity, water, and sanitation is increasing

Desalination and sanitation systems depend on electricity. Planning and investment decisions in one network affect costs, resilience and performance across all three.

Kiritimati context:

Why utilities provision must change, and why integrated planning matters

Remote and dispersed

Coral atoll in the Line Islands, ~3,285 km from South Tarawa. Settlements are spread out (notably London and Tabwakea) with long internal distances and reliance on a limited road network and Cassidy International Airport.

Economic direction

Positioned as a future growth node, with activity focused on transport connectivity, fisheries (including ambitions for a transshipment/longline hub), and niche tourism.

Low density, clustered demand

~7,380 people (2020) across ~388 km² (~19 people/km²). Service demand concentrates in the main towns, while networks must still cover large areas.

Climate and water stress

Highly exposed to sea-level rise, erosion, storm surge and saltwater intrusion, threatening roads, power sites and freshwater lenses.

Growth uncertainty but upward pressure

Population grew from 6,456 (2015) to 7,369 (2020). Planning for 2050 indicates population ~16,300, implying increasing demand for power, water and sanitation.

Service interdependence

Small and dispersed demand, long supply chains (fuel and spares), and climate-exposed assets increase unit costs and reliability risk—making coordinated planning across electricity, water and sanitation critical for resilient, affordable services.

1.4 Evaluation methods and approach

The evaluation employed a mixed-methods approach to enable triangulation of evidence across documents, stakeholders, and data sources, and to generate findings that support MFAT's investment, accountability and learning needs.

Document and data review

The evaluation team reviewed a wide range of programme documents, including design materials, progress reports, financial data, procurement and governance records, training and systems documentation, and relevant contextual information. As noted in the Evaluation Plan, document analysis provided a foundational understanding of programme implementation, supported analysis of enabling/constraining factors, and helped validate interview findings.

Stakeholder interviews

Semi-structured interviews were conducted in person and online with MFAT in Wellington and Tarawa, PUB and MLPID staff, MISE and MFED officials, Cowater International and other contractors that were involved in the KURP delivery, development partners, NGOs, and community representatives. Interviews provided insight into programme achievements, efficiency, sustainability, and implementation challenges.

Synthesis and validation

Qualitative data were thematically analysed, and findings were tested and refined through a validation workshop with Wellington and Tarawa-based MFAT staff, to identify implications for future investment and areas for deeper analysis.

1.5 Scope and limitations

The evaluation covers all KURP activities between January 2019 and December 2025, excluding evaluation of ADB's STREP Phase 1, as specified in the evaluation terms of reference (TOR). Key limitations included stakeholder availability (particularly senior Kiribati government officials – including the PUB Board Chair), timing constraints late in the programme cycle, and varying completeness of output-level documentation. These limitations were mitigated through triangulation, revisiting emerging findings, and targeted follow-up with key informants.


Kiritimati Island Water Project
Te Karikirake ibukin Te Ran iaon Kiritimati
BUILDING RESILIENCE THROUGH IMPROVED SANITATION (BRIS)
Funded by the European Union
unicef
for every child
BUILDING RESILIENCE THROUGH IMPROVED SANITATION

Findings

2 Findings

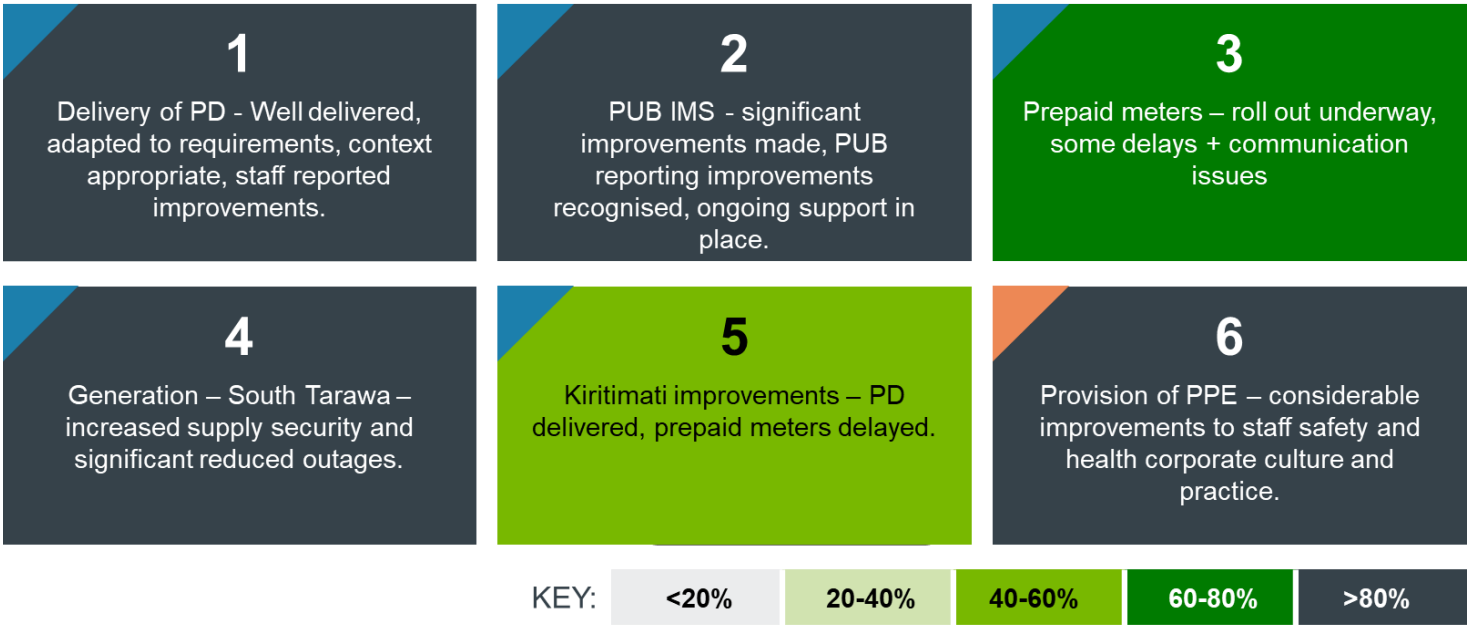
2.1 Delivery of KURP outputs

Throughout the KURP investment period, MFAT received regular reporting from programme implementation partners on the delivery of the outputs outlined above in

. For this reason, this report focuses on how the outputs contributed to the achievement of outcomes. However, we have included this short overview of output delivery.

The outputs delivered through KURP were implemented as an integrated package of institutional, technical and infrastructure support designed to address long-standing constraints across governance, workforce capability, systems, generation capacity and maintenance practice. Delivery progressed across all six outputs, with the strongest performance evident in institutional strengthening, information systems, generation capacity and occupational health and safety, and more variable progress in metering and targeted support to the MLPID. As shown below in **Figure 3**, most outputs were substantially delivered or well advanced by the end of the evaluation period, providing the foundations required to support progress toward programme outcomes rather than acting as stand-alone interventions.

Figure 3: KURP output delivery



The range of output delivery reflects both the scale and complexity of the reform effort. Outputs focused on the PUB generally achieved higher levels of completion, reflecting sequencing decisions, absorptive capacity and the prioritisation of stabilising core systems and services in South Tarawa. Outputs that depended on external supply chains, customer-facing implementation or parallel readiness within the MLPID progressed more slowly, although preparatory work and enabling inputs were in place. Taken together, the outputs delivered under the programme established essential building blocks, including improved systems,

skills, safety practices and generation reliability, which underpin the outcome-level findings presented in the sections that follow rather than constituting an end in themselves.

2.2 Progress towards Outcomes 1-4

This section summarises the evaluation's findings on progress toward KURP Outcomes 1–4, drawing on stakeholder interviews, document review, and available performance data. The analysis focuses on the extent to which KURP outputs have contributed to observable changes in governance, workforce capability, service stability, and routine maintenance practice, and assesses how secure these changes are over time.

Across all outcomes, the findings distinguish between early and substantive gains and areas where progress remains partial or foundational, highlighting the implications for sustainability as PUB and MLPID take on more complex responsibilities and assets.

2.2.1 Outcome 1: Strengthened governance and management of utilities

Outcome 1: Strengthened governance and management of basic utilities through business processes and system improvements to aid decision-making and support efficiencies.

The MFAT investment in KURP has contributed to early improvements in governance and delivered substantial strengthening of management systems and financial processes; however, governance capability has not developed at the same pace as management improvements, creating risks to the sustainability of gains as PUB and MLPID move into a more complex utilities environment.

KEY FINDINGS FOR OUTCOME 1

- **Finding 1:** Early governance initiatives contributed to initial improvements, but momentum was not sustained during leadership transitions, creating risks for future sustainability. The most substantial governance gains occurred indirectly, driven by strengthened financial processes and more reliable reporting that supported better-informed Board and management decisions.
- **Finding 2:** Management capability improved through clearer processes, better-quality data and strengthened financial management practices, supported by the IMS and complementary training. However, there were gaps in clarity of ownership for embedding new systems, indicating a need for structured organisational change support.
- **Finding 3:** Prepaid meters and improved financial systems stabilised cashflow and reduced arrears, creating the conditions for management to plan more effectively and for the Board and Leadership to make more evidence-based operational decisions and supported a shift from reactive to more planned maintenance and to prepare stronger investment cases that extend beyond KURP outputs.
- **Finding 4:** Differences in governance and operating models influenced the depth of system change. As a State-owned Enterprise (SOE), PUB is structured to support stronger commercial-style governance and management reform, while MLPID's role as a government department constrained the extent to which comparable commercial systems and practices could be embedded.

Early governance improvements were not sustained

The terms of reference noted the KURP grant funding was focused on strengthening management and this was reflected in the design of KURP outputs. Some governance strengthening occurred through Output 1, including training for the Audit and Risk Committee, development of a governance manual, and establishment of a KURP Steering Committee. Interviewees described these activities as useful in clarifying roles and setting expectations for oversight.

Stakeholders at all levels recognised governance momentum had reduced over time. The recruitment of a new CEO diverted Board and MFAT attention, and governance meetings became infrequent. The Steering Committee, initially intended to provide coordinated oversight between MFAT, the Government of Kiribati (MISE and MFED), and PUB, also stopped meeting. This resulted in a more direct PUB to MFAT approach to raising emerging issues, maintaining strategic alignment and managing delivery risks. This reduced oversight by MISE and resulted in some tension between PUB and MISE.

The most notable governance gains appear to have been indirect, resulting from more reliable business processes. Stakeholders from MFED, who have responsibility for management of SOEs, highlighted that improved financial systems and prepaid metering strengthened cashflow management and reduced the need for emergency Government funding. This improved reporting and enabled the Board and management to make more informed decisions. MISE reported wider sector effects, noting that improved utilities performance supported forward planning.

Evidence from stakeholders and document review indicate governance capability will require further development to meet future demands. Both PUB and MLPID will also need the capacity and capability to oversee more complex assets, systems and investments, including those linked to STREP, South Tarawa Water Supply Project (STWSP) and South Tarawa Sanitation Project (STSP). Several stakeholders noted that the organisation in its current form is unlikely to meet governance requirements over the next decade.

As an SOE, PUB holds a degree of independence with Board governance and a strong commercial focus. MLPID, as a government department, does not have the same commercial focus and follow standard public service practices. Stakeholders indicated an expectation of increased population growth in Kiritimati and utilities infrastructure investment is underway to support this growth. It may be appropriate in the future to review the institutional alignment of the existing model and learning from current practice in other utilities provision for similar populations in the region.

Stakeholders involved in climate-exposed utilities provision reinforced the need for strengthened governance and coordination across PUB, MLPID and MISE, particularly to manage interdependencies and achieve efficiencies across energy, water and sanitation investments and maintenance.

Progress in management saw substantial strengthening of systems, financial processes and operational capability

Stakeholders consistently reported significant improvements in management capability within PUB. Many interviewees described PUB's earlier financial position as 'unstable'. The

introduction of prepaid meters and strengthened financial systems were viewed as pivotal in stabilising cashflow, reducing arrears and enabling more consistent revenue planning.

Implementation of the IMS was identified as a major achievement. PUB staff explained that the system provides improved visibility of financial and operational data, and interviewees from a range of stakeholders observed that this has supported better modelling and forecasting. The IMS increased PUB's ability to prepare a robust investment case for new generators and was repeatedly cited as an example of strengthened management influencing decisions beyond KURP's core outputs.

Stakeholders also noted improvements in operational decision-making. Stable revenue and improved forecasting have allowed PUB to move away from reactive maintenance practices, supporting better planning and contributing to longer-term reliability. Stakeholders highlighted that the capability and experience of the KURP project team played an enabling role, particularly the combination of engineering and financial expertise and familiarity with Pacific operating contexts.

However, challenges remain and some interviewees, particularly those contracted directly by MFAT rather than through the contact with Cowater, noted uncertainty around who within PUB is responsible for embedding and maintaining new systems and processes resulted in unnecessary delays where process steps were not prioritised.

> *There were various people on the distribution list of the e-mail, but no one actually took ownership of the activity and made sure that it actually happened…. expectations versus the reality of how much resource can be applied and how quickly things can be done.*

Linkages between governance and management, and implications for sustainability

Evidence indicates a clear relationship between strengthened management capability and the foundations needed for effective governance. Improved financial information, stable cashflow and stronger forecasting have created better conditions for governance oversight.

Governance capability within PUB has not developed at the same pace as management systems. Future utilities provision in Kiribati will involve integrating multiple donor investments, managing complex assets and maintaining service reliability. Without strengthened governance processes, leadership capability and organisational oversight, the gains from management improvements achieved during this phase of KURP may not be sustained. Stakeholders stressed that aligning governance and management development will be essential for long-term sustainability.

2.2.2 Outcome 2: Strengthened utilities workforce

Outcome 2: Improved confidence and competence of utilities workforce to deliver and manage reliable, safe, and affordable electricity and water services meeting customer expectations (in South Tarawa and Kiritimati).

The MFAT investment in KURP has delivered clear improvements in workforce confidence and capability across PUB and MLPID. These gains remain vulnerable to staff turnover, uneven uptake of new systems, and limited capacity to embed and sustain new practices.

KEY FINDINGS FOR OUTCOME 2

- **Finding 1:** KURP-supported training, delivered in a practical and locally adapted manner and reinforced by the introduction of the IMS, has materially improved the confidence and operational capability of business, administrative and technical staff across PUB and MLPID.
- **Finding 2:** Shared training and engagement under KURP have strengthened collaboration between PUB and MLPID, improving information flow and alignment of practices, particularly in the energy sector.
- **Finding 3:** Workforce capability gains remain fragile due to the risk of staff turnover and uneven depth of capability across technical, business and customer-facing functions. While staff confidence has improved for routine tasks, further development is required to embed advanced system use, organisational ownership of new processes, and supporting capabilities such as internal communication and customer engagement, which are critical to sustaining performance and meeting customer expectations.

Meaningful improvements in confidence and day-to-day capability

Stakeholders consistently reported that KURP has contributed to noticeable improvements in the confidence and competence of utilities staff across PUB and MLPID. Interviewees described staff as “learning things at a much faster pace than when we initially started,” attributing this change to structured training, clearer processes, and the introduction of new systems.

Training delivered under KURP supported both technical and administrative capability. Technical staff reported increased confidence in undertaking safety-critical tasks, including work on live networks and prepaid meter installation. Administrative and finance staff highlighted improved understanding of workflows and responsibilities due to clearer system-supported processes. We also heard from PUB how staff from the water and sanitation teams also participated in project management training which was seen as critical to overall organisation strengthening.

The introduction of the IMS was identified as a key driver of capability change. Staff now have access to more reliable and timelier financial and operational data, which has reduced reliance on informal knowledge and improved consistency in routine tasks. Several stakeholders noted that improved data visibility helped staff better understand how their roles contribute to organisational performance.

Joint training and engagement between PUB and MLPID were viewed positively, particularly in the energy sector. MLPID staff reported that shared training and closer contact with PUB

improved information flow and confidence and helped align practices across the two organisations.

Training delivered in Kiribati, including through the Kiribati Institute of Technology (KIT), was viewed as more accessible and less disruptive to day-to-day operations, supporting participation by both PUB and MLPID staff. Their involvement supported generic and cross-cutting capability development, including administrative skills, project management, and foundational technical competencies, which underpin business and administrative confidence rather than advanced technical specialisation.

The use of KIT supports the feedback from stakeholders that training providers with experience working in Pacific contexts were consistently described as more effective. Stakeholders noted that training adapted to local operating conditions was more readily applied in practice than training delivered without contextual adjustment.

Constraints on sustaining workforce capability

Despite clear progress, stakeholders identified several constraints that limit the sustainability of workforce capability gains. Staff turnover was consistently cited as a significant risk. Stakeholders noted that trained staff are sometimes recruited into higher-paid roles on other donor-funded projects, disrupting continuity and creating gaps in key functions. This risk applies across both technical and administrative roles. Staff turnover is an inherent risk for workforce capability development in the Pacific and requires a sector-wide approach.

While staff are using the IMS for core transactional tasks, several interviewees noted limited uptake of more advanced functionality. Administrative staff were described as confident in basic system use but less able to apply IMS tools for planning, forecasting and performance monitoring. This limits the extent to which capability gains translate into organisational efficiency and strategic decision-making.

Training gaps also remain in water and sanitation functions. While some staff have gained experience through secondments to donor-funded projects and others were able to participate in project management and other training with their energy colleagues. Interviewees indicated that technical capability development in these areas has lagged energy-related training and will become increasingly important as PUB's responsibilities expand. The evaluation team understands that some PUB staff have been seconded to work on the STWSP and STSP with the expectation they will bring their experience back to PUB when those projects are handed over for implementation.

Taken together, the evidence indicates that KURP has achieved meaningful improvements in workforce confidence and competence. However, without continued focus on embedding system use, managing turnover, and strengthening organisational support functions, these gains are at risk of erosion over time.

Stakeholders reported that gender equity was not a primary focus of KURP design. However, some early institutional changes, particularly the development of a gender equity and women's development policy within the draft Human Resources Management (HRM) Manual and targeted recruitment, have contributed to an increase in the number of female staff within PUB.

Sustainability of supply meets customer expectations, however key capability gaps remain

Stakeholders reported that improved electricity reliability has delivered indirect benefits for customers, including women and children, by reducing disruption to household and small-business activities. At the same time, recent tariff increases were reported to place additional pressure on household budgets and small enterprises, shaping customer expectations of utilities staff.

Stakeholders consistently identified communication and customer engagement as a key capability gap. During the rollout of prepaid meters, limited internal and external communication capacity placed additional pressure on frontline staff, who were required to respond to customer concerns about affordability and service changes without sufficient preparation or guidance. Although communication was not a core KURP output, stakeholders considered that this gap constrained the extent to which workforce improvements translated into improved customer experience. This suggests that improved technical performance and service reliability alone are insufficient to consistently meet customer expectations without corresponding capability to explain changes, manage concerns, and engage effectively with customers.

2.2.3 Outcome 3: Improved service stability and reduced outage duration for customers

Outcome 3: Increased energy generation, energy security, and safe distribution of supply; and *provide for future power demand by maximising renewable energy penetration into the Power Grid.*

The Theory of Change (Figure 2 on page 7) included in the evaluation TOR and other KURP documents was missing the text in italics from Outcome 3. It is unknown when the reference to future power demand was removed, and it is of particular focus for the future of energy distribution in South Tarawa and Kiritimati, the evaluation has included consideration of this aspect of Outcome 3.

The MFAT investment in KURP has contributed to improved electricity service stability and reduced outage duration, particularly through increased generation capacity; however, weaknesses in distribution and transmission infrastructure now constrain the achievement of safe, reliable, and resilient service in full.

KEY FINDINGS FOR OUTCOME 3

- **Finding 1:** KURP-supported generation upgrades have materially improved electricity service stability in South Tarawa and Kiritimati, reducing the frequency and duration of outages and increasing customer and business confidence. These improvements have supported economic activity and reduced reliance on costly backup generation, although service reliability remains uneven for the requirements of some users – particularly those in the commercial sector.
- **Finding 2**: The rollout of prepaid metering has strengthened revenue collection and supported more efficient energy use by consumers; however, its effectiveness has been

KEY FINDINGS FOR OUTCOME 3

constrained by implementation challenges and limited customer communication, which reduced understanding and acceptance and placed additional pressure on frontline staff.

- **Finding 3:** Distribution and transmission network weaknesses now represent the primary constraint on achieving a future with safe, reliable and resilient electricity supply. Without targeted strengthening of distribution systems, recent gains in generation capacity and service stability are unlikely to be sustained or to support increased renewable energy integration under STREP.

Evidence of improved service stability and customer experience

Stakeholders consistently reported that electricity supply stability has improved since the implementation of KURP-supported generation upgrades. In South Tarawa, the installation of new diesel generation capacity increased overall supply and reduced the need for frequent load shedding. Customers reported that outages are now less frequent and, when they occur, typically shorter in duration than prior to KURP.

This perception of improved reliability was reinforced by benchmarking data, which showed a substantial reduction in forced outages between 2019 and 2022. Although outage levels remain above regional benchmarks, stakeholders agreed that the direction of change represents meaningful progress toward Outcome 3.

On Kiritimati Island, stakeholders described a marked improvement in electricity stability compared with earlier periods of prolonged and unpredictable outages. Business owners reported that disruptions which previously lasted days or weeks are now more commonly limited to hours, reducing losses and operational disruption. Despite these improvements, some customers, particularly those in the commercial and government sectors, continue to rely on standby generators or alternative energy sources, indicating that service stability has improved but is not yet fully reliable.

Improved electricity reliability has had positive implications for PUB and MLPID financial performance. More stable supply supports revenue generation and reduces emergency response costs, contributing to organisational sustainability.

Contribution of prepaid metering to efficiency and service outcomes

The introduction of prepaid meters has supported improved revenue management and contributed to more efficient energy use. Customers with prepaid meters reported greater awareness of consumption and improved ability to manage household energy expenditure. PUB staff reported that prepaid metering, alongside tariff changes, has strengthened cashflow and reduced arrears.

However, stakeholders also noted challenges associated with the rollout. Logistical and access issues delayed implementation, limiting the pace at which efficiency gains could be realised. This is particularly evident on Kiritimati Island where distance from markets can cause delays and increased costs in accessing technical equipment and support. Several stakeholders reported that limited communication during installation affected customer understanding of how to use prepaid meters and the reasons for their introduction. This created frustration for some customers and placed additional pressure on frontline staff.

While prepaid metering contributes to the conditions necessary for improved service delivery, its effectiveness is influenced by broader system factors, including network condition and customer engagement.

Distribution and transmission as the binding constraint on outcome achievement

Despite improvements in generation capacity and revenue management, stakeholders consistently identified distribution and transmission infrastructure as the key constraint on achieving Outcome 3 in full. Technical staff reported that ageing and fragile network components contribute to ongoing outages, technical losses, and safety risks.

On Kiritimati Island, distribution network issues were cited as a continuing source of instability, even where generation capacity has improved. Similar concerns were raised in South Tarawa, where roadside infrastructure and low-voltage networks require rehabilitation to support safe and reliable supply.

Stakeholders emphasised that future integration of renewable energy, particularly through STREP, will increase pressure on already constrained distribution systems. Without targeted attention to network condition, the benefits of increased generation capacity and renewable investment will be limited.

Taken together, the evidence indicates that KURP has achieved meaningful progress toward improved service stability and reduced outage duration. However, distribution and transmission weaknesses now represent the principal barrier to sustained and resilient service delivery. Addressing these constraints lies largely beyond the scope of the current phase of KURP but is critical to achieving Outcome 3 in full and protecting the value of existing and future investments. There was some evidence that work is underway to improve distribution infrastructure (see **Figure 4**), however the example on the right is more illustrative of most of this infrastructure.

Figure 4: Roadside power boxes (Photo credit: Apisake Soakai)

2.2.4 Outcome 4: Improved routine maintenance practice

The MFAT investment in KURP has established safer and more systematic approaches to routine maintenance across PUB and MLPID; however, these improvements remain foundational and are not yet sufficiently embedded to ensure long-term sustainability as asset scale and complexity increase.

KEY FINDINGS FOR OUTCOME 4

- **Finding 1**: KURP has materially improved the safety of routine maintenance through strengthened occupational health and safety systems, improved access to PPE, and targeted training, resulting in increased confidence and reduced risk for technical staff undertaking routine and specialised maintenance tasks.
- **Finding 2:** The introduction of the IMS has for the first time provided visibility of assets and maintenance history and enabled early shifts toward more structured maintenance planning. However, use of asset management tools remains uneven, and maintenance systems are not yet embedded as consistent business-as-usual practice.
- **Finding 3:** Long-standing under-investment in maintenance, compounded by harsh environmental conditions, continues to pose a significant risk to service sustainability. As PUB and MLPID assume responsibility for larger and more complex assets, current maintenance capability and resourcing are unlikely to be sufficient without continued consolidation and strengthening.

Outcome 4: Improved practice of routine maintenance to ensure more dependable energy supply with fewer outages.

Evidence of improved safety and confidence in routine maintenance

Stakeholders consistently reported that KURP has improved the safety of routine maintenance activities across PUB and MLPID. Access to appropriate PPE, combined with targeted technical and safety training, has enabled staff to undertake maintenance tasks with greater confidence and reduced personal risk. This was particularly evident for work on live networks, generators, and prepaid metering infrastructure.

Stakeholders described greater consistency in the application of safe work methods, with PPE now routinely used as standard practice rather than on an ad hoc basis. The recruitment of a dedicated safety officer within PUB was identified as reinforcing expectations around compliance and providing clearer oversight of maintenance-related safety practices. Similar experiences were reported by MLPID staff and MISE meter inspectors, indicating that improvements in maintenance safety extended beyond PUB alone.

Increased confidence among technical staff was reported to support more timely completion of routine maintenance tasks, reducing delays associated with uncertainty or risk aversion. These changes represent tangible progress toward Outcome 4 by strengthening the safety and reliability of day-to-day maintenance activity.

Emerging use of asset management systems to support maintenance planning

The MFAT investment in KURP has also contributed to improved routine maintenance practice through the introduction of the IMS and other tools supporting asset management, including ArcGIS. Staff reported that these systems now provide access to consolidated information on assets, maintenance history, and associated costs, outlining a capability that did not previously exist.

Several interviewees noted that for the first time, staff can identify individual assets, review past maintenance activity, and begin to plan future work based on asset condition rather than relying solely on institutional memory or paper-based records. This represents an important shift toward more structured maintenance planning.

However, stakeholders emphasised that use of these systems remains at an early stage. Asset data are not yet comprehensive, and maintenance planning is still partially reactive, particularly where urgent repairs compete with routine tasks. The transition from system introduction to consistent, organisation-wide use has begun but is not yet complete.

Constraints on embedding sustainable maintenance practice

Despite clear progress, stakeholders identified routine maintenance as the greatest ongoing risk to sustainability of utilities services. Decades of under-investment have resulted in ageing infrastructure and a significant backlog of maintenance needs, particularly in distribution and transmission networks. This under-investment in maintenance was identified across the range of stakeholders, including by members of the business sector who commented the "*lack of maintenance, we all knew that the equipment was not looked after.* [Money is spent to put] *the system in place but* [then they] *don't look after it.*" Development partners like ADB and World Bank include operations and maintenance funding in their projects but often only for a period of approximately five years.

Environmental conditions further intensify maintenance demands. Technical staff and development partners highlighted the impact of salt exposure, humidity, and extreme weather events on asset deterioration, increasing the frequency and complexity of required maintenance. As climate-related pressures increase, maintenance systems will be further tested.

Stakeholders also noted that as PUB and MLPID assume responsibility for new and more complex assets, particularly those associated with renewable energy and water security projects, current maintenance capability may be stretched. While KURP has established stronger foundations, stakeholders cautioned that without continued consolidation of maintenance systems, skills, and resourcing, recent gains may not be sustained.

Taken together, the evidence indicates that KURP has made meaningful progress toward improved routine maintenance practice, particularly in safety and asset visibility. However, maintenance systems remain foundational rather than fully embedded, and continued attention will be required to ensure that maintenance capability keeps pace with the scale, complexity, and environmental exposure of Kiribati's utilities infrastructure.

2.3 Value for Investment

KEY FINDINGS FOR VALUE FOR INVESTMENT

- **Finding 1:** MFAT's investment in KURP represented good value for money relative to scale, risk and institutional capacity in a high-risk, low-capacity operating environment. Grant funding delivered through a project management contractor enabled efficient sequencing and delivery of complex, interdependent reforms, resulting in material improvements in PUB's financial visibility, billing performance, operational reliability and organisational efficiency.
- **Finding 2**: Efficiency gains were strongest where MFAT funding was delivered through an integrated programme structure with full end-to-end oversight. This delivery modality enabled coherent planning, effective sequencing and adaptive resource allocation, demonstrating that programme design and delivery arrangements materially influenced value for investment.
- **Finding 3:** The costs associated with project management were small relative to the overall investment and generated disproportionate efficiency and risk-reduction benefits, including faster stabilisation of systems, reduced rework, and a progressive reduction in reliance on international expertise for routine operational tasks.
- **Finding 4:** Value for investment has been realised unevenly, while PUB experienced early and tangible efficiency gains, comparable benefits have not yet accrued to MLPID, largely due to sequencing dependencies and delays in implementing prepaid metering rather than inefficiencies in MFAT's funding approach.
- **Finding 5:** Fragmented delivery arrangements, combined with governance and reporting frameworks focused primarily on output delivery and the absence of a fit-for-purpose MERL framework, reduced programme-level efficiency and constrained MFAT's ability to maximise, track and demonstrate value for investment across the full KURP portfolio.

Efficient use of project management resources

Stakeholders and Activity Monitoring Assessment (AMAs) indicate that project management resources were used efficiently to coordinate a complex reform programme. Although a relatively small proportion of the KURP budget, the Project Management Services contract supported structured delivery of the IMS, workforce development, metering upgrades and major generation infrastructure. These outputs directly contributed to improved organisational capability and the approach to supporting outcome achievement.

Stakeholders described PUB as "*a very, very different organisation*" from when KURP began, highlighting gains in billing accuracy, financial visibility and staff performance. This alignment between project management effort, delivered outputs and organisational improvements suggests strong value from the investment in project management.

In this context, the use of grant funding delivered through a project management contractor reduced transaction costs for MFAT and implementing partners, enabled adaptive management in response to emerging risks, and provided a level of delivery coherence that would have been difficult to achieve through fragmented contracting or direct funding alone.

Efficiency gains from structured planning, sequencing and adaptive management

The AMAs show that efficiency gains were greatest in workstreams where Cowater had full oversight. Stakeholders noted that the phased IMS and training roll-out minimised disruption, reduced rework, and enabled PUB to progressively strengthen its financial and asset management systems. Similar efficiencies were observed in the metering workstream, where resource reallocation supported earlier installation, improved cashflow and reduced energy losses.

Project management of the generation upgrade also contributed to efficiency by ensuring timely installation and by reallocating investment to address critical network stability needs. Stakeholders considered this focus on prioritisation and sequencing important for maintaining system reliability and ensuring revenue generation, and consistent with an emphasis on progress toward outcomes rather than strict output delivery.

Contributions to organisational and sector-level efficiency

Stakeholders noted that PUB has become more efficient internally. Improvements included stronger corporate governance processes, clearer financial information to guide decisions, reduced downtime and more reliable electricity supply. Technical assistance and structured training enabled PUB staff to take on tasks previously performed by international specialists, generating further efficiency gains.

Efficiency benefits have not yet extended to MLPID to the same extent, particularly regarding pre-paid metering. Stakeholders suggested that lessons from South Tarawa could support more efficient implementation on Kiritimati Island and inform additional efficiency in future MLPID operations.

Inefficiencies linked to fragmentation and unclear programme boundaries

Stakeholder feedback highlighted inefficiencies arising from multiple delivery contracts and inconsistent understanding of what is and is not part of KURP. Delivery leads for smaller contracts reported uncertainty about roles and ownership, and opportunities to coordinate design and implementation across donor-funded activities were sometimes missed. These issues reduced programme-level efficiency and contributed to duplication of effort.

From a value-for-investment perspective, these arrangements reduced MFAT's ability to optimise resource use across the programme and increased the risk that efficiency gains achieved in individual workstreams were not fully realised at the programme level.

The reporting framework focused on output delivery rather than strategic outcome tracking, which limited visibility of programme-wide efficiency gains and reduced the ability to integrate related workstreams. This reflected the absence of a fit-for-purpose MERL framework in the original KURP design, which constrained MFAT's ability to systematically identify, evidence and optimise programme-level efficiency gains, despite strong performance in several individual workstreams.

Governance and reporting arrangements as efficiency enablers or constraints

The AMAs and stakeholder feedback indicate that governance arrangements have not kept pace with programme complexity. Stakeholders suggested involving MISE, and other key agencies, more directly to strengthen sector stewardship and ensure alignment across related investments. They also noted that more strategic reporting would assist MFAT and PUB to identify cross-cutting risks, improve coordination and optimise resource allocation. Stakeholders also considered this critical to ensuring an appropriate regulatory framework for the future of utilities provision in Kiribati.

2.4 Factors for improvement and future focus

KEY FINDINGS FOR FUTURE FOCUS
• **Finding 1:** KURP has delivered important foundational institutional improvements; however, these gains remain fragile and are not yet sufficient to sustain outcomes as PUB and MLPID transition into a more complex utilities environment shaped by STREP, STWSP and STSP**.** • **Finding 2:** Achieving sustained, long-term outcomes will require a shift from consolidating early progress to addressing system-wide readiness, particularly for Outcome 3 in full, including safe distribution and increased renewable energy integration. • **Finding 3:** Weak programme level governance arrangements (e.g. the absence of a consistent Steering Committee) and limited organisational maturity within PUB, including Board functionality, regulatory clarity and cross-utility integration, remain critical constraints to sustainability as asset scale, complexity and interdependencies increase. • **Finding 4:** Distribution and transmission network weaknesses, together with long-standing under-investment in routine maintenance and asset management, now represent the primary risks to resilience and to realising the benefits of current and future infrastructure investments. • **Finding 5:** Without continued and refocused support to consolidate governance, organisational capability, maintenance systems and distribution readiness, there is a material risk that recent gains will erode, reducing the value of both New Zealand's and other development partners' investments.

2.4.1 Relevance: continued alignment with Kiribati's utilities trajectory

Stakeholders consistently reported that KURP remains highly relevant given the scale and pace of concurrent donor-funded infrastructure investments. Stakeholders from PUB, MISE and development partners noted that institutional capacity is not keeping pace with infrastructure delivery, increasing the risk that assets transferred under STREP, STWSP and STSP will not be fully or sustainably utilised.

As responsibility for large-scale, development partner-funded assets progressively transfers to PUB and MLPID, stakeholders emphasised that the timing and manner of this transition represents a critical inflection point for long-term sustainability. Stakeholders noted that, without early and coordinated consideration of whether existing organisational arrangements,

governance structures and system capabilities are fit for purpose, asset transfer risks occurring by default rather than by design. This would significantly increase institutional, financial and operational risk at the point when utilities systems are becoming more complex and interdependent.

Stakeholders stressed that transition readiness is not asset-specific, but system-wide, requiring workforce capability, human resources, information management, billing and customer service, asset management and maintenance systems to be sufficiently mature across energy, water and sanitation before additional assets are absorbed.

Stakeholders observed that New Zealand's comparative advantage lies in institutional strengthening, governance and organisational reform, complementing the infrastructure-focused investments of ADB, World Bank and others. This was viewed as strengthening the case for a continued MFAT role focused on enabling long-term sector performance rather than duplicating infrastructure financing.

2.4.2 Sustainability of outcomes: progress achieved and remaining risks

Outcome 1: Strengthened governance and management of utilities

Stakeholders reported that systems and processes introduced under KURP, particularly the IMS, have significantly improved financial visibility, reporting and decision-making foundations. However, they also noted that:

- system use remains uneven and largely transactional, with further training and change management required to embed strategic use
- ongoing system upgrades will require sustained capability to avoid under-utilisation
- governance arrangements, including PUB Board effectiveness, role clarity and regulatory oversight by MISE, remain weak and inconsistently applied
- the future of utilities delivery in Kiritimati would benefit from further review of the whether the operational structure remain fit for purpose in the face of population growth and sustainability potential from development partner investments.

Several stakeholders stated that PUB's current governance and organisational arrangements will not be sufficient for the next 10–15 years, particularly as responsibility for large, complex donor-funded assets transitions to the organisation.

Outcome 2: Improved confidence and competence of the utilities' workforce

Training delivered under KURP was widely credited with improving staff competence and confidence, particularly in energy operations and safety practices. At the same time, stakeholders identified risks to sustainability arising from:

- workforce retention pressures
- lagging technical capability in water and sanitation relative to energy
- limited organisational capacity in communications and customer engagement.

Stakeholders emphasised the need for sequenced and prioritised training, noting the risk that excessive training demands could undermine day-to-day operations and effective uptake of IMS functionality.

Outcome 3: Increased energy generation, security and safe distribution

While generation capacity has stabilised, stakeholders strongly emphasised that distribution and transmission are now the binding constraints. Stakeholders reported that weaknesses in network condition, asset management and loss reduction threaten:

- the effective integration of STREP generation
- financial sustainability through ongoing technical and non-technical losses
- future demand growth linked to population increases and energy-intensive utilities such as desalination.

Stakeholders supported restoring the full intent of Outcome 3, including maximising renewable energy penetration into the grid, noting that this cannot be achieved without targeted investment in distribution and network management.

Outcome 4: Improved practice of routine maintenance

Across interviews, maintenance was identified as the single greatest risk to sustainability and resilience. While KURP has improved safety practices and begun strengthening asset information and management, stakeholders reported that sustained outcomes require:

- comprehensive asset inventories and condition assessments
- structured maintenance planning linked to IMS
- reliable access to spare parts and supplier networks
- continued development of maintenance skills.

Without this, stakeholders warned that recent improvements in reliability and efficiency are unlikely to be sustained.

Climate and environmental resilience as a sustainability constraint

Technical staff and development partners identified environmental exposure as a critical factor shaping the sustainability of utilities provision in Kiribati. Sea level rise, salt intrusion, and increasingly severe weather events increase maintenance requirements for both energy and water infrastructure. Stakeholders noted that KURP's contribution to strengthening PUB and MLPID systems and workforce capability is essential for managing these risks over time, particularly as desalination increases energy demand and places additional pressure on generation and distribution systems.

Cross-cutting factors affecting resilience

Stakeholders highlighted several systemic issues affecting resilience across outcomes, including:

- weak and inconsistent governance and sector coordination

- fragmented delivery arrangements limiting integration and efficiency
- insufficient community and customer communication, particularly during the prepaid meter rollout
- outcome-level monitoring that has been overshadowed by output reporting.

Stakeholders noted that these factors reduce the resilience of reforms to leadership changes, funding transitions and external shocks.

2.4.3 Implications for MFAT: is a next phase required?

The evaluation evidence indicates that further support is required to sustain and extend the gains achieved under KURP. While the programme has delivered important foundational improvements across governance, workforce capability, systems and service stability, these gains are not yet sufficiently embedded to support the scale and complexity of utilities infrastructure that PUB and MLPID will be required to manage in the coming years.

Stakeholders consistently emphasised that the current period represents a critical transition point. As responsibility for major development partner-funded infrastructure progressively transfers to PUB and MLPID, the risks to sustainability increase unless organisational, governance and system capability keeps pace with infrastructure delivery. Without continued and targeted support, there is a material risk that recent improvements will erode, reducing the value of both New Zealand's and other development partners' investments.

The findings also indicate that achieving sustainable outcomes will require a more coordinated approach to HR, system and capability strengthening for the PUB and MLPID teams responsible for water and sanitation delivery. This is particularly important as these agencies take responsibility for the ongoing implementation of high value infrastructure currently being built by development partners. While other partners are primarily focused on financing and delivering infrastructure, there is limited alignment around the organisational and system capability required to operate, maintain and govern these assets over their full lifecycle. This creates a risk that infrastructure investments will outstrip institutional readiness.

In this context, MFAT is well placed to take a facilitation and coordination role. Building on its investment in strengthening PUB and MLPID, MFAT can help align development partner investments behind a more coherent programme of organisational and system reform that supports sustainable service delivery. This role complements, rather than duplicates, the infrastructure-focused mandates of other partners and reflects New Zealand's comparative advantage in institutional strengthening, governance and organisational change.

On this basis, a next phase of MFAT support is considered both required and appropriate. However, the evidence suggests that a future phase should not simply extend the current model. Instead, it should sharpen its focus on governance, organisational capability, system integration and coordination across development partners, with particular attention to distribution, maintenance and long-term asset stewardship. Framed in this way, a next phase would support a managed transition to durable ownership and stewardship of Kiribati's utilities infrastructure, rather than prolonging a stabilisation-focused intervention.

Recommendations

3 Recommendations

The recommendations below are designed to support MFAT's decision-making on whether, and how, to invest in a next phase of support to Kiribati's utilities sector. Taken together, they address both the modality of MFAT's future engagement, and the technical focus required to sustain and extend outcomes. Specifically, the recommendations propose a continued MFAT role as a facilitator and coordinator of institutional strengthening across development partners, delivered through an integrated grant-funded programme model that has demonstrated strong value for investment. They also identify priority technical areas for a next phase, including organisational and system strengthening across energy, water and sanitation; workforce capability development across technical, administrative and customer-facing functions (including communication and maintenance); and a shift in infrastructure focus from generation toward energy distribution and transmission, which now represent the binding constraints on sustainable service delivery.

The recommendations are therefore structured to distinguish between how MFAT should engage (role and funding modality) and what MFAT should prioritise (institutional capability, workforce strengthening and network readiness), recognising that sustained outcomes depend on the alignment of both.

Recommendation 1: Coordinate and deepen institutional strengthening across the utilities sector

Building on the KURP investment in strengthening PUB and MLPID, MFAT is well placed to help align partner investments behind a coherent programme of organisational, governance and system capability reform. Any next phase of MFAT support should continue and broaden institutional strengthening across PUB and MLPID as multi-utility providers, including information management, financial systems, human resource management, asset management system strengthening and governance arrangements, to ensure organisational readiness for the handover, operation and long-term sustainability of energy, water and sanitation assets funded by development partners.

Recommendation 2: Review and strengthen governance and regulatory arrangements for future utilities provision

A next phase of MFAT support could include a fit-for-purpose review of governance and regulatory arrangements for utilities provision to ensure they are appropriate for the scale, complexity and future trajectory of services in both South Tarawa and Kiritimati. The review would assess the institutional roles, mandates and capabilities of MISE, PUB, MLPID and other relevant agencies, and identify practical options to strengthen oversight, coordination and regulatory effectiveness as development partner-funded assets transition to national ownership. This should include consideration of where governance and corporate utility functions could be better coordinated or shared (rather than structurally consolidated), to reduce fragmentation and improve efficiency, clarity of decision-making and accountability. The review should also assess the effectiveness of current sector coordination mechanisms across all utilities subsectors, and recommend improvements to support integrated planning, consistent service standards and more sustainable operations across South Tarawa and Kiritimati.

Recommendation 3: Consolidate workforce capability through sequenced, organisation-owned capability development

Support from MFAT should continue to include workforce capability development, with a shift from stand-alone training toward sequenced, organisation-owned capability building that covers technical, administrative and customer-facing roles. Subject to agreement with other development partners, this could include targeted upskilling of water and sanitation staff to reduce future capability gaps as PUB's mandate expands. Government of Kiribati agencies, particularly MISE, should be involved in the identification of future workforce development to support buy in and include consideration of a regulatory framework for utilities implementation.

Recommendation 4: Prioritise distribution, transmission and maintenance readiness over further generation investment

Future MFAT support to infrastructure should shift away from generation and focus on strengthening distribution and transmission networks and routine maintenance systems. Without targeted investment in network condition, safety, losses and maintenance planning, the benefits of existing and planned renewable energy investments, including STREP, will not be sustained.

Recommendation 5: Retain an integrated programme delivery and funding modality aligned with Value for Investment findings

Any future MFAT investment should retain an integrated programme delivery model with clear end-to-end oversight to maximise value for investment, reduce fragmentation and support adaptive management. Funding and contracting arrangements should explicitly support coordination across institutional strengthening, workforce capability and infrastructure readiness, rather than discrete or parallel interventions.

Recommendation 6: Strengthen outcome-focused monitoring, evaluation, research and learning

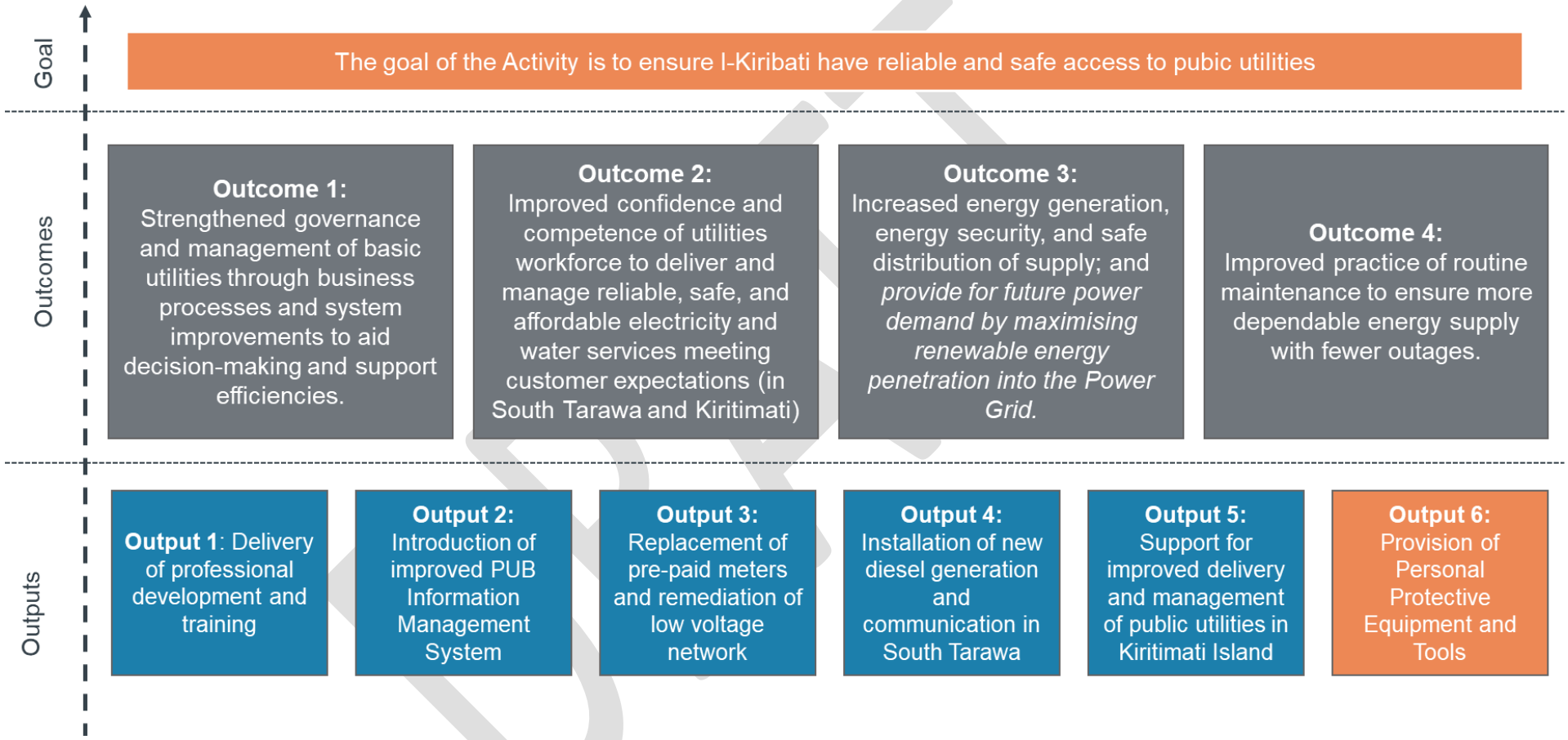
In any next phase, MFAT should require a fit-for-purpose MERL framework that shifts monitoring and reporting from a primary focus on output delivery toward outcomes, system performance and sustainability risks. The MERL design should be integrated into programme design from the outset, with scope for iterative refinement as governance and delivery arrangements mature. The framework should:

- reduce duplication with existing output-level and contractual reporting requirements
- strengthen visibility of progress toward outcomes, including cross-cutting and system-wide risks to sustainability and resilience
- support adaptive management, learning and course-correction across delivery partners
- improve MFAT's ability to assess programme-level value for investment over time.


TIABO
SEE YOU AGAIN IN KIRIBATI
Only Country in 4 Hemispheres
Ministry of Fisheries & Ocean Resources
TANOBAKOA CLEANUP CAMPAIGN

Appendices

Appendix A: Theory of Change



Note: The Outcome 3 text included in italics was missing from many examples of the Theory of Change. It is unclear when, or how, this text was removed, however it is of relevance to the KURP project, particularly as it relates to the investment in STREP and is recommended for inclusion in the Theory of Change for a next phase of KURP.

Appendix B: Stakeholder List

The following table provides a list of the stakeholders interviewed by the evaluation team. The stakeholders marked with * were interviewed remotely. All other interviews were completed during the in-country visit to South Tarawa and Kiritimati during 31 October – 12 November. Interviews were also scheduled with the PUB Board Chair and the Mayor of the Teinainano Urban Council. Unfortunately, both of these interviews were cancelled at the last minute and not able to be rescheduled.

Table 1: List of Interviewees

Stakeholder agency	Stakeholder role	
Asian Development Bank*	Principal Country Officer and Country Team Leader	
Betio Town Council	Council Clerk	
ChildFund Kiribati (NGO)	Executive Director	
Cowater*	Project Manager, Sustainable Development Manager, HRLD Advisor	
DatelStream*	Managing Director	
DFAT	Deputy High Commissioner	
Elemental Group*	Senior Advisor	
Foundation of South Pacific Kiribati (NGO)	Program Officer	
Independent Governance consultant*	David Wright	
JMB Kiritimati	Business Owner	
Kiribati Chamber of Commerce and Industry (KCCI)	Vice President Executive Director	
Kiritimati Island Council	Council Clerk	
Live and Learn (NGO)	Two staff	
MFAT	**Wellington*** Olivia Benton-Guy Stefan Silva	**Tarawa** Pati Gagau Nigel Ewels Ngaina Teiwaki
Ministry of Finance and Economic Development (MFED)	Secretary	
Ministry of Infrastructure and Sustainable Energy (MISE)	Senior Energy Economist, Energy Economist, Director General	
Ministry of Line and Phoenix Islands Development (MLPID)	Assistant Secretary, Deputy Secretary, Electrical Superintendent, Power Superintendent	
Ministry of Women, Youth, Sport & Social Affairs (MWYSSA)	Director of Gender and Social Policy	
PUB (ex-CEO)*	James Young	

Stakeholder agency	Stakeholder role
Public Utilities Board	CEO Corporate Services Manager GM Finance GM for Water and Sanitation HR Manager GM Power GM Planning and Compliance GM Legal Services & Internal Audit
SPC	Kiritimati Island Water & Energy Projects Coordinator
TEQSuite*	Vice President (VP), Business Operations
World Bank*	Country Liaison Officer (Kiribati)

Appendix C: Document List

Author/ Origin	Document title and file type
ADB	South Tarawa Renewable Energy Project (ADB) - Exchange of Letters.pdf
ADB	South Tarawa Renewable Energy Project (ADB) - Mission MOU 2022.pdf
Cowater International	KURP PM - Annual Workplan 2024.pdf
Cowater International	KURP PM - Annual Workplan 2025.pdf
Cowater International	KURP PM - Evaluation of 2023 Training.pdf
Cowater International	KURP PM - Newsletter July 2024.pdf
Cowater International	KURP PM Mission Report - July 2025.pdf
Cowater International	KURP PM Progress Report 12 February 2024.docx
Cowater International	KURP PM Progress Report 13 May 2024.docx
Cowater International	KURP PM Progress Report 14 August 2024.pdf
Cowater International	KURP PM Progress Report 15 November 2024.pdf
Cowater International	KURP PM Progress Report 16 February 2025.pdf
Cowater International	KURP PM Progress Report 17 June 2025 (Appendix).pdf
Cowater International	KURP PM Progress Report 17 June 2025.pdf
Cowater International	Project Management Services - Monitoring Arrangements (Output 1 data as at June 2025).xlsx
David Wright	PUB Presentation_6 September 2019.pdf
David Wright	PUB_Business Case_v0.7.pdf
David Wright	KURP Design - Design Mission Report.pdf
David Wright	KURP Design - Options Analysis and Financials for Business Case development.msg
DFAT	PUB CEO - DCA with Australia DFAT 2022.pdf
FCG NZ[1]	KURP Steering Committee Presentation_FINAL_20220519.pdf
FCG NZ	TA for Urgent Energy Maintenance - Statement of Work.pdf
FCG NZ	KURP PM - HRD Assessments - Human Resources Budget for 2022-2031 (FCG 2022).pdf
FCG NZ	KURP PM - HRD Assessments - IMS Future System Requirements (FCG 2022).pdf
FCG NZ	KURP PM HRD Assessments - IMS Plan Architecture Report (FCG 2022).pdf
FCG NZ	PM - HRD Assessments - Pay and Grading Policy (FCG 2022).pdf

[1] FCG NZ became Cowater International in early 2024. The KURP project team remained the same.

Author/ Origin	Document title and file type
FCG NZ	KURP PM - HRD Assessments - PUB and MLPID Resource and Competency Requirements for 2022-2031 (FCG 2022).pdf
FCG NZ	KURP PM - HRD Assessments - PUB and MLPID Resource Human Resources Operating Environment (FCG 2022).pdf
FCG NZ	KURP PM - HRD Assessments - Workforce Plan and Organisation Structure (FCG 2022).pdf
FCG NZ	KURP PM - Annual Workplan 2021.pdf
FCG NZ	KURP PM - Annual Workplan 2022.pdf
FCG NZ	KURP PM - Annual Workplan 2023.pdf
FCG NZ	KURP PM - Newsletter Apr 2022.msg
FCG NZ	KURP PM - Newsletter August 2023.pdf
FCG NZ	KURP PM - Newsletter October 2022.msg
FCG NZ	KURP PM Cowater Kiritimati Island Trip Report - July 2023.pdf
FCG NZ	KURP PM Progress Report 2 July 2021.pdf
FCG NZ	KURP PM Progress Report 3 October 2021.pdf
FCG NZ	KURP PM Progress Report 4 February 2022.pdf
FCG NZ	KURP PM Progress Report 5 May 2022.docx
FCG NZ	KURP PM Progress Report 6 August 2022.pdf
FCG NZ	KURP PM Progress Report 7 November 2022.pdf
FCG NZ	KURP PM Progress Report 8 February 2023.docx
FCG NZ	KURP PM Progress Report 9 May 2023.pdf
FCG NZ	KURP PM Progress Report 10 November 2023.pdf
FCG NZ	Project Management Services - Final Inception Report.pdf
FCG NZ	Project Management Services - IMS Implementation Progress Report November 2023.docx
FCG NZ	Project Management Services - IMS Inception Report.docx
FCG NZ	Project Management Services - Monitoring Arrangements report 2021.pdf
Govt of Kiribati	Kiribati Development Plan 2024-2027.pdf
Govt of Kiribati	Kiribati NIIP_web-Summary.pdf
IRENA SPC	Government of Kiribati Integrated Energy Roadmap 2017.pdf
ITP Renewables	Government of Kiribati Least Cost Plan (MFAT Funded 2018).pdf
ITP Renewables	Grant Contribution Letter - Energy Maintenance Assistance to PUB.pdf
ITP Renewables	TA for Urgent Energy Maintenance- Mission Report Kiribati 2019.pdf
MFAT	AA KURP evaluation stakeholder contacts and work package details.xlsx
MFAT	Activity Business Case - Critical Utilities Strengthening - Nov 2019.pdf

Author/ Origin	Document title and file type
MFAT	Activity Concept Note - PUB institutional strengthening - Jan 2019.pdf
MFAT	Activity Management Assessment - KURP 2021-2023.pdf
MFAT	Activity Management Assessment - KURP 2024.pdf
MFAT	CEO position - Procurement Plan - 2024.pdf
MFAT	CEO position - Terms of Reference - 2024.pdf
MFAT	KURP Steering Committee - 19 May 2022 - Summary note.msg
MFAT	Project Management Services Statement of Work LOV1.pdf
MFAT	Project Management Services Statement of Work LOV2.pdf
MFAT	Project Management Services Statement of Work LOV3.pdf
MFAT	Project Management Services Statement of Work LOV4.pdf
MFAT	Project Management Services Statement of Work LOV5.pdf
MFAT	Project Management Services Statement of Work LOV6.pdf
MFAT	Project Management Services Statement of Work LOV7.pdf
MFAT	Project Management Services Statement of Work LOV8.msg
MFAT	Project Management Services Statement of Work.pdf
MFAT	Elemental - GFA Output 4 Project Management - LOV1.pdf
MFAT	Elemental - GFA Output 4 Project Management - LOV2.pdf
MFAT	Elemental - GFA Output 4 Project Management - LOV3.pdf
MFAT	Elemental - GFA Output 4 Project Management - LOV6.pdf
MFAT	Elemental - GFA Output 4 Project Management - Statement of Work.pdf
MFAT	South Tarawa Renewable Energy Project (ADB) - Co Finance Arrangement.pdf
MFAT	GoK Grant Funding Arrangement - LOV1 - MFED MICT MPLID PUB.pdf
MFAT	GoK Grant Funding Arrangement - LOV2 - MFED MICT MPLID PUB.pdf
MFAT	GoK Grant Funding Arrangement - LOV3 - MFED MICT MPLID PUB.pdf
MFAT	GoK Grant Funding Arrangement - LOV4 - MFED MICT MPLID PUB.pdf
MFAT	GoK Grant Funding Arrangement - MFED MICT MPLID PUB.pdf
MFAT	GoK Grant Funding Arrangement - PUB Activity Progress Report 2023.pdf
MFAT	PUB CEO - Contract for Services LOV1.pdf
MFAT	PUB CEO - Contract for Services.pdf
MFAT	PUB CEO - MISE request for CEO PUB Contract.pdf
MFAT	Waste Oil Management - Contract for Services.pdf
MFAT	PUB IMS - Infinet Cloud Solutions - Contract for Payment Agent.pdf
MFAT	PUB IMS - TEQSuite - Contract for Payment Agent.pdf

Author/ Origin	Document title and file type
MFAT	PUB IMS - TEQSuite - RFP - IMS Selection and Implementation for the Public Utilities Board - Attachment.pdf
MFAT	PUB IMS - First IT Solutions - Contract for Payment Agent.pdf
MFAT	PUB Strategic Advisor - Contract for Services.pdf
MFAT	PUB CEO - Contract for Services LOV1.pdf
MFAT	PUB CEO - Contract for Services.pdf
MISE	Waste Oil Management - Request from GoK.pdf
MISE	PUB Strategic Advisor - Request from MISE for TA Adviser to PUB.pdf
PUB	PUB Statement of Intent 2023.pdf
PUB	South Tarawa Renewable Energy Project (ADB) - 2022 Annual Report and Q1 progress report.msg
PUB	South Tarawa Renewable Energy Project (ADB) - Annual report 2023.pdf
PUB	South Tarawa Renewable Energy Project (ADB) - Q4 2022 Progress Report.msg
PUB	PUB CEO - Completion Report.pdf
PUB	PUB CEO - Report June 2023.docx
PUB	PUB IMS - TEQSuite - Contract between PUB and TEQSuite.pdf
PUB	PUB IMS - TEQSuite - Master Statement of Work between PUB and TEQSuite April 2023.pdf
PUB	PUB Strategic Advisor Report July 2024.pdf
PUB	PUB Strategic Advisor Report March 2024.docx
PUB	PUB CEO - August 2025 thoughts on future PUB needs.pdf
PUB	PUB CEO - Report January 2025.docx
PUB	PUB CEO - Report June 2025.pdf
PUB	PUB CEO - Workplan 2024-2025.pdf
TEQSuite	PUB IMS - TEQSuite - Completion Report.pdf

ALLEN + CLARKE

+64 4 890 7300

office@allenandclarke.co.nz

www.allenandclarke.co.nz