
Annual Performance Report

Project/Programme title: South Tarawa Water Supply Project (FP091)

Accredited Entity: Asian Development Bank (ADB)

Date of Report submission: 30 April 2026

Version number V1.0



Contents

Section A	<u>PROJECT DATA</u>
Section B	<u>EXECUTIVE SUMMARY</u>
Section C	<u>RESULTS AND IMPACTS</u>
Section D	<u>RISKS ASSESSMENT AND MANAGEMENT</u>
Section E	<u>FINANCIAL INFORMATION</u>
Section F	<u>ENVIRONMENTAL SOCIAL SAFEGUARDS & GENDER & INDIGENOUS PEOPLE</u>
Section G	<u>ANNEXES</u>

RATIONALE

This report layout is designed to support the drafting of a structured report that assesses, evaluates, documents, and communicates the progress on Funding Proposal (FP) implementation and on its associated Funded Activity Agreement (FAA). The layout aims to provide a clear and comprehensive understanding of key objectives, progress, and risks, drawing on project implementation related data provided by Accredited Entities (AEs). Considering the Green Climate Fund's (GCF) evolving strategic direction toward a Risk-Based Approach, the report is intended to:

- Track quantitative and qualitative progress of the project implementation.
- Highlight critical findings and emerging trends.
- Identify risks and propose actionable mitigation strategies.
- Support evidence-based decision-making.
- Promote transparency and accountability.
- Align with strategic and regulatory frameworks.
- Serve as a foundation for AE engagement on project performance

METHODOLOGY

The report's layout mirrors, to the extent possible, the structure of the Funding Proposal (FP) to maintain coherence with the presented information. However, the FP and the Report differ in scope and strategic intent; thus, while the FP serves a functional role in informing the Report, it does not dictate a strictly parallel structure.

A. PROJECT DATA (Prefilled where possible)

Should any information/data prefilled from Section A.1 to Section A.12 be incorrect or require updating, please inform GCF's Project Lead of appropriate corrective action.

A.1. Date of report submission		30 April 2026														
A.2. Project or programme	Project	A.3. Sector	Public													
A.4. Total Financing (GCF + Cofinance)	<table border="1"> <tr> <td>GCF Financing</td> <td>Mill. USD 28.6</td> </tr> <tr> <td>Grants</td> <td>Mill. USD 28.6</td> </tr> <tr> <td>Co-Financing</td> <td>Mill. USD 29.5</td> </tr> <tr> <td>Grants</td> <td>Mill. USD 28.0</td> </tr> <tr> <td>Guarantees</td> <td>Mill. USD 1.5</td> </tr> <tr> <td>Total Financing</td> <td>Mill. USD 58.1</td> </tr> </table>				GCF Financing	Mill. USD 28.6	Grants	Mill. USD 28.6	Co-Financing	Mill. USD 29.5	Grants	Mill. USD 28.0	Guarantees	Mill. USD 1.5	Total Financing	Mill. USD 58.1
	GCF Financing	Mill. USD 28.6														
	Grants	Mill. USD 28.6														
	Co-Financing	Mill. USD 29.5														
	Grants	Mill. USD 28.0														
	Guarantees	Mill. USD 1.5														
	Total Financing	Mill. USD 58.1														
A.5. Total GCF funding disbursed to this date	NA (draft)															
A.6. Implementation period	From 1 January 2019 to 7 April 2028															
A.7. ESS Category (Refers to GCF revised <u>Environmental and Social Policy</u> and GCF ESS Standards to assess your FP category.)			Category B													
A.8. Executing Entity Information																
Full legal name	Country of registration (or, for intl orgs, country of HQ)	Entity type	Role in project	Focal Point(s) and email(s)												
Ministry of Finance and Economic Development	Kiribati	Public	Executing Entity	n/a												

A.9. Co-Financier information

Full legal name	Country of registration (or, for intl orgs, country of HQ)	Focal Point(s) and email(s)	Ownership Type	Beneficial Owner(s)
ADB	Philippines (the)	n/a	Public	Shareholders
World Bank	United States	n/a	Public	Shareholders
Government of Kiribati	Kiribati	Ministry of Finance	Public	-

A.10. Alignment with country NDCs & NAP <i>(NB Only populate if applicable, e.g., if your project/programme specifically contributes to a country's NDC or NAP target/s)</i>				
Country	Date of NDC/ NAP submission	NDC/ NAP objective	Brief description of project's alignment with NDC/ NAP objectives	Percentage of target met with proposed project.Beneficial owner(s)
Kiribati	30 June 2019	To increase resilience through sustainable climate change adaptation and disaster risk reduction using a whole-of-country approach	This project aims to reduce the climate vulnerability of the entire population of South Tarawa through increased water security by providing them with a reliable, safe, and climate-resilient water supply. This will be done through the construction of a 4,000 m3 desalination plant and a photovoltaic system to provide low-emission power for the plant and the water supply network. This directly contributes to Strategy 4 and 9 of the country's plan to increase water security and promote energy efficiency.	2%

A.11. Estimated duration of impact	
A.12 Report to be shared with NDA	Yes ☐ No ☐

B. EXECUTIVE SUMMARY

Should any information/data prefilled in Section “B” be incorrect or require updating, please inform GCF’s Project Lead for appropriate corrective action.

B.1. Summary

Output 1: Climate resilient and low carbon water supply infrastructure:

Desalination plants (GDW1) - McKenzie desalination plant commissioned May 2025, producing 2,200m³/day of safe drinking water, doubling PUB’s average freshwater production capacity (1,400m³/day - 3,600m³/day). Production is expected to increase once the Betio H2S issue has been addressed. Two options consisting of an alternative intake for the plant are being assessed by the Public Utilities Board (PUB).

Construction of Water Supply Networks and Associated Works (GDW2/1) - The network upgrading contract was structure into four lots, with two bids received at closing. The PMU is currently in the process of negotiation with the contract award expected in Q1 2026.

Solar PV System (GDW3) - As of December 2025, the 2.5MW solar array installation has been completed, construction for BESS structure is ongoing and works are expected to be completed by Q2 2026.

Output 2: Capacity Building of MISE and PUB to effectively manage water supply infrastructure increased.

The Operational period of the McKenzie plant commenced in May 2025 with the contractor providing organized training for PUB Staff. Additional capacity building activities are expected for GDW2 and the WASH Part C contract.

Output 3. Awareness of WASH and Climate Change issues is raised.

Procurement for WASH Part A & C are to be revised due to changes affecting GDW2/2. The way forward will be determined following the preliminary assessment by three individual consultants. Significant progress has been achieved under Part B. a number of CSO training we completed including gender and inclusion training (August), WASH & Menstrual Hygiene training (October), MWYOB Training (November), STWPS Wash Awareness (November) in addition to this a number of Community engagement activities were undertaken, World Toilet Day (November), Resilience week activities (October), World Teachers Day (October), Global Handwashing day and Community Dramas (Oct - Nov).

C. RESULTS AND IMPACTS

C.1. Overall Summary of the Project Progress

(This section provides a narrative report summarizing the overall progress of the implementation status of the funded activity progress during the reporting period. 1,500 words)

Desalination Plant Installed: 6,000m³/day (Construction of Betio and McKenzie Plants are complete)

Desalination Production Capacity: 2,200m³/day (McKenzie's production volume)

Installed Solar Capacity: 2,500kW (Solar array installation is completed)

Solar Production: 0kW (Solar is yet to be connected to grid, BESS works expected to be completed by Q2 2026 and fully operational by Q2 2027 contingent upon STREP 2 works completion)

C.2. Performance against the Funding Proposal Logical Framework Indicators

For each of the indicators please report only the 'annual value' for the reporting year; this means reporting solely the values achieved from January 1st, 2025, to December 31st, 2025. The "cumulative value" will automatically be updated by the system by aggregating reported annual values since project FAA effectiveness.

Please ensure that targets are clearly defined and reported using the following categories:

- *Midterm Target: The results to be achieved by the midpoint of implementation.*
- *Final Target: The results to be achieved by the conclusion of project or programme implementation.*
- *Lifetime Target: The total results expected over the entire operational period of the project or programme.*

Note that the baseline, midterm, final and lifetime targets will be prefilled based on your previous Annual Performance Report and/or Funding Proposal. It is imperative that you carefully review, verify and update where relevant.

Should the project be Multicountry, please report the achievement by Country.

Lastly, avoid using commas or periods as thousand separators. Periods should only be used as decimal separators.

For REDD+ Results-Based Payment (RBP) projects, you are only required to report on the progress of activities.

Should any prefilled information/data in the Logical Framework be incorrect or require updating, please inform GCF's Project Lead for appropriate corrective action.

GCF Outcome Level: Standardized Indicators

PMF/IRMF Results Management Framework

No indicators/questions defined.

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO ₂ eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered						
Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO ₂ eq) as a result of GCF support.						
Unit						Tonnes of CO ₂ -equivalent
Baseline	Target			Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
	Mid-term	Final target	Lifetime			
0	0	2,406	48,125	0	0	0



(PMF) M1 Tonnes of carbon dioxide equivalent (tCO ₂ eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered							
Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO ₂ eq), disaggregated by Country.							
Unit							Tonnes of CO ₂ -equivalent
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Lifetime	Previous Year Cumulative Value	Annual value	Cumulative Value
Kiribati	0	0	2,406	48,125	0	0	0

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of direct beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by Gender.						
Unit						No. of Beneficiaries
Disaggregation by: Gender	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Female	0	0	31,767	0	0	0

No indicators/questions defined.

(PMF) A2.3 Number of males and females with year round access to reliable and safe water supply despite climate shocks and stresses (IRMF) Supplementary 2.3 Beneficiaries (female/male) with more climate-resilient water security Provide the total number of direct beneficiaries (female/male) with improved access to and adoption of climate-resilient and reliable water supply in climate-stressed areas, disaggregated by gender.

Unit						No. of Beneficiaries
Disaggregation by: Gender	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Male	0	0	30,522	0	0	0
Female	0	0	31,767	0	0	0

(PMF) A2.3 Number of males and females with year round access to reliable and safe water supply despite climate shocks and stresses						
(IRMF) Supplementary 2.3 Beneficiaries (female/male) with more climate-resilient water security						
Provide the total number of direct beneficiaries (female/male) with improved access to and adoption of climate-resilient and reliable water supply in climate-stressed areas, disaggregated by country.						
Unit						Enter unit
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Kiribati	0	0	62,289	0	0	0

Infrastructure and built environment

No indicators/questions defined.

(PMF) A3.1 Number and value of physical assets made more resilient to climate variability and change, considering human benefits (reported where applicable)					
(IRMF) Core 3 Value of physical assets made more resilient to the effects of climate change and/or more able to reduce GHG emissions					
Provide the total estimated value (USD) of physical assets made more resilient to climate change impacts in the targeted geographic areas.					
Unit					United States dollars
Baseline	Target		Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
	Mid-term	Final target			
0	0	56,080,000	21,540,720	7,714,059	29,254,779

(PMF) A3.1 Number and value of physical assets made more resilient to climate variability and change, considering human benefits (reported where applicable) (IRMF) Core 3 Value of physical assets made more resilient to the effects of climate change and/or more able to reduce GHG emissions						
Provide the total estimated value (USD) of physical assets made more resilient to climate change impacts in the targeted geographic areas, disaggregated by country.						
Unit						United States dollars
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Kiribati	0	0	56,080,000	21,540,720	7,714,059	29,254,779

(PMF) A3.1 Number and value of physical assets made more resilient to climate variability and change, considering human benefits (reported where applicable) (IRMF) Core 3 Value of physical assets made more resilient to the effects of climate change and/or more able to reduce GHG emissions						
Provide the total estimated value (USD) of physical assets made more resilient to climate change impacts in the targeted geographic areas, disaggregated by asset type.						
Unit						United States dollars
Disaggregation by: Physical asset types (made more resilient)	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Water sanitation and energy svstems	0	0	56,080,000	21,540,720	7,714,059	29,254,779

Project Specific Indicators							
Indicator	Unit	Baseline	Target		Previous Year Cumulative Value	Annual value	Cumulative Value <i>(automatically calculated)</i>
			Mid-term	Final target			
3.2 Total (cumulative) number of visits to visitor center	No. of Persons	0	500	1,000	200	1,760	1,960
1.1 Desalination plants installed	Cubic metres	0	6,000	6,000	0	6,000	6,000
1.2 Percentage of physical leakage from water supply network	Percentage	67	0	67	0	0	0
1.3 Installed capacity of solar PV (kW)	Megawatt	0	2,500	2,500	0	2,500	2,500
2.1 Desalination plants available capacity (m3/d)	Cubic metres	0	6,000	6,000	0	2,200	2,200
2.2a % compliance of residual chlorine samples at customer connection	Percentage	80	0	100	80	0	80
2.3 Percent of contract disbursements	Percentage	0	50	100	20	0	20
3.1a Communities reached through program outreach	No. of Communities	0	100	250	250	11	261
3.1b Attendance rate of members at regular working group meetings	Percentage	0	50	100	50	0	50
8.1 Number of males and females made aware of climate threats and related appropriate responses	No. of Persons	0	0	62,289	0	0	0
6.1 Proportion of low-emission power supply in a jurisdiction or market.	Percentage	27	27	42	27	0	27

Activities				
Activity Name	Implementation Progress (%)	Utilised GCF Budget	Allocated GCF Budget	% (Automatically calculated)
N/A	N/A	N/A	N/A	N/A

C.2.1. Subprojects
Where applicable, include information on sub-projects. For projects and programmes approved until B.31, the logical framework should focus on the mitigation and adaptation Performance Measurement Frameworks (PMF). For projects and programmes approved from B.32 onwards, the logical framework should reflect the Integrated Results Management Framework (IRMF).

Title	Currency	GCF Funds	Co-Financing	Country	GHG Emissions Reduced	Direct Beneficiaries	Indirect Beneficiaries
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

C.3. Compliance with FAA covenants	Yes ☒ No ☐
The Government is generally complying with the grant agreement assurances and covenants. While the covenant on tariff review is considered complied with at this stage, based on the previous assessments, there is a need to review tariffs, based on a revised, detailed estimates of costs of O&M for water operations (together with sewerage and electricity operations) of PUB. Further, the legal covenant requiring annual budget/subsidy allocations for addressing any budget shortfalls for the operations and maintenance of PUB's water supply assets, as stipulated in the World Bank Financing Agreement (Schedule 2, Section IV, B, para 1) has not been complied with. In order to ensure success of the project and sustainability of the investments, PUB needs to have a more reliable financing arrangement in place.	
C.4. Funded Activity Implementation Arrangements in the Following Year	Yes ☐ No ☒
The Government of Kiribati remains fully committed to the delivery of the project and demonstrates strong ownership. The project oversight body, the Kiribati National Water and Sanitation Steering Committee (KNWSSC), meets quarterly, and the Technical Project Steering Subcommittee (TPSS) usually meets monthly. The project management unit (PMU) is functioning well, and it's currently comprised and expected to be expanded by the experts.	

D. RISKS ASSESSMENT AND MANAGEMENT

D.1. Risk and mitigation measures

As stated in the Board-approved "Risk Appetite Statement," a cornerstone of the GCF's Risk Framework is proactive risk management. This includes risk identification, assessment, monitoring, reporting and appropriate mitigation to minimize and respond to risks, both directly and through partners implementing GCF's projects and programmes.

Risk Management Matrix

A risk is the probability of an event to adversely affect the achievement of the project Impact (its objectives, outcomes, and results). "Inherent risk" refers to the level of risk present before any of the mitigating measures are applied. "Residual risk" represents the level of risk after mitigating measures have been implemented.

Please update the project risk matrix by reviewing and revising information for all previously identified risks, and adding any new risks identified during implementation by selecting the adequate Risk Area in the drop-down menu. For each risk, ensure you provide a clear risk description, outline the potential negative consequences, specify the mitigating measures in place, and complete the severity scoring as required.

For the Integrity Risk Area, an annual reporting (and more frequent and prompt reporting if stated in the legal agreements with the GCF) is required for each of its 3 Risk Sub-areas, as GCF has zero tolerance for Prohibited Practices, for SEAH in Fund-related Activities, and for working with parties and engaging in activities subject to sanctions imposed by the United Nations Security Council. The AE reporting obligations under GCF's policies and in the legal agreement(s) with the GCF include but are not limited to requiring AEs to take action to identify, mitigate and promptly disclose to the GCF any real or perceived Conflict of Interest, any alleged or suspected Prohibited Practice, promptly notify the Fund of any material risks or other indications of money laundering and/or financing of terrorism in relation to the Project and promptly take remedial steps in consultation with the GCF.

The AE shall also provide updates on the risks and mitigating measures under the other Risk Areas when changes to already identified risks or new risks have been identified.

Risk scoring:

For likelihood, please rate on a scale from 1 to 5: 1. Unlikely, 2. Possible, 3. Likely, 4. Almost certain, 5. Certain

For impact, please rate on a scale from 1 to 5: 1. Close to none, 2. Low, 3. Medium, 4. High, 5. Catastrophic

The severity of each risk is automatically computed based on the likelihood and impact of the risk.

Risk 1	Potential for FP to engage entities that may have been sanctioned by other actors		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Sanctions		
Description	There is an insignificant risk that the project may engage entities (executing, implementing, or through procurement) that are under sanctions by other actors for fraudulent practices, including corrupt, coercive, collusive or obstructive practices.		
Consequences	If the project was to unknowingly or knowingly engage sanctioned parties, then the FP would be in violation of ADB and GCF procedures and processes, resulting in immediate cessation of activities, need for corrective actions, and potentially more severe penalties depending on independent assessments. This would impede project delivery and eventual delivery of results.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low
Mitigation Measure(s)	ADB verifies during due diligence, contracting, and implementation, as to whether an entity that will be or is engaged in the project is on our risk integrity portal or sanctions list. To ensure a consistent approach, MDBs, including ADB, have agreed on harmonized principles for sanctions and treatment of corporate groups. Potential instances that deem further investigation are reported directly to the ADB Office of Anti-Corruption and Integrity (OAI) that investigates such claims and recommends appropriate action. OAI also carries out proactive integrity reviews (PIRs) of ongoing operations to help prevent and detect such violations. PIRs assess project integrity risks by identifying any red flags through capacity assessments, inspection of project outputs and implementation, procurement and financial assessments. PIRs recommend measures to protect project resources. Follow-up reviews are conducted to assess the		

	implementation progress of the PIR recommendations, and to assist the executing/implementing agencies and ADB in implementing any recommendations.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 2	Potential contractors or engaged agencies engage in fraudulent practices, including corrupt, coercive, collusive or obstructive practices.		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Fraud / Bribery & Corruption / Collusion and any other prohibited practice		
Description	The FP engages entities or the AE itself engages in corrupt, fraudulent, coercive, collusive and abusive practices. Reasons to engage in such behavior could be because of individual and corporate pressures or incentives to win contracts or to cover up mismanagement of resources or past behaviors or be in positions of undue influence. These behaviors are exacerbated by weak controls and governance processes.		
Consequences	While this is an insignificant risk in this FP, the discovery of such behavior could lead to (a) suspension of activities under this FP, (b) reputational damage that affects the AE, GCF, government, and private entities involved in delivering the FP, (c) mandatory internal investigations, remediation, and potential legal and/or regulatory proceedings leading to disbarment, loss of licenses to operate, or access to markets, capital facilities, and/or procurement processes, amongst any other consequences so recommended by internal investigations.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low
Mitigation Measure(s)	ADB verifies during due diligence, contracting, and implementation, as to whether an entity that is engaged in the project is on our risk integrity portal or sanctions list. To ensure a consistent approach, MDBs, including ADB, have agreed on harmonized principles for debarment, sanctions and treatment of corporate groups. Potential instances that deem further investigation are reported directly to the ADB Office of Anti-Corruption and Integrity (OAI) that investigates such claims and recommends appropriate action. OAI also carries out proactive integrity reviews (PIRs) of ongoing operations to help prevent and detect such violations. PIRs assess project integrity risks by identifying any red flags through capacity assessments, inspection of project outputs and implementation, procurement and financial assessments. PIRs recommend measures to protect project resources. Follow-up reviews are conducted to assess the implementation progress of the PIR recommendations, and to assist the executing/implementing agencies and ADB in implementing any recommendations.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 3	Involved stakeholders fail to report and manage conflict of interest		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Conflict of interest		
Description	The FP engages entities or the AE itself fails to: (a) appropriately disclose; and (b) take reasonable measures to manage a conflict of interest which is any situation in which these parties have interests that could improperly influence their performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations.		
Consequences	While this is an insignificant risk in this FP, the discovery of such behavior could lead to (a) suspension of activities under this FP, (b) reputational damage that affects the AE, GCF, government, and private entities involved in delivering the FP, (c) mandatory internal investigations, remediation, and potential legal and/or regulatory proceedings leading to disbarment, loss of licenses to operate, or access to markets, capital facilities,		

	and/or procurement processes, amongst any other consequences so recommended by internal investigations.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	4 - High	4 - Medium
Mitigation Measure(s)	ADB verifies during due diligence, contracting, and implementation, as to whether an entity that is engaged in the project is on our risk integrity portal or sanctions list. To ensure a consistent approach, MDBs, including ADB, have agreed on harmonized principles for debarment, sanctions and treatment of corporate groups. Potential instances that deem further investigation are reported directly to the ADB Office of Anti-Corruption and Integrity (OAI) that investigates such claims and recommends appropriate action. OAI also carries out proactive integrity reviews (PIRs) of ongoing operations to help prevent and detect such violations. PIRs assess project integrity risks by identifying any red flags through capacity assessments, inspection of project outputs and implementation, procurement and financial assessments. PIRs recommend measures to protect project resources. Follow-up reviews are conducted to assess the implementation progress of the PIR recommendations, and to assist the executing/implementing agencies and ADB in implementing any recommendations.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 4	Project financing is involved in money laundering or terrorist financing activities.		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Money Laundering (ML) & Terrorist Financing (TF)		
Description	There is an insignificant risk that proceeds under this project are involved in money laundering and terrorist financing. These risks thrive where incentives meet weak oversight, particularly in economies with large informal sectors, weakly governed institutions, and inconsistently enforced regulations. Structural vulnerabilities in the financial system — such as opaque shell companies, complex cross-border transactions, and gaps in project, executing and/or implementing agency, or procurement due diligence — allow illicit funds to be layered and integrated with legitimate money (i.e., this project's proceeds).		
Consequences	Presence of money laundering and terrorist financing connections would result in immediate cessation of activities financed by this project, leading to severe regulatory penalties and fines, loss of banking and financial relationships and access, and severe reputational damage for all institutions and parties involved.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Mitigation Measure(s)	ADB has strict mandatory due diligence procedures that includes a universal application of AML/CFT risk assessments for all operations and co-financing. The process is guided by our internal staff instructions on integrity due diligence for all operations and co-financing. In addition, ADB conducts proactive integrity reviews of operations on a regular basis to ensure compliance and mitigate any risks of AML/CFT.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 5	High bid/procurement prices run the risk of a funding shortfall for the project		
Risk Origin	Project Related		
Risk Area	Financial		
Risk Sub-area	N/A		
Description	Increased costs for contracts might lead to a financing shortfall for the project		
Consequences	Delayed commissioning of desalination plants and household connections (Water Supply Network package) → delayed water supply revenue and increased O&M costs		

Inherent Risk	Likelihood 2 - Possible	Impact 4 - High	Severity 8 - Medium High
Mitigation Measure(s)	Government is currently having ongoing conversations and negotiating potential ADB and World Bank additional financing,		
Residual Risk	Likelihood 1 - Unlikely	Impact 2 - Low	Severity 2 - Low
Current Residual Risk	Likelihood 1 - Unlikely	Impact 2 - Low	Severity 2 - Low
Comments	N/A		

D.2. Report risk incidents

If any risk (previously identified or not) has materialized, please capture it here as a risk incident.

(this section is confidential)

E. FINANCIAL INFORMATION

E.1. GCF financing

In addition to the financial report in the annex, update the table with relevant GCF financial data for each country and instrument, including amounts and allocation percentages.

Country	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
Kiribati	Grants	USD	28,631,020	18,420,638	3,772,413.36	12,924,196.35	0%	100%
Total		USD	28,631,020	18,420,638	3,772,413.36	12,924,196.35	N/A	N/A

E.2. Co-financing

Please populate the table with relevant Co-financing data for each Co-financier and instrument, including amounts and allocation percentages.

Co-financier	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
ADB	Grants	USD	13,000,000	9,042,041.55	2,471,147.33	9,042,041.55	0%	100%
World Bank	Grants	USD	12,960,000	5,548,279.56	601,496.74	9,042,041.55	0%	100%
Government of Kiribati	Grants	USD	1,490,000	457,153	367,543.1	457,153	0%	100%
Total		USD	27,450,000	15,047,474.11	3,440,187.17	18,541,236.1	N/A	N/A

E.3. Additional Finance Mobilised Beyond Approved Co-financing

Report the realised (cumulative value) and/or expected volume (Final Target) of private/public finance leveraged as a result of GCF involvement in the investment, in addition to and beyond any co-financing originally committed at approval. This datapoint shall be reported separately from official co-financing figures and is intended to capture the catalytic effect of GCF investments and support institutional learning.

GCF Policy: <https://www.greenclimate.fund/sites/default/files/document/policy-cofinancing.pdf>

No additional finance mobilized information provided.

File Name: Report on AE Fee FP091 FY2025.pdf

File Name: 2025 APR grant-financial-progress-detail-FP091.xlsx

F. ENVIRONMENTAL & SOCIAL SAFEGUARDS, GENDER, and INDIGENOUS PEOPLES

This section provides an update against the ESS standards agreed as part of the Environmental and Social Action Plan (ESAP) and Environmental and Social Management Framework (ESMF), as well as Environmental and Social Management System (ESMS), Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), Indigenous Peoples Plan (IPP), Indigenous Peoples Plan Framework (IPPF), Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF) when applicable.

F.1. progress on key challenges and updates regarding Environmental and Social Safeguards

Key Environmental and Social Changes

Have there been any changes in the key environmental and social risks and impacts? If you tick 'Yes,' please provide further information.

Yes ☐ No ☒

Environmental and Social Safeguarding Updates

Have there been any change/update on environmental and social safeguarding? you tick 'Yes,' please provide further information.

Yes ☒ No ☐

As per the update in the 2024 reporting period regarding the preparation of Addendum No. 3 ESIA for Package GDW 1.

Updates for the 2025 Reporting period are as follows:

The second and third community consultation for the McKenzie seawall construction were carried out in February. Following the consultation the draft of Addendum 3 was submitted to ADB and WB for review in March with the responses received in April. A revised version incorporating feedback from ADB and WB was submitted in June to ADB, WB, KFSU and MFED. The Addendum 3 was approved and accordingly the Environmental Licenses have been received. Updates to the RP and Contractors EMP are still underway at the end of this reporting period.

F.2. Compliance with laws and regulations applicable to ESS. Gender and Indigenous Peoples.

Have there been any changes or updates regarding compliance with applicable laws and regulations of the country, as well as the relevant conditions or covenants under the FAA?

Yes ☐ No ☒

No changes or updates have occurred in 2025.

F.3. ESS standards implementation progress

Does this reporting period include any ESS standards-related activities or updates?

Yes ☒ No ☐

If you tick 'Yes', please provide further information to report on the progress made in complying with the requirements of the relevant ESS standards that were triggered during the approval of the funding proposal and during the reporting period, if any; and the GCF Indigenous Peoples Policy, if relevant, describing achievement and specifying details outlined in the tables below.

Activities implemented during the reporting period, including monitoring

<i>ESS activities carried out during the reporting period included: Reporting and documentation including the preparation of the monthly and biannual safeguard monitoring reports. Updates and revisions were carried out the Addendum 3 of the ESIA together with RP, the documents were submitted to ADB and WB, work on addendum 3 continued following the receipt of the comments. Meetings and consultations carried out during the reporting period included consultations with Teitiara Community of McKenzie regarding the planned works for the seawall construction, community and stakeholder meetings held with the TUC and BTC councils including community members and gender equality workshops held with various government and community groups. The team also attended in-country visits conducted by the international safeguard specialists and ADB and WB visiting missions as well as attending virtual meetings with donor counterparts. Monthly inspections continued and were carried out in the presence of the contractors representative, both Safeguard inspection and environmental audits were conducted across the active work sites for the desalination plant, bulk water tanks and Solar PV sites during the reporting period. The New Safeguard Manager was onboarded in June with orientation provided by the International Safeguard Specialists. Briefings were also conducted with the contractor's new Project Manager in August 2025. Grievances continued to be monitored with 2 received during the reporting period and explained in further sections. (Please refer to Semi-Annual Report for further details of activities implemented)</i>	
Outputs during the reporting period	
Semi-Annual Safeguard Monitoring Report: January - June 2025 Semi-Annual Safeguard Monitoring Report: July - December 2025	
Key environmental, social and gender issues, risks and impacts addressed during implementation	
The PMU - Manager Safeguards commenced works June 2025	
Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention	
Outstanding H2S issue affecting Betio Desalination Plant commissioning. The Contractor has recommended alternative intake options addressed at resolving the H2S presence in the Betio plant's feedwater. Intake options have been reviewed and is currently with the EA for decision.	
Remarks/Notes	
F.4. Sub-projects information	
Have any subprojects been implemented?	
Yes ☐ No ☒	
N/A	N/A

F.5. Implementation of the stakeholder engagement plan	
Were any actions undertaken to increase engagement of relevant stakeholders in the project, particularly regarding environmental, social, and gender elements?	
Yes ☒ No ☐	

Activities implemented during the reporting period
17/01/2025 - Teitiara Community Consultation regarding the proposed McKenzie seawall construction 21/02/2025 - Teitiara Community Follow up consultation regarding the proposed McKenzie seawall, including addressing concerns raised during the first consultation. 06/02/2025 - Bonriki Catholic Maneaba Gender workshop 21/05/2025 - MISE Boardroom Meeting with Tuvalu delegation, project site visitation across the STWSP sites. 09/04/2025 - Teinainano Urban Council Public awareness for Public Utilities Board, South Tawara Water Supply Project, South Tarawa Sanitation Project and South Tarawa Renewable Energy Project. 15/04/2025 - Betio Town Council Public awareness for Public Utilities Board, South Tawara Water Supply Project, South Tarawa Sanitation Project and South Tarawa Renewable Energy Project. 12/06/2025 - MISE Boardroom Gender equality workshop for key stakeholders 09/06/2025 - PUB Boardroom Gender equality workshop for key stakeholders 23/08/2025 - Bonriki West Public awareness regarding the proposed cable route works for the South Tarawa Water Supply Project and South Tarawa Renewable Energy Project and interfacing connection with existing power grid. 12/09/2025 - Angaieta Consultation regarding potential social and environmental issues and public impact, resulting from the project. 24/09/2025 - St. Teretia Consultation regarding potential social and environmental issues and public impact, resulting from the project. 25/09/2025 - Ueenterooti Consultation regarding potential social and environmental issues and public impact, resulting from the project. 02/10/2025 - Kiribati Uniting Church, Bitibiti Consultation regarding potential social and environmental issues and public impact, resulting from the project. 03/10/2025 - Areba Omeka Consultation regarding potential social and environmental issues and public impact, resulting from the project. 04/10/2025 - Nanomatoa Consultation regarding potential social and environmental issues and public impact, resulting from the project. 23/10/2025 - St. Betero Consultation regarding potential social and environmental issues and public impact, resulting from the project. 14,15,17,19/11/2025 - Opp. Betio Sports Complex Consultation regarding public road reinstatement program, work schedule and potential E&S impact.
Dates and venues of engagement activities
17/01/2025 - Teitiara Community 21/02/2025 - Teitiara Community 06/02/2025 - Bonriki Catholic Maneaba 21/05/2025 - MISE Boardroom 09/04/2025 - Teinainano Urban Council 15/04/2025 - Betio Town Council 12/06/2025 - MISE Boardroom 09/06/2025 - PUB Boardroom 23/08/2025 - Bonriki West 12/09/2025 - Angaieta 24/09/2025 - St. Teretia 25/09/2025 - Ueenterooti 02/10/2025 - Kiribati Uniting Church, Bitibiti 03/10/2025 - Areba Omeka 04/10/2025 - Nanomatoa 23/10/2025 - St. Betero 14,15,17,19/11/2025 - Opp. Betio Sports Complex

Sex-disaggregated data on stakeholder engagement participants (male + female = total)	
17/01/2025 - Teitiara Community Male = 6; Female = 14 21/02/2025 - Teitiara Community Male = 6; Female = 14 06/02/2025 - Bonriki Catholic Maneaba Male = 41; Female = 18 21/05/2025 - MISE Boardroom Male = 11; Female = 2 09/04/2025 - Teinainano Urban Council Male = 20; Female = 4 15/04/2025 - Betio Town Council Male = 13; Female = 11 12/06/2025 - MISE Boardroom Male = 9; Female = 10 09/06/2025 - PUB Boardroom Male = 9; Female = 6 23/08/2025 - Bonriki West Male = 18; Female = 5 12/09/2025 - Angaieta Male = 15; Female = 5 24/09/2025 - St. Teretia Male = 12; Female = 3 25/09/2025 - Ueenterooti Male = 13; Female = 19 02/10/2025 - Kiribati Uniting Church, Bitibiti Male = 5; Female = 4 02/10/2025 - Kiribati Uniting Church, Tatirerei Male = 12; Female = 7 03/10/2025 - Areba Omeka Male = 6; Female = 4 04/10/2025 - Nanomatoa Male = 6; Female = 1 23/10/2025 - St. Betero Male = 70; Female = 68 14,15,17,19/11/2025 - Opp. Betio Sports Complex Male = Not Recorded; Female = Not Recorded Stakeholders included local community members, PUB, MISE, PMU representatives.	
Information shared with stakeholders	
Information disclosed and news updates were provided through the South Tarawa Water Supply Project social media account and MISE Website.	
Outputs including issues raised and addressed during the reporting period	
N/A	
Remarks/Notes	
N/A	

F.6. ESS forward planning and lessons learned	
Are there any planned ESS activities for the next reporting period or lessons learned to share from this period?	Yes ☒ No ☐

Provide planned activities on environmental and social safeguards for the next reporting period	
Planned activities for the next reporting period includes but not limited to: 1. Continued monthly environmental audit and safeguard inspections across working sites. 2. Carry out community consultations	
Provide any success stories, good practices, or challenges, including those related to the engagement of Indigenous peoples and local communities, promoting Indigenous knowledge and benefits to Indigenous peoples and local communities	
F.7. Grievance Redress Mechanism - confirmation & grievances	
<i>Please indicate whether the project can confirm the following statement:</i>	
Fully functional and operational Grievance Redress Mechanisms are in place, have been communicated to and are accessible by all stakeholders applicable to this project	
☒ The accredited entity confirms the statement above at project-level, AE-level, and GCF-level grievance mechanisms. ☐ The accredited entity does not confirm the statement above	
Have there been any grievances received during the reporting period?	Yes ☒ No ☐
<i>Total of 2 Grievances received during the reporting period 1. Damaged caused by contractor to electrical connection, resulting in power outage affecting home. line was also moved from original location. Action Taken: Contractor visited site and rectified damage. Status: Resolved 2. Damaged to wastewater pipe by contractor, contaminating well water Action Taken: Contractor purchased 500l water tank and pump replacing waterlines that carried contaminated water. Water tank was filled with PUB Water. Status: Resolved</i>	
F.8. Implementation of activities and actions agreed in the Gender Action Plan	
During the reporting period, there has been no substantive physical progress in project implementation that would trigger measurable advancements against the gender indicators. This is primarily due to delays affecting key project components, including the award of the water supply network package (GDW-2/1). As a result, gender-related activities linked to infrastructure delivery—such as employment opportunities, community engagement, and improved access to climate-resilient water services—have not yet progressed to an implementation stage. Notwithstanding the above, the project's gender commitments remain fully relevant and will be activated upon resumption of works. The project team continues to monitor readiness conditions and will ensure that gender-responsive measures are systematically integrated once implementation progresses.	
Are there GAP implementation activities or progress to report for this period?	Yes ☐ No ☒

Summary on Activities and Actions agreed in the Gender Action Plan (max. 200 words)

Provide a progress report on the gender action plan developed during project preparation stage for the reporting period. This will primarily be a report on activities undertaken and results achieved because of completion of an activity. Further, it should also indicate if the project is on track to achieving the intended outcome(s). The reporting should be done for activities, targets and indicators already set in the action plan including on vulnerable groups (youth, poor, female heads of households, etc.) as would have been identified in the gender analysis and action plan. If activities or targets are not achieved as per plan, reasons should be provided, and recourse action should be proposed. Please include reporting on any changes or deviations. Include a Report on implementation challenges and lessons learnt and how these will inform on-going actions and what action will be taken by when to address the challenges faced. Incorporate both quantitative data and qualitative reports on the performance of such actions, and on progress on actions identified.

GAP Activity	
Climate resilient and low carbon water supply infrastructure.	
Establish water supply connections in project areas and informal settlements which will benefit 100% of female-headed households.	
Indicator	
Number of households connected to the South Tarawa water supply system.	
Rating of Indicator	AMBER (needs attention to be met)
Baseline	4135
Target, including sex-disaggregation where applicable	7877
Annual progress update (Reporting Period)	
No progress to date	
Cumulative progress update (Entire period)	
PUB reports that 4,666 households (or 68% of South Tarawa households) were connected to the South Tarawa water supply network at the end of 2023. Data on the number of female-headed households with water supply connections is currently not available. The increase in the number of households connected to the water supply network since the project was approved in 2019 cannot be attributed to the project as the water supply upgrading works have not yet been procured. Procurement of works to upgrade the South Tarawa water supply network, Package GDW-2 Water Supply Network and Associated Works, in 2023 failed as no conforming bids for the contract were received. Bids for the networks subcomponent are currently being evaluated and a contract is expected to be awarded in July 2025. Improved water services and connections to the water supply network in South Tarawa water supply system are now expected to be progressively rolled out from mid-2026. Note that the 2020 Population and Housing Census (https://nso.gov.ki/census/kiribati-2020-2021-population-and-housing-census-data/) recorded 6,825 households in South Tarawa. There is a need to integrate a measure in connections data to disaggregate households by gender- currently data is unavailable on the number of female-headed households.	
Budget	23,000,000
Currency	USD
Timeline (Planned completion of activity)	31 December 2029
Responsibility	
MISE, PUB, PMU	

Remarks/Notes	
Communities outreach activities through program outreach programs will continue for the duration of the project. Note that the budget for this item is the prices for the WASH Part B contract.	
F.9. Gender Action Plan implementation review	
Is the gender expert for the project/programme engaged to support the implementation of the gender action plan? If engaged previously, please advise if the gender expert has been retained by the project/programme, including plans to engage another expert if a previously engaged expert has left the project/programme.	Yes ☒ No ☐
<i>The Gender expert was engaged under contract no CSI-5 with the contract signed and received by ADB on 2 October 2024, the expert remains on the project at the time of reporting.</i>	
Has the implementation of gender action plan/s being implemented according to Funding Activity Agreements and GCF's Updated Gender Policy? Please ensure that the budget is included in the reporting above if it was indicated in the approved or updated gender action plan.	Yes ☒ No ☐
<i>No report provided over the reporting period.</i>	
Are the planned activities, targets, indicators, timelines, etc. on track during the reporting period?	Yes ☒ No ☐
<i>The project has a gender action plan (GAP) which has 16 gender indicators. Of the total 16 indicators, 10 (60%) are on track, 1 is off-track, 1 indicator related to financial literacy needs to be revised, 1 is partially achieved, and 3 are not yet commenced.</i>	
Were there any revisions of the approved GAP during the reporting period? Please submit the updated GAP in Annex section of this APR and ensure that the updated GAP has details on each change.	Yes ☐ No ☒
<i>No revisions to the approved GAP</i>	
Are the reported results on track to contribute to meeting the sex-disaggregated targets for the direct beneficiaries in the funding proposal, if applicable?	Yes ☒ No ☐
<i>The 60% of the gender indicators are on track.</i>	
Has the project/programme experienced any implementation challenges that affect gender-related activities? If yes, please	Yes ☐ No ☒

include lessons learnt and how they are informing ongoing actions.	
<i>No update was received relating to implementation challenges faced during the reporting period.</i>	
Were there any best practices identified, or case studies prepared on benefits/activities undertaken as agents of action by women and the female heads of households during the reporting period? Please share any case studies in the text boxes or in the Annex section of the APR.	Yes ☐ No ☒
<i>There has been no best practices identified during the reporting period.</i>	
Provide planned activities on gender elements for the next reporting period	
<i>The planned activities for the next reporting period include collecting data on the impacts of the WASH interventions regarding improved knowledge, attitudes, and practices of the communities and quantitative and qualitative data to assess the positive impacts on women's time poverty due to a decline in water-borne diseases and reduced care burden. Commencing work the 3 indicators which have not yet progressed and bringing the 1 indicator back on track.</i>	

G. ANNEXES (UPLOADED)
Annex 1: GHG emission reduction calculation methodology (for projects reporting GHG emission reductions) and details on the calculations of the annual and cumulative value.
File Name: FP091 - avoided emissions.xlsx
Annex 2: Communication and visibility material
File Name: Timran-English-version.pdf
Annex 3: List of grievances received
No annexes provided.
Annex 4: Procurement information
File Name: FP091 Procurement.xlsx
Annex 5: Updated implementation timetable for the Funded Activity for the following year
No annexes provided.
Annex 6: Updated Gender Assessment and/or Action Plan
No annexes provided.
Additional Annexes (if applicable)
File Name: STWSP Safeguards Monitoring Report No 9 - Final.pdf File Name: STWSP Safeguards Monitoring Report No 10_Final.pdf File Name: 10. Betio CCC (Visitor Centre) Report December 2025 - Copy.pdf File Name: STWSP WAP-B_FY26 activity update_16Dec2025.pdf

