

INVESTMENT DESIGN DOCUMENT

VANUATU SKILLS PARTNERSHIP *SKILLS FOR PROSPERITY*

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The views expressed in this document are those of the design team alone and do not necessarily reflect the views or policies of the Government of Australia or of any organisation or individual consulted

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Acronyms

APTC	Australia-Pacific Technical College
BDS	Business Development Services
COD	Cash on Delivery
CEO	Chief Executive Officer
CM	Centre Manager
CO	Communications Officer
COM	Council of Ministers
DFAT	Department of Foreign Affairs and Trade
DG	Director General
DIDFund	Disability Inclusive Development Fund
DPA	Disability Promotion and Advocacy Association
DRG	Design Reference Group
EC	Evaluation Committee
GDP	Gross Domestic Product
GfG	Governance for Growth
GoA	Government of Australia
GoV	Government of Vanuatu
HIES	Household Income and Expenditure Survey
IDD	Investment Design Document
IFC	International Finance Corporation
KPI	Key Performance Indicator
MoA	Memorandum of Agreement
MoET	Ministry of Education and Training
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluation and Learning
MFAT	New Zealand Ministry of Foreign Affairs and Trade
MIS	Management Information System
MP	Member of Parliament
NGO	Non-Government Organisation
NSDP	National Sustainable Development Plan
NSO	National Statistics Office
NTDC	National Trade Development Committee
ODE	Office of Development Effectiveness
Pacific Women	Pacific Women Shaping Pacific Development
PD	Program's Director

PDIA	Problem-Driven Iterative Analysis
PGTB	Provincial Government Training Board
PHAMA	Pacific Horticultural Agricultural Market Access
PIF	Partnership Implementation Framework
PPP	Public-Private Partnerships
PSC	Public Service Commission
PSET	Post-School Education and Training
PRRP	Pacific Risk Resilience Program
PTC	Provincial Training Coordinator
QMS	Quality Management System
RTC	Rural Training Centre
SA	Strategic Adviser
SABER	Systems Approach for Better Education Results
SC	Support Contractor
SDF	Skills Development Fund
SG	Secretary General
SPREP	Secretariat of the Pacific Regional Environment Programme
SPSC	Skills Partnership Steering Committee
SSA	Skills Supply Adviser
SSPA	Skills Systems and Policy Adviser
TA	Technical Assistance
TED	Tertiary Education Division
ToR	Terms of Reference
TPIIF	Training Provider Inclusion Improvement Fund
TPSO	Training Provider Support Officer
TTO	Trainer Training Officer
TVET	Technical and Vocational Education and Training
TWP	Thinking and Working Politically
VAC	Vanuatu Agriculture College
VEMIS	Vanuatu Education Management Information System
VIT	Vanuatu Institute of Technology
VITE	Vanuatu Institute of Teacher Education
VNTC	Vanuatu National Training Council
VQA	Vanuatu Qualifications Authority
VQAF	Vanuatu Quality Assurance Framework
VQF	Vanuatu Qualifications Framework
VSPD	Vanuatu Society for People with Disabilities

Executive Summary

Background

The *Skills for Economic Growth Program (TVET Program)* in its current modality has been funded by the Government of Australia (GoA) since 2009. It aims to develop new approaches for a national skills system that better links skills training to economic outcomes within a quality assured framework in support of broader economic growth. Given the size of the informal economy in which the vast majority of the population operate, a particular focus is on supporting the development of ni-Vanuatu entrepreneurship and the growth of the local private sector.

Provincial TVET Centres – now ‘Skills Centres’ - have been progressively established by the Program to facilitate access to a range of targeted skills training and business development services in line with self-employment and employment opportunities. These Centres are not training providers; rather, they act as a coordination broker between ‘demand’ and ‘supply’. Through the financing mechanism of the Program’s Skills Development Fund, the Skills Centres contract registered local training providers and industry experts to deliver a range of integrated skill development services according to identified productive sector and industry priorities. Through this mechanism, training providers are incentivised to deliver training that is demand-driven, quality-assured, flexible, and which articulates to further education and training pathways.

Largely based on the success of the Skills Centre model in achieving tangible economic and social outcomes, in 2014 the Public Service Commission approved the restructure of the Ministry of Education and Training (MoET) to incorporate the Skills Centre network and its personnel as its provincial-level service delivery coordination arm, as part of the newly created Tertiary Education Division (TED). However, currently three quarters of the TED positions remain fully funded by the Program.

The Program has mainstreamed and promoted the participation and leadership of marginalised groups, specifically those disadvantaged by gender and disability. Results achieved in this area have led to a collaboration with DFAT’s regional *Pacific Women* program, and additional funding through DFAT’s *Disability Inclusive Development Fund*.

The Program has actively supported the promotion of local leadership, with the in-country based Program management team all ni-Vanuatu, including the Program’s Director (Team Leader). ‘Working within the grain of local custom and culture’, as recognised by the *Phase 3 Independent Evaluation*¹, has resulted in the Program being perceived by key Government of Vanuatu (GoV) and civil society stakeholders as fundamentally different from traditional donor managed aid projects.

Based on the demonstrated impact of the Program, and the stated commitment of the GoV to increase its investment in the national skills development sector, the GoA has now agreed to a further phase of investment support for the period 2016-2020, building on strengths and recommendations as articulated in the *Independent Evaluation*.

Phase 4 Guiding Strategic Framework

In August 2016, the GoV launched its new *Post-School Education and Training (PSET) Policy (2016-2020)* with its goal of ‘a sustainable and well-coordinated skills system that maximises access to relevant and quality assured qualifications that lead to improved economic, social and cultural development opportunities for all’. Sitting under the *National Sustainable Development Plan 2016-2030*, this policy is now the overarching framework for the further development of the national skills system. The new phase of GoA investment to support this GoV-driven reform process will be premised on an agreed mutual accountability model between both governments, as well as with other key sector stakeholders. Reflecting this shift, the name of the Program will now become the ‘*Vanuatu Skills Partnership – Skills for Prosperity*’.

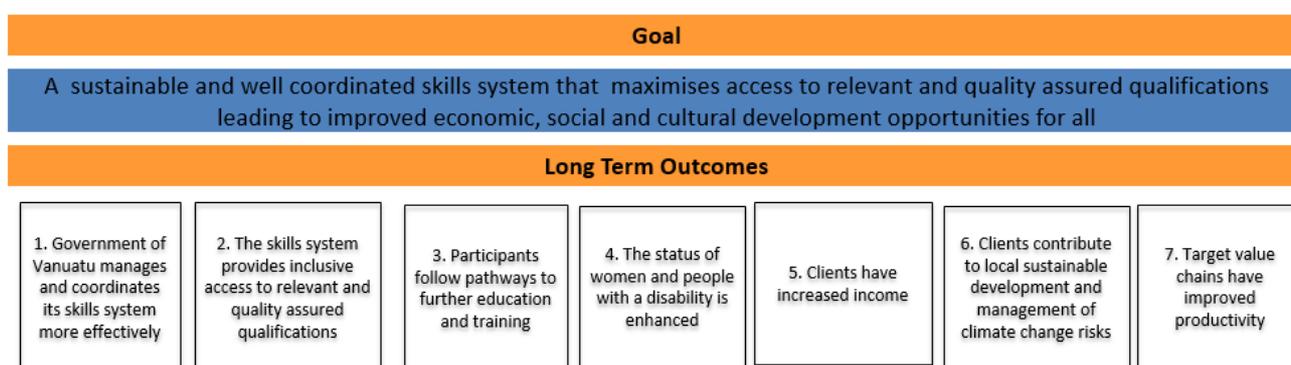
Activity across the Phase 4 Program will therefore be intentionally organised across three Priority Areas that mirror the three PSET Policy ‘functional dimensions’ of ‘Strategic Direction’, ‘System Oversight’ and ‘Service Delivery’. This will enable the Program to continue with its acknowledged successful ‘joined up’ approach to system development. Within this integrated approach, outcomes are focused on a) achieving measurable

¹ *Independent Evaluation of the TVET Sector Strengthening Program* (Schofield et al, 2015).

economic and social changes through innovative approaches to skills development – in target sectors through the Skills Centres - while simultaneously b) influencing reform of the skills system and embedding successful approaches to ensure these outcomes can be locally sustained and c) mainstreaming gender equality, disability inclusion and climate change adaptation across all areas.

At its heart, the Program is supporting the development of a national system that can deliver the skills required for local and inclusive private sector growth, as well as facilitating the recognition of these skills for increased education pathways and regional labour mobility. In this way, the Program is a key contributor to, and reflection of, the emerging GoA *Pacific Education and Skills Development Agenda* currently underway.

This approach is reflected in the high-level Program Logic illustrated below:



The Program will continue to work through a responsive and opportunistic ‘process approach’ rather than a focus on the achievement of predetermined, externally-defined milestones². All activity will be undertaken within local structures and processes with the aim of fostering and promoting local leadership to ensure that the investment leads to authentic and sustainable reform, driven by coalitions for change within the Vanuatu social and political context. This will be supported by a management approach that enables flexibility, innovation and experimentation, utilising monitoring and evaluation data for both accountability and learning, and as an advocacy tool for systemic change.

Investment Description - Priority Areas

Priority Area 1 - Strategic Direction:

The Program will work with key productive sector departments to identify priority economic growth opportunities that can be maximised by targeted skills development through the Skills Centres. The Program will broker and enter into formalised **Sector Partnerships** with these departments - based on the Phase 3 ‘Skills for Tourism’ model. Partnership Implementation Frameworks (PIF), will be collaboratively developed with national and provincial officers of the respective sector. These PIFs will clearly articulate the priority areas for joint activity between the Program/Skills Centres and the partner department. The PIFs will also identify opportunities for Public-Private-Partnerships and donor coordination to improve market access, thereby ensuring that skills development is planned as part of a holistic strategy for provincial economic growth within a sector. The plans will be pro-actively inclusive, deliberately prioritising opportunities for participation by women and people with disabilities. There will also be a focus on skills building for climate change adaptation in climate sensitive sectors. Importantly, the PIFs will specify the co-contributions to be made by government (national/provincial), the Program and other partners – financial, in-kind, and human resources – to support implementation. Each PIF will have a customised M&E plan which will set annual productivity/income targets and other measures around inclusion and sustainable development outcomes, and will be integrated within GoV sectoral reporting.

Priority Area 2 - System Oversight: The Program will collaborate with the Tertiary Education Division (TED) of the MoET and the VQA to improve management and resourcing of the skills system in line with the objectives of

² Following Bond, International Institute for Environment and Development, University of Manchester, “A process approach emphasises experimenting, learning, adapting and slowly expanding activities in a participatory and flexible way, building local capabilities as the project proceeds”. Similar theoretical frameworks informing Program implementation include the ‘Problem-Driven Iterative Analysis Approach’ (PDIA) and ‘Thinking and Working Politically’.

the PSET Policy and the PSET Policy Implementation Plan. A primary focus will be to ensure sustainable resourcing of the provincial Skills Centres under the TED by the end of the Program, consistent with the approved MoET restructure. The Program will use a range of incentive strategies to expedite this transition of all Skills Centre position salaries to the MoET payroll, which will be reflected in the Phase 4 Gov-GoA Subsidiary Agreement for the Program. The Program will also support professional development to the members of the VQA Board to increase their capacity to exert pressure in long-standing areas of system reform blockage. It will also assist members, through the MoET, to regularly track progress of the PSET Policy Implementation Plan and practically address constraints. Particular attention will be directed to increasing the diversity of providers and delivery modalities within the skills system, and greater flexibility for skill development pathways. The Program will also provide targeted capacity development for personnel across the key skills system agencies – VQA, TED, the Skills Centres and Provincial Government Training Boards. There will be an emphasis on building the management and leadership capacity of women to ensure that there is increased representation of women and their interests within the skills system.

Priority Area 3 - Service Delivery:

The Program will continue to strengthen the operations of the provincial Skills Centres to coordinate the delivery of skills development services in line with priority demand, and financed through the Program's Skills Development Fund. The Sector PIFs will guide the kind of skills development to be delivered with a focus on achieving measurable economic growth targets in the priority sectors, in terms of local business productivity and formal employment. Priority will also be given to ensuring *sustainable* and *inclusive* economic growth for broader prosperity benefits; targets will be set around gender equality, disability inclusion and climate change adaptation in all Skills Centre activity. Individuals and businesses will enter into a 'client' agreement with the Skills Centre, engaging in a comprehensive program of skills training and ongoing coaching with increased levels of participant accountability and co-contribution. A core part of this agreement will be the regular collection and analysis of productivity improvement data, with relevant department offices and Skills Centre industry coaches working with clients to address constraints and ensure sustainable outcomes.

Program activity will also support systemic improvements in service delivery within the skills sector through capacity building support for training providers that have the potential to meet priority demand as articulated in the PIFs. Coaching-based, customised support will be provided to select providers with a proven appetite for reform to improve and innovate training delivery for increased quality, relevance, flexibility, and efficiency. In addition, a discrete fund will be available through the Program's collaboration with DFAT's Disability Section to assist training providers improve their capacity for disability inclusive skills development delivery.

Governance and Procurement Arrangements

A new Subsidiary Agreement for the Phase 4 Program will be developed for signing between the GoA and the GoV, which will set out the fundamental mutual accountability principles of the new phase of partnership. Critically, the Agreement will specify the structural reform milestones in terms of Skills Centre personnel salary transition to the GoV, and the associated performance-based payments to further support skills sector reform activities in line with the PSET Policy Implementation Plan. Status of mutual investments to the sector, in line with the Agreement, will be discussed at the annual High Level GoA-GoV Partnership Talks.

A Skills Partnership Steering Committee (SPSC) will replace the previous Program Strategic Advisory Group in line with the recommendation of the *Independent Evaluation*. It will receive 6-monthly progress reporting on the implementation of the Sector Partnerships and advise on strategies to address skills system blockages and/or maximise results. It will also be the key mechanism for the GoV to track progress against the PSET Policy Implementation Plan, which will simultaneously reflect Program progress towards its Long-Term Outcomes.

At the provincial level, the Skills Centre Managers will participate in regular management meetings with the respective Secretary General and Provincial Planner, and the Skills Centres will continue to be the Secretariat for the Provincial Government Training Boards.

Phase 4 of the Program will continue implementation through a managing contractor modality with two important changes: 1) The Program's Strategic Adviser will report directly to DFAT and will be responsible for technical oversight of Program implementation; and 2) DFAT will engage a managing contractor – to be called a 'Support Contractor' - with a corporate support role and capacity building focus for Program staff in recognition of the Program's unique role as a 'coalition for change' within the local environment.

1. Introduction

The *Vanuatu Skills Partnership – ‘Skills for Prosperity’* is the proposed new name for Phase 4 of the *Vanuatu Skills for Economic Growth Program*, previously known as the *Vanuatu Technical and Vocational Education and Training (TVET) Sector Strengthening Program*. It has been funded by the Government of Australia (GoA) in its current modality since Phase 2 commenced in July 2008. The first phase of the Program - substantially different in approach - commenced in November 2005. The Program has been implemented using a Managing Contractor (MC) delivery mechanism throughout all phases.

The name change reflects a) the development of the national skills sector in Vanuatu; b) the evolution of the nature of the support provided by the GoA to the sector; c) the maturation of the partnership between the Program and the Government of Vanuatu (GoV); and d) the recognition in both GoV and GoA policy settings that skills development can and should contribute to more holistic benefits than exclusively economic outcomes. Continuing the clear trajectory and momentum of the previous phases, this forth phase of investment is fundamentally premised on establishing new levels of agreed mutual accountability for the continued development of the sector - to achieve the clearly articulated national economic and social goals defined by the GoV.

This Investment Design Document covers the period July 2017 – June 2020, with the possibility of Program extension until June 2023 conditional on agreed ongoing partnership arrangements between the GoV and the GoA.

While Phase 3 officially finished in June 2016, the design process was undertaken simultaneously with ongoing Program implementation. The Program’s Director (Team Leader), led the design supported by a core implementing team with complementary external expertise. The ‘implement-design-implement’ process facilitated by the DFAT Vanuatu Post has enabled a) sustained continuation of Program activities and benefits; b) a design for a new phase of investment heavily informed by contextual experience and lessons learned; and c) opportunity to recalibrate formally and strengthen partnership arrangements for improved sustainability outcomes in line with new GoV and GoA policy directions. The design is also informed by the strengths and success factors of implementation to date, and recommendations for increased contribution to systemic and economic impact, as articulated in the *Independent Evaluation* of the Phase 3 Program³. This evaluation activity was commissioned by DFAT in 2015 as an important precursor to the design process.

The design team undertook extensive and in-depth consultations nationally in the preparation of the design. These consultations included: national level government stakeholders from the Ministry of Education and Training (MoET), the Ministry of Justice and Community Services, the Vanuatu Qualifications Authority (VQA), and the productive sectors; Provincial Government Training Boards (PGTB); private sector representatives at national and provincial levels; representatives of Disabled People’s Organisations; and all Program personnel. Consultations were also undertaken across a range of relevant areas at DFAT, Canberra. A full list of people consulted can be found at Annex 6.7. A Design Reference Group (DRG) has also been established to provide feedback and guidance throughout the design process. The DRG comprises: Director Generals (DG) from the MoET, the Ministry of Agriculture and the Ministry of Tourism, along with the Senior DFAT Post Program Manager, and an external Skills/TVET Specialist. The DRG approved the initial Concept Brief on which this IDD is based in October 2016.

2. Program Background

Since the re-design of the Program for Phase 2 in 2008, the Program has aimed to implement new approaches to supporting the development of a national skills system that enables economic outcomes for trainees through improved skills training. Given the comparative large size of the informal economy in which the majority of the population operate, a particular focus of the Program is on supporting the development of ni-Vanuatu entrepreneurship and the growth of the local private sector.

Provincial Skills Centres⁴ have been progressively established by the Program to facilitate access to a range of

³ *Independent Evaluation of the TVET Sector Strengthening Program* (Schofield et al, 2015).

⁴ In Phases 1-3 the Centres were known as ‘TVET Centres’. However, internationally, there is a change in conceptualising TVET and skills development. The emphasis has shifted from the former - a primarily supply-driven, institutional approach - to the latter - a more dynamic approach to skills training that is linked to improved employment, employability and livelihoods. GoA policy terminology reflects this change, which is also preferred within the GoV, given the foreign nature of the ‘TVET’ acronym. The

targeted skills training and business development services in line with self-employment and employment opportunities. These Centres are not training providers; rather, they broker coordination between 'skill demand' and 'skill supply'. Financed through the Program's Skills Development Fund (SDF), the Skills Centres contract registered local training providers and industry coaches to deliver a range of integrated skill development services in response to identified productive sector and industry priorities linked to economic growth. Through this approach, training providers are incentivised to deliver training flexibly – modular, phased, outside of institutional boundaries - that is demand-driven and quality-assured, and which also provides pathways to further education and training. Importantly, skills are predominantly delivered through a 'client' modality, where ongoing and progressive levels of training and coaching follow-up are provided to individuals and businesses over time as part of a sustained relationship with the Skills Centre.

The success of the Program's Skills Centre model in Sanma, Malampa and Torba in achieving tangible economic and social outcomes was the primary factor in the restructure of the Ministry of Education to become the Ministry of Education **and Training** (MoET) and to incorporate the provincial Skills Centre network as the mechanism for decentralised skills development coordination⁵; the new MoET structure provides for one Skills Centre for each of the six provinces with three full-time officers. The GoV commenced resourcing the salaries for these positions in 2014⁶. This was an important pre-condition for the Program to support the establishment of a fourth Skills Centre in Tafea province in 2015. However, three quarters of the Skills Centre positions remain fully funded by the Program. It has been agreed that any further roll-out of Skills Centres in Shefa and Penama provinces will be dependent on further progress in GoV budget allocation for current Skills Centre personnel.

The service delivery support coordinated through the Skills Centres in the provincial locations has been complemented by an extensive capacity development program for 'supply side' organisations. This involves providing technical skills and professional development to training providers, the Vanuatu Qualifications Authority (VQA) and policy development advice to the MoET, as part of a systems-based approach⁷ to the strengthening of the national skills sector.

The Program has mainstreamed and promoted the participation and leadership of marginalised groups, specifically those disadvantaged by gender and disability. This has delivered tangible outcomes in terms of participation rates, individual economic outcomes, and pathways to further education and training, as well as greater awareness and support for gender and disability inclusion throughout the skills sector. Results achieved in this area have led to a collaboration with DFAT's regional *Pacific Women Shaping Pacific Development* (Pacific Women) program, and additional funding through DFAT's *Disability Inclusive Development Fund* (DIDFund).

From the outset, the Program has had a commitment to work through a responsive and opportunistic 'process approach' rather than a focus on the achievement of predetermined, externally-defined milestones⁸. Activity has been undertaken within local structures and processes with the aim of fostering and promoting local leadership to ensure that the investment leads to authentic and sustainable reform, driven by coalitions for change within the Vanuatu social and political system. As of January 2015, all long-term personnel are ni-Vanuatu, including the Senior Management Team. 'Working within the grain of local custom and culture'⁹, as recognised by the *Independent Evaluation*, has resulted in the Program being perceived by key GoV and civil society stakeholders as fundamentally different from traditional donor managed aid projects.

Based on the demonstrated impact of the Program since 2008, and the commitment of the GoV to increase its investment in the national skills development sector, the GoA has now agreed to a further phase of investment support.

term 'Skills Centre' will therefore be more meaningful in the Vanuatu context; however, considerable rebranding and communications will be required given the high profile and currency of the 'TVET Centre' appellation.

⁵ Approved by the Public Service Commission on the 19th June, 2014.

⁶ This involved the Program-funded Provincial Training Coordinators in the Sanma, Malampa and Torba Skills Centres becoming civil servants under the Public Service Commission, funded through the MoET budget.

⁷ Following DFAT, *Strategy for Australia's aid investments in education 2015-2020* (DFAT, 2015a).

⁸ Following Bond, International Institute for Environment and Development, University of Manchester, "A process approach emphasises experimenting, learning, adapting and slowly expanding activities in a participatory and flexible way, building local capabilities as the project proceeds". Similar theoretical frameworks informing Program implementation include the 'Problem-Driven Iterative Analysis Approach' (PDIA) and 'Thinking and Working Politically' (TWP).

⁹ Schofield et al, 2015.

3. Analysis and Strategic Context

3.1. Political context

Political instability is endemic in Vanuatu's multi-party system that has emerged since independence in 1980. Government is formed by party leaders establishing fragile power bases from personal and political alliances, with resultant coalitions governing with only slim margins making them vulnerable to challenge¹⁰. Since the Program's commencement in 2005, Vanuatu has experienced 14 changes of government - a problematic political environment for bilateral aid investments. In addition to the political fragmentation, Vanuatu's political culture is characterised by localised and 'clientelistic'¹¹ policy platforms, widespread patronage¹², and chronic 'short-termism' that has undermined any sustained approach to development¹³. It is widely perceived to be very corrupt¹⁴.

In October 2015 14 members of Parliament were convicted of bribery, including the deputy Prime Minister and the Parliamentary Speaker. Following in the aftermath of the devastation wreaked by Category 5 Cyclone Pam in March, the political and constitutional crisis crippled the functioning of the national administration and delayed the passing of the 2016 national budget. However, the convictions and the subsequent snap election in January 2016 opened up the possibility for a new optimism in the political landscape. A high proportion of first-time MPs were elected, with only 18 of the 52 incumbents, attesting to an emerging new political profile for MPs, including a number of reform-minded former senior public servants¹⁵. At the present time, relative stability has prevailed, consolidating a sense of renewed confidence, however strong factionalism remains, predicted to take a toll on policy formation in 2016-17¹⁶. Bureaucratic stability may also be affected by the decision in November 2016 to not renew six of the current DG contracts, including GoV members of this IDD's DRG. There is current debate around the proposition to permanently replace the DG position across the Government with politically appointed Parliamentary Secretaries. With regard to the skills sector, there is current uncertainty around staffing of the key position of Director, TED.

Nevertheless, it is recognised that while policy making has been usually short term, ad hoc, and politicised, there are specific institutional sites capable of producing evidence-based policy. To date, the most effective initiatives tend to emerge through reform-minded champions from individual ministries up through the annual budget process, rather than top down from the centre of government. The use of informal power structures and channels to build consensus and coalitions for change has similarly been acknowledged as a critical reform mechanism¹⁷.

With regard to the national governance model, the *Decentralisation and Local Government Regions Act (1994)* created the six provinces to be locally managed by Provincial Governments and their dependent Area Councils with - in theory - administrative and financial powers. However, implementation has stalled, undermined by the general political instability, and local administration has been widely viewed as functioning poorly¹⁸. The provinces are severely under-resourced, with extremely limited service delivery capacity, and have had few opportunities to participate in the formulation of national policy. However, the restructure of the MoET to formally incorporate the Program's provincial Skills Centres with in-principle staffing budgetary allocation is recognised as an important reform for improved coordination and service delivery at the provincial level, and for provincial-national interaction. This has been reinforced by the Program's reactivation of, and support to, the previously moribund Provincial Government Training Boards (PGTB) which are playing an important role in modelling of 'bottom-up' evidence-based policy development. Additionally, the current Government has recently restated its commitment to decentralisation by announcing that direct budget will be paid to Area Councils to improve the administration of rural affairs¹⁹, however the details around the implementation of this

¹⁰ *Dirty Politics in Vanuatu* (McDonnell, 2015).

¹¹ MPs have 'allocations' of money to spend on their constituents, with voters judging candidates primarily on their ability to bring resources into their communities rather than on national policy positions.

¹² 'Vanuatu election outcome: can a new coalition government kick-start the economy?' *The Interpreter* (Naupa, 2016).

¹³ *Unfinished State: Drivers of Change in Vanuatu*, p. ii (Cox et al, 2007).

¹⁴ <https://knoema.com/CPI2014/corruption-perceptions-index-2015?country=1000700-vanuatu>

¹⁵ Naupa, 2016.

¹⁶ The Economist Intelligence Unit, <http://country.eiu.com/vanuatu>

¹⁷ Cox et al, 2007, p. 54.

¹⁸ *ibid*, p. 45.

¹⁹ <https://vanuatudaily.wordpress.com/2016/08/19/decentralisation-see-area-councils-funded-says-mp-williams/>

policy and associated risk mitigation are unclear.

3.2. Economic context

Across Vanuatu 74% of the population reside in rural areas and are engaged primarily in subsistence or small holder cash crops farming. There is limited international migration and Vanuatu has the lowest formal sector employment in the region; around 70% of the workforce is involved in informal sector activities such as handicrafts, small scale transport and local retailing. The formal economy produces only some hundreds of jobs each year²⁰ and has been dominated by the tourism industry, predominantly consisting of foreign-owned businesses in the urban centres of Port Vila and Luganville. The international cruise-ship industry is on the rise with increasing numbers of calls at ports across the country. This has economic impact potential in terms of both formal employment and informal production activity. Tourism is estimated to contribute up to 65% of Vanuatu's Gross Domestic Product (GDP), directly and indirectly, with the growth of tourism supported by the second most important contributor to the formal sector, construction²¹.

Prior to Cyclone Pam, the country had experienced relatively strong economic growth²² but this had limited impact on the lives of most ni-Vanuatu outside of Port Vila. Following the cyclone's devastation, and disruption to tourist arrivals due to runway maintenance issues at the international airport, real GDP contracted by an estimated 0.6% in 2015, with a significant drop in private sector confidence. However, the growth forecast for GDP growth forecast for 2017 has been revised up to 3.8%²³ with reconstruction and infrastructure projects providing an important boost to economic activity. There has also been a significant increase in the numbers of ni-Vanuatu seasonal workers to Australia and New Zealand.

Cyclone Pam did, however, expose Vanuatu's economic vulnerability to extreme weather, which is becoming more frequent and a major threat. Vanuatu is internationally recognised as one of the most vulnerable countries in the world to the impacts of climate change, with the key sectors of agriculture, fisheries and tourism highly weather-sensitive.²⁴ Other key economic sectors are also exposed, including infrastructure and transport. Managing the risks of climate change is consequently an increasing priority of the GoV, as reflected in the *Climate Change and Disaster Risk Reduction Policy (CCDRRP), 2016–2030*. The Green Climate Fund has approved a major investment in Vanuatu – the Vanuatu Climate Information in Sectors – implemented by the Secretariat of the Pacific Regional Environment Programme (SPREP) - US\$23M 2017- to strengthen climate information in Vanuatu's tourism, agriculture, infrastructure, water and fisheries sectors.

The focus on reconstruction and relative political stability have renewed efforts to address the lack of inclusive and sustainable growth that has marked the country's economy. The emergence of a 'national conversation'²⁵ on strategies to ensure that the benefits of growth are distributed more equally has resulted in the development of the *National Sustainable Development Plan 2016-2030 (NSDP)*. The NSDP replaces the national *Priorities and Action Agenda* and is explicit in a change of direction that "considers economic, social, and environmental priorities of equal importance"²⁶. The three foundational Pillars of the Plan - 'Society', 'Environment' and 'Economy' - reflect these three interconnected areas, which are underpinned by a commitment to the respect of 'Melanesian culture'. The Economy Pillar comprises the four sub-components of 'Stability and Equitable Growth'; 'Infrastructure Development'; 'Rural Development' and 'Private Sector Development'.

A relatively new central mechanism that is aimed at driving greater national coordination and tangible strategies to achieve sustainable economic objectives is the National Trade Development Committee (NTDC). This comprises Director Generals, Directors, Heads of Statutory Bodies with responsibility for trade-related issues, and private sector representatives. The Implementation Matrix that has emerged through this Committee is significant in its relative success in achieving senior stakeholder buy-in to an integrated view of economic development, requiring sustained coordination between sectors and departments. The need for an integrated

²⁰ The ILO in Vanuatu, http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-suva/documents/publication/wcms_366547.pdf

²¹ 'Tourism and economic diversification in Vanuatu', *Devpolicy Blog* (Dornan, 2015).

²² In 2014 GDP was recorded as 0.82 billion USD.

²³ <https://www.adb.org/countries/vanuatu/economy>

²⁴ United Nations University – Institute for Environment and Human Security (UNU-EHS), *World risk report 2014*, UNU-EHS, viewed August 2016, <<http://ehs.unu.edu/news/news/world-risk-report-2014.html#info>>.

²⁵ Dornan, 2015.

²⁶ *National Sustainable Development Plan 2016-2030* (Republic of Vanuatu, 2016).

approach has also been strengthened following the latest International Finance Corporation (IFC) baseline surveys on agricultural demand from the Port Vila hospitality industry, and market analysis of retail demand from cruise-ship passengers²⁷. This is leading to growing momentum to build better linkages between tourism and agriculture and handicraft production, particularly as a key means to increasing the benefits of the tourism industry to the wider population. The establishment of the Agri-tourism²⁸ Steering Committee, and the Handicraft Technical Working Group, with high-level cross-agency representation, and their Plans of Action are also important coordination developments for focused economic growth strategies.

Importantly, the Program, through its Director, has been requested by the GoV to be an official member of the two aforementioned Committees (rather than the position of ‘observer’ conventionally reserved for donors and their programs). These appointments are important for several reasons. Firstly, it illustrates the Program’s status as an ‘insider’ to the workings of government. Secondly, it provides evidence of the growing recognition that the skills sector has an integral role in the broader national economic development agenda. Finally, it reflects the changes in the economic landscape that the Program has catalysed. This is particularly the case in Malampa and Torba provinces through the Program’s support to the development of the outer-island tourism industry. The most recent – and arguably most powerful - indicator of this economic transformation is the decision by the national carrier, Air Vanuatu, to purchase a new aircraft to enable the servicing of the northern provinces, due to the increase in domestic and internal demand for the newly developed tourism products.

3.3. Skills development sector context

The restructure of the Ministry of Education in 2014 shifted responsibility for the TVET/skills sector from the Ministry of Youth Development, Sports and Training to the newly named Ministry of Education and Training. In addition to the incorporation of the Program’s Skills Centres into the national system, the restructure process included the creation of a Tertiary Education Division (TED). This fundamental restructure and associated resource allocations were in large part in response to strategic leveraging by the Program which made establishment of the fourth Skills Centre in Tafea conditional upon reform implementation.

The former national quality assurance agency for the sector, the Vanuatu National Training Council (VNTC), was discontinued in 2014, and with Program support replaced by the Vanuatu Qualifications Authority (VQA). TED and the VQA, along with its decentralised advisory bodies, the Provincial Government Training Boards (PGTB), share government responsibility for ensuring a coordinated and quality-assured national Post-School Education and Training (PSET) system. The *Vanuatu Education Act No. 9 (2014)* and the *Vanuatu Qualifications Act (2014)* provide the legislative framework for system administration. The VQA is responsible for the implementation of the *Vanuatu Qualifications Framework (VQF)* and the *Vanuatu Quality Assurance Framework (VQAF)*. The latter document provides the policy and procedural basis for regulating the quality of PSET delivery. The VQF, established in consultation with industry and training providers nationally, is aligned with the *Pacific Qualifications Framework*.

In August 2016, the GoV launched its new *Post-School Education and Training (PSET) Policy (2016-2020)* with its goal of “a sustainable and well-coordinated PSET system that maximises access to relevant and quality assured qualifications that lead to improved economic, social and cultural development opportunities for all”. There is now wide consensus that this policy is the overarching framework for the further development of the national skills system, with clear priority directions against its three ‘functional dimensions’ of ‘Strategic Direction’, ‘System Oversight’ and ‘Service Delivery’²⁹.

Despite the implementation of a national qualifications framework and the development of training packages based on industry standards there continues to be limited engagement between industry and the VQA at the national level. This is primarily due to the low level of formal interaction between VQA personnel and industry representatives, continued mistrust as to the transparency and efficiency of the VQA within the private sector, and the dominance of the informal economic sector.

²⁷ It is estimated approximately 54 percent of all fresh produce used by hotels and restaurants are imported. Market analysis of the retail sector amongst cruise passengers to Vanuatu (IFC, 2016).

²⁸ The Government of Vanuatu is, in general, using the term ‘agri-tourism’ to mean the linkage of agricultural production and sale to service the tourism industry, rather than the alternate definition focused on agricultural farms/sites used for tourism activities. The former definition is that which the Program will also adopt.

²⁹ These dimensions reflect the SABER (Systems Approach for Better Education Results) systems framework, *What Matters for Workforce Development: A Framework and Tool for Analysis* (World Bank SABER Working Paper Series Number 6, 2013).

In 2014, in collaboration with the VQA and the PGTBs, the Program supported the development of provincial skills plans for each of the six provinces for the period 2015-18. The plans identified priority skill demands and emerging economic opportunities – in both the formal and informal economy - across a range of productive sector areas. The skills plans are intended to a) support service delivery planning at the provincial level, and b) assist training providers to respond to industry/productive sector demand through the development and delivery of flexible skills development programs that will contribute to equitable economic growth. However, the speed with which providers can provide flexible skills development in response to priority demand is hampered by the complex and lengthy processes required to accredit qualifications and listing on the national qualifications register. The situation is exacerbated by a relatively rigid approach by the VQA towards full cycle courses rather than supporting more flexible options for delivering units of competence and skills sets.

The VQA is responsible for ensuring PSET providers meet the requirements of the VQAF, with TED mandated to support providers in this process. However, due to a number of factors, limited support outside the Program has been delivered. These include: a lack of funding to share information and updates system-wide; emphasis on a compliance-driven approach to quality assurance rather than a developmental approach; a general lack of technical and managerial capacity within VQA and TED; and highly politicised appointments for key system positions. There is also poor communication between PSET providers and the VQA that is impeding the implementation of systematic reforms that the VQA sees itself as commissioned to implement under the VQA Act. Anecdotal evidence suggests there is considerable dissatisfaction amongst a wide range of stakeholders about the performance of the VQA³⁰, however entrenched attitudes on both sides of the relationship are barriers to constructive dialogue and reform progress.

There are 25 registered PSET providers listed on the VQA website³¹. Government providers (e.g., Vanuatu Agriculture College (VAC), Vanuatu Institute of Technology (VIT)), church institutions (e.g. Anglican Church of Melanesia - Vanuatu, Seventh Day Adventist and Roman Catholic Church) and other independent Rural Training Centres (RTC) are the main providers of formal PSET. There are three for-profit providers: Pacific Vocational Training Centre, Vanuatu Chamber of Commerce and Industry (VCCI) and Edwards Computer Foundation. A further six providers are currently awaiting registration.

The *Independent Evaluation* assessed the poor performance of training providers to be a major weakness of the national system, predominantly caused by a lack of:

- structures to support collaboration and cooperation
- alignment with business and productive sector demand by major training providers
- flexibility, quality, innovation and focus on results by training providers
- diversity in non-state provision of skills training
- an organisational culture within government bodies to focus on the delivery of policy goals.

In addition, despite limited progress by some RTCs, in general, local training providers are not currently equipped to provide climate change management skills to support resilience in key economic growth sectors. Although Vanuatu is a recipient of substantial international climate change finance to manage the escalating risks, namely through the Green Climate Fund, sustainability of initiatives will be compromised without local provider capacity.

Through Program support, providers have been assisted to establish customised quality management systems (QMS) as part of their registration under the VQAF, however, providers acknowledge they need further assistance to implement the QMS to the required standards. The use of the QMS by training providers to support the development and delivery of quality-assured training is inconsistent. A recent audit of QMS implementation by the VQA showed varying levels of technical knowledge and capacity to manage the QMS.

One of the key constraints to improved training provider performance is the lack of qualified staff with appropriate vocational qualifications. Under the VQAF trainers and assessors must hold a relevant qualification at least one VQF level higher than what they teach. Another constraint is staff capacity to interpret units of competence and develop quality-assured training package support material for delivery within a competency-based training and assessment approach. There is also general consensus that access to quality facilities and equipment, particularly in the light of the introduction of training packages, is a major challenge to standard

³⁰ Participant feedback at MoET Training Provider Forum, Vanuatu Institute of Technology. 15 September 2016.

³¹ <http://vqa.edu.vu/index.php/quality-assurance/registered-training-providers>

compliance, particularly for RTCs.

The compliance issue is compounded by the fact that all registered training providers need to maintain the same level of QMS despite disparate factors such as type of provider, location and whether the provider is a stand-alone registered entity or part of a larger organisation that provides additional support and funding. In addition, continuous improvement amongst several providers (particularly public) is hindered by an observable lack of appetite for reform at the senior management level.

Using the World Bank's Systems Approach for Better Education Results (SABER) analytical framework for Workforce Development, the *Independent Evaluation* found that despite the aforementioned constraints, Vanuatu has made steady progress and achieved significant improvements in its skills/TVET system at both national and provincial levels, across all SABER 'functional dimensions'. Importantly, it found that these improvements have been in large part due to the support of the Program. Ongoing reform was assessed as being possible only if the models established by the Program are more widely embedded into the system – particularly around the facilitation and delivery of flexible, short-cycle, non-institutional based, 'blended' delivery, in response to clear economic opportunity – and greater investment, transparency, and efficiency in sector budgetary allocations.

3.4. Social inclusion context - gender equality and disability inclusion

In addition to the overall theme of inclusive development that underscores the NSDP, under the Society Pillar there is an explicit 'Social Inclusion' goal that is further elaborated in the subsequent policy objectives focused on a) mainstreaming gender issues into government policies and budgets; b) reducing gender-based domestic violence and c) ensuing equitable access to services and infrastructure for people with disabilities to enable fulfilled and productive lives. Similarly, the new *National PSET Policy* is clear in its commitment to the development of an inclusive skills system, where barriers are reduced to allow equitable access to lifelong education and training for all.

The need for such explicit focus on inclusion in national policy is a both a reflection of a growing broad-based concern around issues of equity and non-discrimination, as well as the reality that, despite progress achieved over the past decade, significant challenges remain.

3.4.1 Gender equality

Of particular relevance to the skills system, challenges related to gender equality in Vanuatu include³²:

- Women represent 40% of the labour force in both public and private sectors compared to 60% for men. More women than men are economically inactive, most being full time homemakers caring for children, the elderly, people with disabilities and other family members.
- More women than men are involved in the subsistence economy which makes them more susceptible to poverty, climate change, disasters and other livelihood stresses.
- Despite gender parity being closely reached in school enrolment rates, women remain underrepresented in tertiary education and are less likely to be awarded government scholarships.
- Since independence in 1980, only 5 women have been elected into national parliament. Women represent just 3% of total senior/executive government positions. More often than not, women are excluded from decision making and are absent from leadership positions.
- The opportunity for women to set up businesses is limited as they lack access to capital, financial services and markets. This is particularly the case for rural women.
- Discrimination against women is reinforced through legislation as well as through wider cultural beliefs and practices.
- Gender based violence is a serious issue affecting women and girls. Approximately 60% of women in Vanuatu have experienced some form of physical and/or sexual violence in their lives. This is particularly relevant in light of the need for sensitivity around increased economic empowerment and the resulting risk of increased vulnerability to gender-based violence.

The *National Gender Equality Policy (2015-2019)* aims to provide a strategic framework for government, donors and civil society to address these issues within a coordinated and coherent approach. Four Strategic Areas for concerted action have been identified: a) Reducing Domestic and Gender Based Violence; b) Enhancing

³² Analysis draws from data in the *National Gender Equality Policy 2015-2019*, pp. 8-9 (Republic of Vanuatu, 2015).

Women's Economic Empowerment; c) Promoting Women's Leadership and Equal Political Participation; 4) Building a Foundation for Gender Mainstreaming. With the launch of the policy, there is now an expectation that all donor-supported investments will mainstream gender equality throughout implementation, demonstrating alignment with the objectives of the Strategic Areas and ensuring mechanisms to measure contribution to their achievement.

Within the skills system itself, women make up a sizeable proportion of the workforce. However, there are very few providers with female managers or heads of departments. Most women are either trainers or working in administrative or support roles. The lack of access for women to leadership and management positions with training providers, TED and the VQA results in limited opportunities for them to contribute more broadly to the strategic development of the skills system, thereby limiting reflection of the perspectives and experiences of women in the Vanuatu context in the implementation of the skills system.

3.4.2 Disability inclusion

The *2009 Vanuatu National Population and Housing Census* found that 12 per cent of the population reported having a disability, with a higher rate of disability reported for females than males. Vanuatu ratified the Convention on the Rights of Persons with Disabilities in 2008, and subsequently developed the *Disability Policy and Plan of Action 2008 - 2015*, which established a national governmental disability coordination mechanism through the creation of the Disability Desk within the Ministry of Justice and Community Services. The draft *National Disability Policy 2016 – 2022* highlights education, training and employment as critical priority areas for action.

Inclusive education and training is a relatively recent concept in Vanuatu, with the MoET endorsing the *Inclusive Education Policy and Strategic Plan 2010 - 2020* in 2011. This policy promotes disability inclusion within primary and secondary school, but does not refer to post-school education and training. Thus, sitting alongside this, is the recently released *National Disability Inclusion Policy for the TVET Sector 2016 – 2020*, developed with the support of the Program and informed by the success of the Skills Centres in increasing the participation of people with disabilities in the skills sector.

Analysis conducted by the Program has shown that a range of factors have been found to prevent successful participation, including³³:

- Limited access to transport,
- Low confidence and awareness amongst people with disabilities,
- Low literacy and numeracy skills,
- Stigma and discrimination,
- Limited access to resources, including appropriate technology,
- Low capacity of trainers, and
- Inaccessible built environment.

The *National Disability Inclusion Policy for the TVET Sector* policy specifically aims to address these factors with a focus on a) strengthening training providers to enable the provision of institutional and decentralised skills development training that is inclusive and accessible; b) upgrading and implementing pre-service and in-service professional development for trainers to deliver disability inclusive training; c) awareness raising and support activities which encourage the participation of people with disabilities in training and subsequent employment/self-employment; d) funding support for reasonable accommodations to support increased participation; and d) monitoring and evaluation at a national level of policy implementation.

Women with disabilities reportedly face particular, additional challenges, including more deeply entrenched assumptions of what they are or are not capable of, less access to education opportunities than men, and higher risk of gender-based violence, yet very limited access to appropriate health services or justice processes. Limited access to education may mean that women with disability may be less likely to have literacy and financial literacy skills. Geographic location may well be expected to present an additional barrier, with women with disabilities from rural and remote geographic locations even less likely to have access to support services. These issues further restrict the participation of women with disabilities in conventional skills development activities, and may also expose them to risks which must be identified and mitigated.

Coordination between disability stakeholders has improved in recent times with the establishment of the

³³ *Vanuatu TVET Sector Disability Inclusion Strategy 2014 – 2016* (Vanuatu TVET Sector Strengthening Program, 2014).

Oxfam-supported Vanuatu Civil Society Disability Network, of which the program is a key member alongside other key organisations including the Vanuatu Society for People with Disabilities (VSPD) and the Disability Promotion and Advocacy Association (DPA). Provincial coordination of disability inclusion efforts has been improved with Skills Centre support, leading to the establishment and strengthening of Provincial Disability Committees.

3.5. Australian aid context in Vanuatu

In conjunction with the policy context of the GoV, Australian Government aid priorities, including those focused on women's empowerment³⁴, disability inclusion³⁵, and sustainable private sector development³⁶, provide the strategic framework for ongoing Australian support to the skills development sector in Vanuatu. Specifically, *Priority 4 – Skills for Prosperity* in the *Strategy for Australia's Aid Investments in Education 2015-2020* is strategically important; its emphasis is on flexible learning pathways to enable access to market-oriented training for improved entrepreneurship/employment, as well as quality assurance and qualification recognition for enhanced employment mobility. The recently released *Skills for Prosperity in the Australian Aid Program – Investment Guidance Note*³⁷ is also of significance as it, a) indicates evidence-based strategic directions for skills initiatives – e.g.: elevated consideration of the informal economy; flexible, 'blended' delivery approaches; rigorous validation of skills demand; need for sustainable financing models and b) uses the Program to provide good practice lessons for wider application across the aid program³⁸.

This latter point confirms a Phase 4 design approach which builds on and expands Program strategies and models to date and positions the Program as key contributor to, and reflection of, the emerging GoA *Pacific Education and Skills Development Agenda* and 'step-change'³⁹ currently underway; at the heart of the Program is the development of a national system that can deliver the skills required for local private sector growth, but also facilitates the recognition of these skills for increased education pathways and regional labour mobility.

The Program will specifically support Objective 1 of Australia's *Aid Investment Plan* for Vanuatu – 'building resilient infrastructure and an environment for economic opportunity by a) partnering with the private sector to facilitate growth and identify income and employment opportunities – particularly for women – in key sectors such as tourism and agriculture; and b) supporting Vanuatu to better align skills development with priority economic areas through skills training and university scholarships, with a specific focus on opportunities in the informal sector, and assisting transition to the formal sector where possible'⁴⁰.

Consideration of other GoA skills/employment related activities in Vanuatu is also necessary to ensuring a coherent and resource-maximised investment to the sector. The *Australia-Pacific Technical College* (APTC) is currently in a redesign phase, but it is likely that it will continue to be a major player in both the provision of industry-led course delivery and the strengthening of national training providers. The common objectives of both programs in their new phases, namely national skills system strengthening, provide an opportunity for more formalised collaboration in terms of defining pathways between Skills Centre clients and the APTC, as well as coordinated efforts in building the capacity of the national provider, the Vanuatu Institute of Technology (VIT).

In addition, the Program's focus on enabling access to skills and business development support will complement the GoA *Seasonal Worker Programme* (SWP). Participation in Skills Centre activity, both pre- and post- SWP engagement can improve the supply and skill quality of seasonal workers, as well as improve reintegration processes that will support workers to use their new skills and savings for productive, small business activities, including potential further training opportunities. With regard to small business development support, the GoA has initiated a number of mechanisms available to strengthen capacity of the local private sector in Vanuatu and the wider region. These include the *Pacific Investment Facility*, the *Business Partnerships Platform* and *Pacific Rise*, with which the Program has commenced exploring potential collaboration opportunities for Skills

³⁴ *Gender Equality and Women's Empowerment Strategy* (DFAT, 2016a).

³⁵ *Development for All 2015 -2020: Strategy for strengthening disability-inclusive development in Australia's aid program* (DFAT, 2015b).

³⁶ *Strategy for Australia's Investments in Private Sector Development* (DFAT, 2015c).

³⁷ *Skills for Prosperity in the Australian Aid Program – Investment Guidance Note* (DFAT, 2016b).

³⁸ *ibid.*

³⁹ *The development benefits of expanding Pacific access to Australia's labour market* (Berkelmans et al, 2016).

⁴⁰ *Vanuatu Aid Investment Plan 2015-16 – 2018-19* (DFAT, 2015d)

Centre clients.

It is also highly likely that the Australian Government will continue another phase of investment of its *Governance for Growth* (GfG) program in Vanuatu, dependent on the outcome of the current review and re-design. GfG is focused on generating broad-based economic growth and improving service delivery through good governance. This provides an opportunity for enhanced macro-level, cross-sectoral support to similarly economic growth focused bilateral activities, such as the Program.

Program implementation will also be informed by the collaboration with DFAT's *Pacific Women* initiative, with the agreed priority areas as articulated in the 2016 - 2019 implementation framework (see Section 5.5.). The link between women's empowerment and a skilled and competitive workforce has also been emphasised in the *Skills for Prosperity Investment Guidance Note*⁴¹. Key focus outcomes for *Pacific Women* comprise:

- Women, and women's interests, are increasingly and effectively represented and visible through leadership at all levels of decision-making.
- Women have expanded opportunities to earn an income and accumulate economic assets.
- Violence against women is reduced and survivors of violence have access to support services and to justice.
- Women in the Pacific will have a stronger sense of their own agency, supported by a changing legal and social environment and through increased access to the services they need.

DFAT's Disability Inclusive Development Fund (DIDFund) aims to support the implementation of its strategy, *Development for All 2015-2010*⁴², through strengthening disability inclusion within aid investments, building evidence for good practices, and enhancing staff capacity to be more inclusive. A successful recipient of this funding, the Program will utilise DIDFund grants to progress *Development for All* objectives, which include improving the quality of life of people with disabilities in developing countries by:

- enhancing participation and empowerment of people with disabilities, as contributors, leaders and decision makers in community, government and the private sector,
- reducing poverty among people with disabilities, and
- improving equality for people with disabilities in all areas of public life, including service provision, education and employment.

Phase 4 Implementation will also take account of DFAT's climate change policy and objective to deliver climate resilient development across the investment portfolio. Support for integrating climate change will be accessed through the Pacific Climate Change Support Unit, including assistance in assessing risks and opportunities for building resilience and accessing specialist expertise if required.

Arguably of most importance to the enhanced partnership focus of the new phase of investment of the Program is DFAT's overarching policy for the Australian aid program – *Australian aid: promoting prosperity, reducing poverty, enhancing stability*. This policy clearly emphasises the requirement for donor investments that are more "nimble and catalytic" which serve to "unleash local drivers of development", under the leadership and policies of national institutions and reform-makers. It is clearly recognised that aid can no longer be a one-way 'donor-beneficiary' relationship, but rather there is an urgent need for "mature development partnerships – based on principles of mutual accountability"⁴³.

⁴¹ *ibid.*

⁴² DFAT, 2015b.

⁴³ *Australian Aid: Promoting Prosperity, Reducing Poverty, Enhancing Stability* (DFAT, 2014).

4. Investment Description

4.1 Problem specification

Synthesising from the analysis above, the overarching problem underpinning the Program Logic is:

Lack of effective coordination, GoV investment, and training provider capacity limits equitable access to demand driven skills training, and inhibits inclusive economic growth and sustainability of the skills system

As validated by a number of evaluations during previous phases⁴⁴, the Program has contributed to measurable economic growth outcomes at both individual and sectoral levels – particularly in the local tourism industry - while providing significant support to the development of the national skills system. However, as detailed above, there is a need for the recognised good practice models established by the Program – around flexibility, relevance, quality and inclusion - to be integrated at a more comprehensive level within training providers. The sustainability of Program’s contributions to date to skills system development on both the ‘supply’ and ‘demand’ sides also needs to be assured by increased investment at the a) system management level and b) productive/private sector level. This relates to financial and human resourcing, and coordinated planning, implementation and monitoring. The problem analysis also reflects the conclusions by senior GoV stakeholders at the final Phase 3 Strategic Advisory Group Meeting in their analysis of the ‘Skills System Sustainability Matrix’⁴⁵.

Linked to this, the *Independent Evaluation* directed the Program to address the following specific problems:

- i. Continuing system reform is needed, particularly with regard to system financing; Program contributions are to be conditional upon measurable contributions to system reform from the GoV.
- ii. Skills system coordination mechanisms require improvement, particularly at the national level.
- iii. Sectors outside of tourism and their respective GoV departments have not sufficiently worked with the Program; sector-based strategies based on the successful ‘Skills for Tourism’ initiative and its value chain approach should be implemented.
- iv. Private sector engagement within the system needs to be broadened and deepened; the Program should further model how private sector participation, including as training providers, improves system development.

4.2 Program Logic and Theory of Change

Based on analysis of the strategic context, lessons learned from implementation to date, and explicit recommendations made by the *Independent Evaluation*, a new Phase 4 Program Logic has been developed.

Given there are now clear GoV policy settings for further development of the national skills system as articulated in the National PSET Policy, the Program Logic reflects the goal and framework of this policy. In addition to ensuring the Program is coherent with, and focuses its contribution to, national priorities, this alignment will assist the GoV to monitor progress against these priorities and promote accountability for results.

The Program Logic explicitly emphasises the overarching inclusion agenda of the GoV, as highlighted in the NSDP and in line with both the gender equality mainstreaming directives of the *National Gender Equality Policy* and the new *Disability Inclusion Policy for the TVET Sector*. The Program Logic also embeds the anticipated outcomes of the additional collaboration arrangements with *Pacific Women* and DFAT’s Disability Section to enhance women’s empowerment and disability inclusion, agreed by DFAT to be delivered through the Program. Additionally, it integrates GoV and DFAT’s priorities for climate change resilience and sustainable development across the economy.

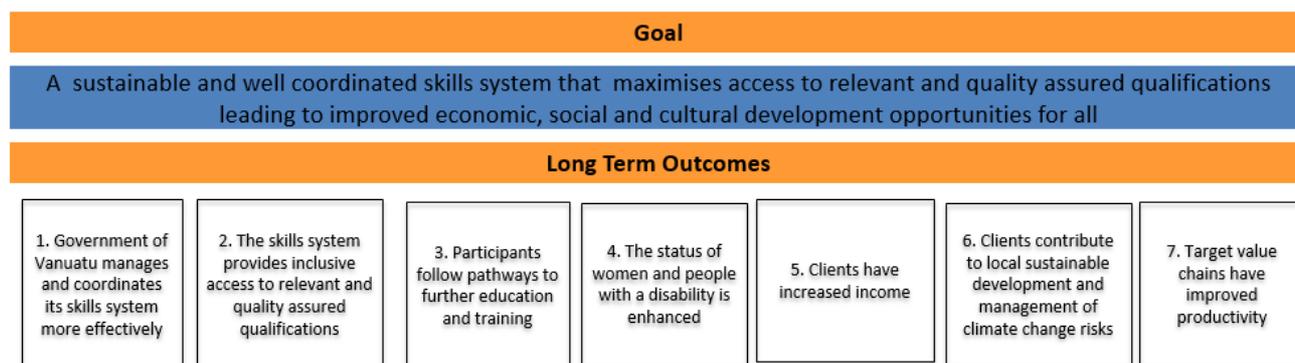
Activity will be intentionally organised across three Priority Areas, reflecting the three PSET Policy ‘functional dimensions’ of ‘Strategic Direction’, ‘System Oversight’ and ‘Service Delivery’. This will enable the Program to

⁴⁴ *Vanuatu TVET Sector Strengthening Program - Strategic Review* (Schofield, 2010); *Vanuatu Case Study of Women’s Economic Empowerment* (DFAT, 2012); *TVET for Tourism Phase 3 Final Evaluation* (Vanuatu TVET Sector Strengthening Program, 2015a); *Vanuatu TVET Sector Strengthening Program Phase 3 M&E Final Evaluation* (Vanuatu TVET Sector Strengthening Program, 2015b).

⁴⁵ The Sustainability Matrix is a mechanism developed by the Program through which senior skills system stakeholders assess the progress of system reform at the 6-monthly Strategic Advisory Group meetings.

continue with its acknowledged successful ‘joined up’ approach to system development. The ultimate indication of success across each of these areas, will be achieving economic and social prosperity through improved skills development. Outcomes are therefore focused on a) achieving economic and social changes through innovative approaches to skills development – in target sectors through the Skills Centres - while simultaneously b) influencing reform of the skills system and embedding successful approaches to ensure these outcomes can be locally sustained and c) mainstreaming gender equality, disability inclusion and climate change adaptation across all areas.

The high level of the Program Logic is shown diagrammatically below. The full Program Logic is included at Annex 6.1.



The Long-term Outcomes (LTOs) are intended to contribute to the overarching inclusive growth objectives of the governments of Vanuatu and Australia as outlined in Section 3, including:

- the development of local entrepreneurship and the local private sector;
- promotion of social inclusion, with a focus on economic empowerment for women and people with disabilities;
- the facilitation of flexible training and employment pathways domestically and regionally;
- a systems approach, with the skills development system as the vector for economic growth, to ensure sustainability of the investment.

The mainstreaming of inclusion and locally-driven leadership, working ‘with the grain of local custom’, across all Program activity is a foundational commitment stated in the Program Logic. This reflects the explicit Melanesian values of the NSDP. Detailed alignment of the Program’s logic with the NSDP and anticipated contribution to its objectives is demonstrated at Annex 6.8.

From a global perspective, the outcomes of the Program will ultimately support Vanuatu’s contribution towards the UN’s Sustainable Development Goals, particularly the targets associated with the following specific Goals:

- By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university (4.3)
- By 2030 substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship (4.4)
- By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations (4.5)
- By 2020, substantially reduce the proportion of youth not in employment, education or training (8.6)
- By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through ... knowledge, financial services, markets and opportunities for value addition and non-farm employment (2.3)
- Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning (13.3).

The Program Logic recognises that there are a number complex political, systemic, and cultural factors outside of the Program’s direct control that will influence the Program’s capacity to achieve the LTOs. While the Program itself will develop strategies to influence these factors, they will need to be monitored in order to inform an evolving understanding of the political context so that resources, relationships and common interests

can be leveraged to contribute to change. Key influencing factors include:

- MoET/VQA/training provider appetite for reform
- Industry and productive sector engagement
- Business enabling environment and macroeconomic conditions
- Government commitment to an inclusive growth agenda, based on good governance and budgetary transparency
- Cultural and societal attitudes around gender equality and people with disability

Given this complex and evolving environment, the assumed logical sequence of the initiatives to contribute to the achievement of the Program goal will be continually adjusted. Adjustments will be informed by ongoing critical thinking about the contextual conditions that influence implementation, the motivations and contributions of stakeholders and other actors, and the different interpretations about how and why that sequence of change might come about⁴⁶. Importantly, the activities and outputs included in the Program Logic are indicative only. In line with progressive research on the nature of development interventions that are in effect about bringing about structural reform⁴⁷, implementation will continue to reflect the evolving priorities and ideas of local actors. Instead of pre-determined linear processes, experimentation and innovation in trialing activities to achieve agreed desired outcomes will be encouraged. As highlighted in the *Independent Evaluation*, a key factor of Program success to date has been its flexible approach and ‘opportunity-responsiveness’. Results of this experimentation will be captured through feedback loops supported through the Program’s Monitoring, Evaluation and Learning system (see section 5.3), with the Program Logic being used to regularly test assumptions and adapt strategies and activities so that workable solutions can be scaled up and unsuccessful strategies discarded.

4.3 Phase 4 Priority Areas

4.3.1 Implementation approach

In its support for the three ‘functional dimensions’ of the National PSET Policy - Strategic Direction, System Oversight and Service Delivery – the implementation approach is premised on an enhanced mutual accountability model with the GoV and other key sector stakeholders. Given the stated commitment of the GoV to achieve its PSET policy goal by 2020, the roll-out of Program support to the ongoing development of the national skills system - including the network of Skills Centres - will be conditional upon measurable progress by the GoV towards agreed system reform and resourcing objectives⁴⁸. The partnership focus of the investment underscores the critical shift from the Program being perceived as a disburser of funds to a mechanism that facilitates and brokers domestic processes of change⁴⁹. Program funds and resources will in this way be used to enhance collaboration between stakeholders and to leverage their contribution into a coordinated and sustainable national skills system.

4.3.2 Priority Area 1 - [Strategic Direction](#)

Ref: PSET Policy: i) [setting a strategic direction](#), ii) [prioritising a demand led approach](#), and iii) [strengthening critical coordination](#)

, Activity under this Priority Area will contribute to:

- a) Identifying demand in priority sectors
- b) Efficiency and diversity of skills system resourcing
- c) Skills system coordination

Identifying demand in priority sectors

The Program will work with key productive sector departments to identify priority economic growth opportunities that can be maximised by targeted skills development through the Skills Centres. In line with the recommendation of the *Independent Evaluation*, the Program will broker and enter into formalised **Sector Partnerships** with these departments - based on the ‘Skills for Tourism’ model and the existing partnership

⁴⁶ *Review of the Use of Theory of Change in International Development* (Vogel, 2012).

⁴⁷ *Escaping Capability Traps through Problem-Driven Iterative Adaptation* (Andrews et al, 2012).

⁴⁸ This is in line recognised progressive development assistance approaches, including ‘Cash on Delivery’ (COD) aid, promoted by N. Birdsall and the Centre for Global Development. See Birdsall et al 2010).

⁴⁹ *Getting Real about Politics – From Thinking Politically to Working Differently* (Rocha-Menocal, 2014).

mechanisms established with the Department of Tourism. Partnership Implementation Frameworks (PIF), will be developed with inputs from national and provincial officers of the respective sector – the latter as members of the PGTBs. These PIFs will articulate the priority areas for joint activity between the Program/Skills Centres and the respective department. The PIFs will be initially targeted to small-scale priority areas to be funded through the Program’s Skills Development Fund, which could be scaled up in the event outcomes are achieved. Work-plans for each province and associated budgets will be developed to support program implementation. The existing provincial Skills Development Plans will continue to provide broad guidance on skills demand identification, but the PIFs will specify in greater detail strategic entry points and inputs, informed by more recently developed locally-led planning, and emerging opportunities.⁵⁰ In addition, unlike the sector-specific provincial Skills Development Plans, the PIFs will promote cross-sector linkages, with the different sectoral PIFs collectively supporting each other.

The application of a value-chain approach will be at the heart of these partnerships⁵¹. This approach recognises that if sustainable economic growth is to be achieved: a) skills provision must be coordinated within a range of other inputs and strategies, particularly those focused on market access; and b) there must be coordination between sectors to enable recipients of skills provision to value-add to their production. Therefore, while skill development activity will be a large component of the PIF, attention will also be directed to addressing other barriers/issues that include, in addition to market access, access to capital, legislation/policy change requirements, transport/logistics, climate change and Do No Harm considerations.

Key criteria in the development of the PIFs include⁵²:

- Validated significant demand/market
- Partner GoV department co-contribution
- Potential for small-scale model expansion
- Potential for transition from informal to formal operations for skills development recipients
- Linkages with existing initiatives and cross sector PIF collaboration
- Balance between community development and large private sector/export initiatives

Once the content of the PIFs has been agreed with departmental officers at provincial and national levels, a formal Memorandum of Agreement will be signed between the respective department at Director General level and the Program’s Director, under which each PIF will sit. Associated sector-specific M&E plans will then be collaboratively designed with the relevant provincial and national officers. The M&E plans will have clear targets in line with the outcomes of the Program Logic and consistent with each department’s measurement and reporting requirements.

PIFs currently under development include:

- Skills for Tourism – led by the Department of Tourism
- Skills for Handicraft – led by the Department of Industry
- Skills for Agribusiness – led by the Department of Agriculture
- Skills for Construction – led by the Department of Public Works

Identification of these priority sectors has been informed by the economic significance of Vanuatu’s tourism market to local prosperity and the cross-sectoral linkages and flow-on benefits that this market enables. Priority sectors have also been determined in light of the appetite of GoV stakeholders within key departments to increase productivity and entrepreneurship within their respective sectors and where there are leaders who have actively sought collaboration with the Program.

Another key driver is the identification of sectors that have high potential for the participation of disadvantaged groups. The PIFs will be pro-actively inclusive, deliberately prioritising opportunities for participation by women

⁵⁰ Recent examples include: new opportunities created by Carnival Australia deciding to sell Vanuatu-made handicraft products on board ships; Agri-tourism Plan of Action prioritising value-added agri-products for sale to tourists and in restaurants; Tafea PGTB determining focus on tours and activities to increase tourists’ length of stay; Mystery Island Port of Call determining removal of all Asian handicraft products.

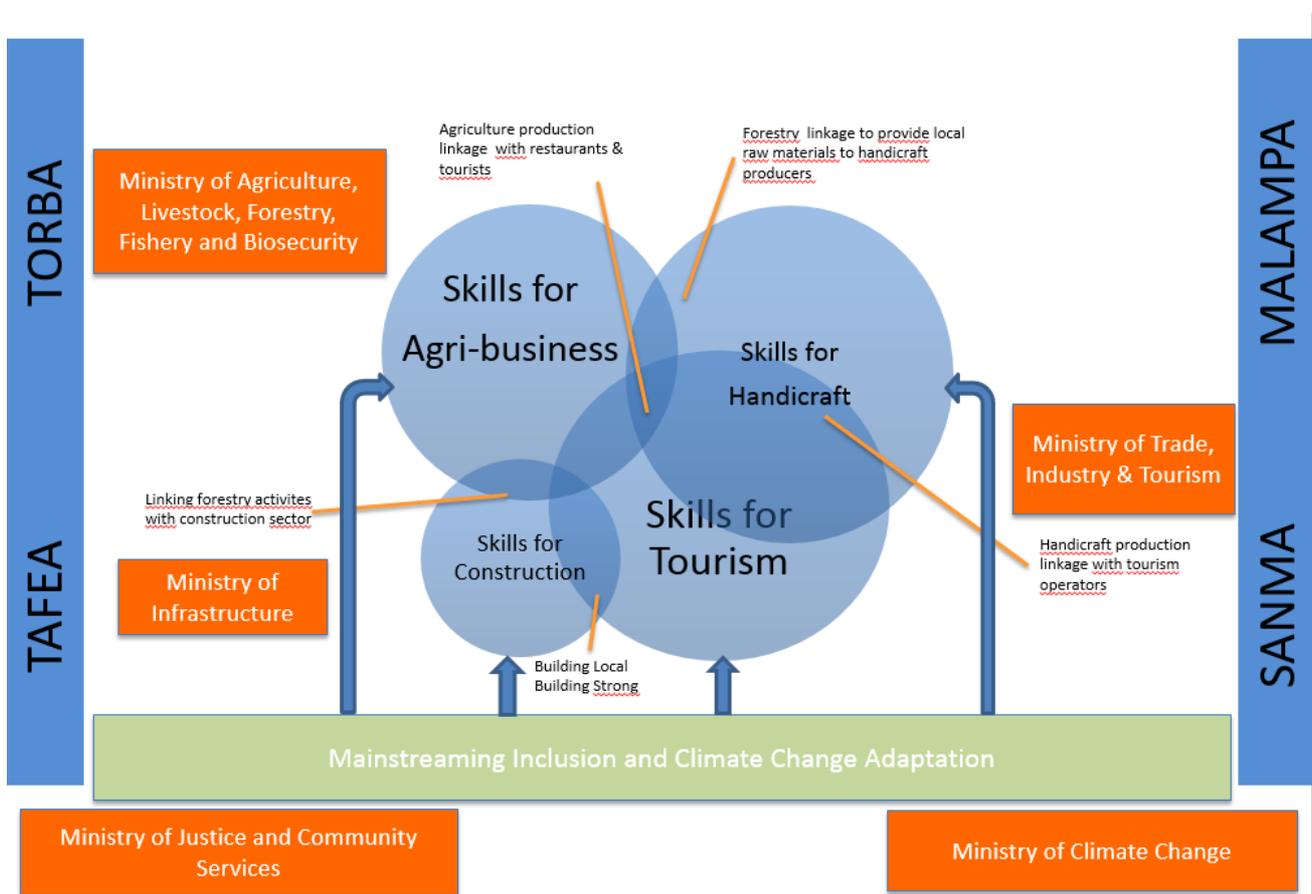
⁵¹ Following Schofield et al, 2015, a value chain approach enables small-scale producers to move beyond a resource provider function to value added production, with improved connections to markets and larger companies⁵¹.

⁵² Ideally, as many of the criteria will be met, with validated economic demand a sine qua non; however, it will be at the discretion of the implementation team and sectoral partners to agree to an initiative that may have strategic and economic importance while not necessarily meeting all criteria.

and people with disabilities⁵³. Partnerships will be developed in close linkage with government and non-government agencies representing the interests of women and people with disabilities, role modelling inclusive approaches and processes to other stakeholders in the sector, including donors. The ‘Skills for Handicraft’ initiative will involve the development of provincial Women’s Handicraft Centres in Tafea and Torba provinces, based on the successful Malampa Handicraft model, in close partnership with the Department of Women’s Affairs and the Department of Industry.

The target sectors are also those which are climate-sensitive and attention will therefore be directed to the mainstreaming of climate change resilience support across all PIF implementation. This will involve collaboration with SPREP and the Ministry of Climate Change to strengthen climate information across the target sectors, and exploration of options to develop proposals for regional climate change donor funding windows linked to each sectoral PIF. Entry points already identified to be built upon include the Program’s work with the Department of Agriculture to introduce farmers to climate resilient crops, as well as its collaboration with the Department of Energy to introduce the use of solar lighting as an alternate energy source to reduce carbon emissions caused by diesel generators in remote rural areas.

The integrated nature of these sectors, as well as an indication of their relative importance in each of the Skills Centre provinces is illustrated by the diagram below⁵⁴. The diagram also highlights inclusion and climate change mainstreaming across all PIF planning and activity.



Importantly, the authentic nature of the partnership between the Program and each department will be reflected in collaborative reporting on PIF implementation through the Skills Centres. This includes a bi-monthly progress report for each sector PIF jointly prepared and distributed to provincial and national counterparts by the Skills Centre Manager and the respective departmental provincial officer.

Efficiency and diversity of system resourcing

Formalised co-contribution arrangements with partner government departments will be a feature of the new

⁵³ Gender equality and women’s economic empowerment in agriculture – Operational Guidance Note (DFAT, 2015d).

⁵⁴ The relative size of each circle reflects the estimated proportion of SDF expenditure.

Phase 4 mutual accountability approach. The PIFs, and the overarching MoAs, will specify the co-contributions – financial, in-kind, and human resources– to be made by government (national/provincial), the Program (through the activity of the Skills Centres and the Skills Development Fund budget) and potentially other partners to support implementation.

These co-contribution arrangements are in the process of being negotiated which aim to provide scalable models for more sustainable resourcing for skills development. These include:

- Dedicated departmental personnel in each Skills Centre province allocated to PIF implementation, as active members of the respective PGTB, with a specific focus on monitoring and supporting client/business development.
- Provincial and/or national departmental budget contribution to fund the costs of skills development activities. This includes logistic costs – e.g. transport costs – as well as potential contribution to the Program’s Skills Development Fund to assist with payment for training provider services.
- Development of Public-Private-Partnerships (PPP) with private sector companies with a stake in improved sectoral productivity, such as Telecom Vanuatu in the tourism sector.

The identification of PPPs, with a specific focus on improving market access is important for ensuring that: a) skills development provided through the Skills Centres, is part of a holistic plan for provincial economic development within a sector and b) scarce resources are maximised for optimal outcomes, with clear demarcations between each partner’s added value and contribution.

At the end of each year of PIF implementation, an assessment of progress in the agreed areas of activity, in line with the M&E plan, will be conducted, with a specific focus on agreed targets and the resource contributions of all parties.

Skills system coordination

The PIF development process will assist improved skills system coordination on the demand side as productive sector departments are supported to better prioritise, manage and coordinate the range of inputs and resources available for improving sector productivity. The process of identifying priority economic opportunities at the provincial level, and the resources required to maximise these, will also be an important mechanism for fostering coordination between provincial and national levels of government, and supporting the GoV’s decentralisation agenda. Tracking of PIF implementation progress at the national level through the Skills Partnership Steering Committee (see Section 5.1) will provide a regular forum GoV strategic planning and collaboration across key departments and between provincial and national levels of government.

At the provincial level, the PGTB will continue to be the main counterpart structure for PIF implementation, and the cross-sectoral nature of the PGTB will support harmonisation across the different PIFs. The Program will support PGTB officers in their strategic coordination role through a suite of management training activities. This initiative, already successfully implemented with the Department of Tourism, will bring together the national and provincial department officers who have management and operational responsibility within the target productive sectors and for PIF implementation. Key focus areas for this training will include project management, KPI development and monitoring and evaluation. The trainings will focus ensuring that the methodologies and tools used to implement the PIFs are integrated within departmental processes and shared coherently and collaboratively across offices nation-wide. It is also likely that this capacity building support will include participation in units/clusters from an appropriate internationally-recognised Management and Leadership course offered through the APTC. Not only will GoV officer participation in such a capacity development program provide a ‘leveragable’ incentive opportunity when negotiating sector co-contributions as part of the PIF/MoA preparation process; the involvement of officers across target sectors in an ongoing program of applied learning will foster on-the-job collaboration, strategic relationship-building, sustainability of new methodologies, and strengthening of the PGTB as the primary skills development advisory, planning and coordination mechanism within the skills system.

The PIF development process will also aim to improve donor coordination in the target sectors. The Program is currently in the process of brokering handicraft-sector related collaboration with the New Zealand Aid Programme as part of the PIFs with the Departments of Tourism and Industry. Similarly, opportunities for coordination between the Program and the European Union’s 11th EDF National Indicative Programme targeting rural development in Vanuatu are being explored in the development of the PIF for Agri-business. The

PIFs will also be used to improve coordination with other DFAT initiatives, for example, through focus on the enhanced agriculture skill needs of returning seasonal workers as well as potential skill support for workers' families⁵⁵, and building on PHAMA's work to date in the creation of a local bio-security framework for improved handicraft trade. There is potential also for engagement with DFAT's regional climate change program, Pacific Risk Resilience Program (PRRP), to leverage synergies in climate change adaptation in key sectors.

The strategy of prioritised and formalised Sector Partnerships will also assist the Skills Centres to coordinate and rationalise resources in a context where the Skills Development Fund in Phase 4 needs to service Skills Centres in four provinces. This is a shift from previous phases of the Program which aimed to provide maximum access to skills opportunities across a wide range of geographic, sector, and demographic groups. However, it should be emphasised that the same flexible and adaptive approach that has characterised the 'Skills for Tourism' initiative will continue, whereby the annual work-plans will be iteratively revised documents with the flexibility to exploit new opportunities as they appear. Similarly, should a specific economic opportunity emerge within a Skills Centre province that is not covered by the currently planned PIF, there will also be scope for this to be incorporated into Program-supported activity. However, the fundamental principles of: a) validated likelihood that skills development support will lead to tangible economic outcomes; and b) co-contribution of resources to meet financial and personnel costs; will underpin sectoral planning.

4.3.3 Priority Area 2 – System Oversight

Ref: PSET Policy: i) efficiency and equity in funding, ii) relevant and reliable quality standards and iii) diversifying pathways for skills acquisition

Activity under this Priority Area will contribute to:

- a) Improved skills system management and sector financing allocations
- b) Increased diversity of providers, courses and delivery modalities
- c) Increased representation of women and their interests in the skills system

Improved system management and sector financing allocations

The Program will collaborate with the Tertiary Education Division (TED) of the MoET and the VQA to improve management of the skills system in line with the objectives of the PSET Policy and the PSET Policy Implementation Plan. As the Phase 4 Program Logic is directly aligned with the national PSET Policy and Implementation Plan, the overarching Subsidiary Agreement for Phase 4 with the MoET will specify the co-contributions of both the Program and the MoET to achieve the GoV's stated objectives. The primacy of the national PSET Policy and the PSET Policy Implementation Plan in the Phase 4 Program is critical for ensuring that Program investments for skills system management improvements will be sustained from within; it will also provide a platform for the Program to support reform-minded champions within government to make, at times, politically difficult, decisions⁵⁶.

A fundamental objective of the national PSET Policy is to ensure sustainable resourcing of a Skills Centre in each province under the TED. The PSET Policy indicates that by 2020 all Skills Centre positions will be paid by the MoET budget through the Public Service Commission. This transition of current Program staff from the Program (GoA) payroll to the MoET payroll not only cements structural reform of the national skills system with a sustainable model for provincial-level service delivery coordination; it is also leading to an injection of well performing, motivated civil servants into the GoV system which is building an internal coalition for change⁵⁷.

To expedite the transition of these Skills Centre position salaries to the MoET payroll, the Program will use incentive strategies which make ongoing Program support for the national skills system conditional upon this

⁵⁵ The need for increased focus on the social impact of SWP has been highlighted (see 'Labour Mobility Support Networks – It's Not Just a Seasonal Thing', *State, Society and Governance in Melanesia In Brief* (Bailey et al, 2016). The Program will explore linkages between the Skills Centres and newly created 'Strengthening Seasonal Workers Family Program (SSWFP).

⁵⁶ This is consistent with current research demonstrating the number of failed development interventions focused on change at the policy/systemic level, which are caused by the superficial adoption of externally-determined 'reforms' that change the way an agency may look, but not how it operates. Andrews et al. 2012

⁵⁷ While transition of all Skills Centre personnel to the MoET payroll by 2020 may be unrealistic given the slow progress since 2015, a revised timeframe enabling full transition by the end of the full DFAT investment period is considered feasible, based on current discussions with the DG MoET and with the support of performance payment incentivisation.

transition process. This will include making further expansion of the Skills Centre network and the Skills Development Fund into additional provinces conditional upon allocation of the agreed personnel salary budget. In addition, the Program will provide performance payments for progress in this aspect of structural resource reform. In this way the Program will work with the MoET to establish an agreed and realistic timeframe for the progressive transition of all Skills Centre position salaries, with linked performance payments for each agreed staff transition milestone. The performance payment can then be used by the MoET for wider implementation of the PSET Policy Implementation Plan. This results-based budget support incentivisation strategy is strongly advocated in current research on effective aid modalities in the Vanuatu context⁵⁸ and will clearly illustrate to the GoV the new level of mutual accountability required in this next phase of partnership with the GoA. The agreed timeframe for the transition of Program staff to payment by the MoET budget will be a key feature of the Subsidiary Agreement and will be reviewed annually as part of the annual GoA-GoV High Level Partnership Talks (see Section 5.1). The Program's Director, Strategic Adviser and PSET Policy and Systems Adviser would be able to assist as required with the drafting and negotiation of the Subsidiary Agreement.

In addition to influencing more effective human resourcing for the system, the Program will aim to influence improved funding efficiency more broadly. This will be through continuing to promote the models of co-contribution that it establishes through the Sector Partnerships and the economic returns on investments that targeted skill development is enabling. Given the wide-scale desire across the GoV for the Program to support the establishment of Skills Centres in both Shefa and Penama Provinces, the Program is a strong negotiating position to press for greater GoV investment into the Skills Development Fund to enable national coverage. Moreover, in light of the new national PSET Policy which provides a transparent framework for budgetary reforms, the Program will also consider supporting a discrete feasibility study into improved sector financing, drawing on lessons from the unsuccessful initiative conducted on this subject independently from the Program in 2014-15.

Progress as to the management of the national skills system in line with the PSET Policy Implementation Plan, which necessarily will also mirror progress towards the Program's Long-Term Outcomes, will be the primary focus of the six-monthly Skills Partnership Steering Committee (see Section 5.1).

Increased diversity of providers, courses and delivery modalities

As outlined in Section 3.3, there are long-standing bottlenecks within both the MoET and the VQA that have hindered the effective management of the sector. In addition to sector financing, these have also centered around blockages preventing the development of flexible skills system, particularly with regard to new provider registration, provider franchising and affiliation, and flexible delivery modalities –namely accreditation and delivery of short-course/skill-sets as part of broader qualifications. Increasing pathways 'in and out of training'⁵⁹ and access to skills certification is essential in achieving GoV/GoA objectives to further training and labour mobility opportunities. Flexible and inclusive assessment processes, specifically with regard to increasing the successful participation of people with disabilities in the skills system, are also required.

As a key strategy to address current system inflexibility, the Program will support capacity building and professional development for the members of the VQA Board - particularly senior GoV officers from the productive sectors with whom the Program has entered into Sector Partnerships. This professional development will focus on increasing members' understanding of their role and responsibility according to the PSET Policy, in particular their responsibility to exert pressure for reform on the both the MoET and the VQA. This is most urgently needed with regard to the VQA's registration and course development and accreditation processes, as well as its broader implementation of the PSET Policy. Importantly, members of the VQA Board will also be members of the SPSC which will increase their understanding of, and engagement with, key issues

⁵⁸ "The main problem (in Vanuatu) is not in the design of aid instruments or in the use or non-use of partner systems. It is the GoV's lack of prioritisation of its own revenues ... The constraints are not technical, but relate to the political economy of incentives for changed and improved performance ... A movement towards sector budget support (should be considered) ... that is conditional on progress ... in achieving agreed performance benchmarks". *The Scale and Modality of Australian ODA to Vanuatu 2012/13 to 2016/17 - Concept Note on Issues and Options*, (Foster, 2012, Overseas Development Institute). This is also in line with recognised progressive aid approaches, including "Cash on Delivery" (COD) aid, promoted by the Centre for Global Development (see N. Birdsall et al. 2010).

⁵⁹ This is a key emphasis of *Skills for Prosperity in the Australian Aid Program – Investment Guidance Note* (DFAT, 2016b) - to support 'second chance entrants' and lifelong learning opportunities.

and constraints in system reform.

The Program will also work with the MoET, VQA Board members and State Law Office to amend the VQA Act to reflect the new PSET Policy and the significant developments and challenges that have taken place within the sector since its legislation in 2014, including approval of the *National Disability Inclusion Policy for the TVET Sector* in late 2016 and the *National Language, Literacy and Numeracy (LLN) Framework* in mid-2017. The Program will use this amendment process to increase broad-based senior stakeholder engagement with skills system legislation so that they have a strong basis for system reform advocacy – particularly around increased flexibility and inclusive access.

Capitalising on the growing reform momentum and increased stakeholder buy-in, the Program will use its existing relationships with key personnel within the VQA and the MoET to specifically focus on improvements in: a) a greater diversity of providers and courses within priority sectors and b) greater flexibility for skill development pathways. This will potentially involve strategies for: facilitating the timely development and accredited skill sets in areas of high demand; mechanisms for certifying and upgrading trainer qualifications; integration of accredited LLN bridging courses; inclusive assessment policies and processes; pooled development and sharing of training and assessment resources; and the possibility of a formal association of training providers with a direct link to TED. The Program will be particularly responsive to the small, but promising, steps taking place that are enabling the development of collaborative arrangements between the larger national providers – Vanuatu Institute of Technology (VIT), Vanuatu Agriculture College (VAC) and Vanuatu Maritime College (VMC) – and the smaller Rural Training Centres (RTCs), including franchising agreements.

There is also opportunity to maximise the facilitation of skill development pathways in Vanuatu through closer and more formalised cooperation between the Program, the MoET and the next phase of the APTC. The APTC's enhanced focus on national system development and the Program's targeted partnerships with local training providers (see Section 4.3.4) in the delivery of demand-driven quality skills provides a synergy that should be harnessed through a formal tripartite MoU with the MoET and both programs. This will ensure that skills support through both Australian Government bilateral and regional investments is mutually reinforcing, complementary and in line with Vanuatu Government PSET policy. Joint program efforts on pathway development and promotion of access to nationally and regionally recognised qualifications will be important in supporting the 'step-change' in Australia's engagement in the Pacific as access to Australia's labour market will be facilitated by formalised skill certification.

As part of this collaborative arrangement, the Skills Centres will continue to promote pathways for further education and training through the engagement of registered local providers for non-institutional based delivery of accredited modular training aligned to priority demand. This approach, which enables trainees outside of urban centres to build qualifications over time, and through different institutions, will practically inform the development of a flexible skills system that facilitates recognition of skills and certification domestically and regionally, and supports employment mobility. The APTC/MoET/Program MoU should therefore strengthen coordination to increase the numbers of Skills Centre clients who, having completed units of accredited training by local providers, continue to higher level Certificate or Diploma courses at APTC and other regional institutions. Formal mechanisms for monitoring MoU achievements in system strengthening involving high level AHC representation should be part of this arrangement.

Increased representation of women and their interests in the skills system

The Program will continue to strengthen the capacity of the decentralised agencies for the national skills system – namely, the Provincial Government Training Boards (PGTBs) and the Skills Centres – with a particular focus on increasing representation of women and their interests within the system. The Program will work with the VQA to ensure that capacity building concentrates on improving functional performance, increasing member motivation and engagement, and lesson learning across provinces.

Specific strategies for identifying and promoting the leadership capacity of women in the management and oversight of the skills system will include:

- Capacity building for all Skills Centre personnel to promote women within the Skills Centre structure; regular strategic planning workshops bringing together all Centre personnel across all provinces to enable women to be seen as effective leaders, and targeted professional development programs, for example through the APTC.

- Supporting the leadership capacity of the women in the Program’s senior management team. It is expected that the Support Contractor (see Section 5.2) will identify appropriate professional development opportunities to achieve this.
- Working with the VQA and the Provincial Governments to increase the number of women on the PGTBs and providing targeted support to develop their confidence, skills and status.
- Actively promoting the engagement of female trainers, particularly in non-traditional trade areas, through the Skills Centres, and providing access to regionally recognised professional development.
- Providing reasonable accommodations to enable women with competing family/work/cultural responsibilities to take on professional leadership roles.

4.3.4 Priority Area 3 – Service Delivery

Ref: PSET Policy: i) enabling diversity and excellence in training provision, ii) fostering relevance in public training programs and iii) enhancing evidence-based accountability for results

Activity under this Priority Area will contribute to:

- Prosperity outcomes for Skills Centre trainees
- Mainstreaming gender equality, disability inclusion and climate change resilience
- Improved quality, relevance, and inclusion of training provider services at a systemic level
- Improved efficiency and sustainability of system resourcing

Prosperity outcomes for Skills Centre trainees

The Program will continue to focus on strengthening the operations of the Skills Centres to coordinate the delivery of targeted skills development services in line with demand, and financed through the Skills Development Fund. As discussed above, sector PIFs will, in the main, guide the services to be delivered through the Centres. Delivery will follow the integrated methodology developed in the Program’s Skills for Tourism initiative. This has proven particularly successful in a) achieving inclusive prosperity outcomes for individuals and businesses and b) modelling innovation in training delivery, particularly through greater flexibility and involvement of the private sector. The methodology is represented diagrammatically below:



The ‘blended delivery’ approach will be expanded through the engagement and upskilling of additional local industry coaches to work across new target sectors in conjunction with registered training providers. This strategy is proving effective in ensuring that both a) the skills and knowledge gained through formal accredited training are enhanced and sustained by customised business development mentoring delivered by industry experts; and b) formal training providers benefit from an injection of relevance and real-work application to their training delivery through a close working association with industry coaches with current expertise. The engagement and promotion of women as industry coaches through the Skills Centres will be prioritised.

As discussed in Section 4.3.2, the value chain approach will ensure that skills development is not conducted in isolation of other key inputs required for sustainable and resilient local private sector development, and employment outcomes. The Program will therefore continue, with its partner departments, to plan and deliver skill development services through the Skills Centres in collaboration with other donors, NGOs and private sector partners who are well positioned to provide complementary support. Examples of these types of collaboration already planned include:

- a) MFAT support for increasing access to retail outlets for handicraft producers skilled through the Skills Centres;
- b) French Red Cross employment of builders trained through the Tafea Skills Centre to implement their Cyclone Pam reconstruction contracts;
- c) Telecom Vanuatu support for the development of an on-line marketing/booking Call Centre in Tanna for local tourism businesses upskilled through the Skills Centres;
- d) New Caledonian chocolate manufacturer to partner with the Malampa Skills Centre to develop cocoa production to international organic standards; and
- e) Prime Minister Office’s direct appointment of the Tafea Skills Centre as the implementation agency to manage recovery funding to provide skills and materials for tourism operators to rebuild bungalows at higher quality standards post Cyclone Pam, with explicit consideration of climate change management;
- f) Collaboration with EU PACTVET project to coordinate accredited training programs in climate change resilience and sustainable energy in an integrated way across the focus sectors.

The Program will also capitalise on the availability of the aforementioned Australian Government funded business development initiatives in the Pacific, including the *Pacific Investment Facility* and the *Business Partnerships Platform*, to link entrepreneurs supported by the Skills Centres with potential financing sources and larger Australian firms with a social impact agenda⁶⁰.

Drawing from the proven ‘Skills for Tourism’ methodology, individuals and businesses receiving skills development through the Skills Centre will enter into a **Client Agreement** with the Centre. They will be selected through a rigorous validation process activity, based on the sector PIFs. Relevant PGTB members will play a key role in the selection process, supported by the Area Secretaries. Wherever possible this will build upon existing investments made through the Skills Centres to individuals and businesses where there are clear progress indicators. Reflecting a ‘client’ dynamic, engagement will be conditional on agreement to a comprehensive program of skills training and ongoing coaching – defined by the sector PIF - and with increased levels of participant accountability and contribution. Each participant in skills development activities will be required to enter into an agreement detailing co-contribution arrangements as well as requirements for the collection of performance measurement, monitoring and evaluation data.

Mainstreaming gender equality, disability inclusion and climate change resilience

Targeted efforts will continue to be made to engage women and people with disability in all Skills Centre service delivery, including the identification and addressing of barriers to their participation, and provision for reasonable accommodations.

To ensure that delivery of skills development through the Skills Centres continues to promote the participation of women and their successful involvement in entrepreneurial activity or paid employment, the Centres will be guided by the *Gender Equality Strategy for the Vanuatu Skills Centres* and will incorporate activities under the agreed Pacific Women activity framework (see Section 5.5). Reflection on and revision of the *Gender Equality Strategy* as a whole will take place on an annual basis, with the 2017-18 review to have an increased focus on

⁶⁰ This will also directly contribute to the objectives of the GoA’s *Economic Diplomacy Agenda* - <http://dfat.gov.au/trade/economic-diplomacy/pages/economic-diplomacy.aspx>

mainstreaming Elimination of Violence Against Women (EVAW) approaches throughout all aspects of Program implementation, as well as mitigation of potential ‘double burdens’ caused by women’s increased economic empowerment⁶¹. The Program will continue to liaise with, and draw from, ‘Do No Harm’ initiatives and research being conducted in other Melanesian contexts on the links and approaches to women’s economic empowerment and violence⁶². In this regard, the Centres will continue the strategy of engaging women’s primary male relations in skill development and business development activities. Working with male relations has proven to be a successful mechanism to reduce vulnerability to gender-based violence potentially caused by increased economic empowerment.

Disability inclusion, through the dedicated Disability Inclusion Coordinator, will be mainstreamed through all Skills Centre activity as an effective means of a) achieving *inclusive* growth outcomes and b) modelling to communities, training providers, and employers the productivity capacity and equal value of people with disabilities. The *Disability Inclusion Strategy for the TVET Sector 2014 – 16* will be reviewed, and a revised strategy which builds on gains towards disability inclusion in Skills Centres and is in line with the *National Disability Inclusion Policy for the TVET Sector* will be developed. Approaches to enable the identification of barriers experienced by people with different types of disabilities and strategies to address these will be developed and implemented through a) capacity development of Skills Centre staff and PGTB members and b) the review and redevelopment of partnerships with Disabled People’s Organisations, service providers and the Disability Desk at the Ministry of Justice and Community Services. Recognising the centrality of positive attitudes to successful disability inclusion, the revised strategy will focus strongly on working with local disability stakeholders to challenge stigma and promote and support inclusion at the community level (see Section 5.5 for more detail).

Mainstreaming climate change resilience through Skills Centre service delivery will be guided by the identified opportunities in the PIFs. To support the Skills Centres implement all activity in a climate-change sensitive way, the Program is in the process of engaging a full-time AVID climate change specialist volunteer, based at a provincial Skills Centre. He/she will work with all Skills Centre personnel, government departments, providers and private sector stakeholders to develop a *Climate Change Resilience Strategy for the Skills Centres* which will inform the annual updating of the PIFs.

Mainstreaming of gender equality, disability inclusion and climate change resilience through all Skills Centre service delivery will be supported by the Program’s internal and external activity reporting systems. At an internal level, the Sector Coordinator responsible on the Program side for PIF implementation, in consultation with each Skills Centre Manager, will prepare a bi-monthly ‘dashboard’ management report which requires specific reporting on all mainstreaming activities - in addition to targeted gender equality, disability inclusion and climate change interventions (in line with the Program’s ‘twin-track’ approach – see Section 5.5). This internal report will then inform the bi-monthly external PIF progress report for provincial and national stakeholders, with similar regular reporting against inclusion/climate change activities and outcomes.

Improved quality, relevance, and inclusion of training provider services at a systemic level

The *Independent Evaluation* assessed service delivery of skills development through the Skills Centres to be highly effective, but noted that the ‘Service Delivery’ priority area of the broader system was weak due to the poor performance of local training providers. This new phase, in collaboration with TED, will provide more targeted capacity building to selected providers – with a focus on those that have the potential to meet priority skill demands as outlined in the sector PIFs. Selected providers, which demonstrate a tangible commitment to a reform agenda, will be able to enter into a **Training Provider Improvement Agreement** with the Program. This will enable local providers to benefit from customised support to improve and innovate their training delivery for increased quality, relevance, flexibility and efficiency of their business model. Support will include funding institutional capacity building such as trainer/management training, VQA compliance assistance, resource development, training equipment and consumables support, and small scale facilities upgrades⁶³. The approach of small-scale modelling of key features of quality training – relevance, flexibility, access – will continue, with

⁶¹ *The Double Burden – the impact of women’s economic empowerment initiatives on women’s workload* (IWDA & State, Society and Governance in Melanesia, 2016).

⁶² In particular, *Do No Harm: Understanding the relationship between women’s economic empowerment and violence against women in Melanesia* (SSGM, ANU/IWDA, 2016).

⁶³ Facilitating change at institutional level among training providers, specifically improved inclusion, is a key focus area of *Skills for Prosperity in the Australian Aid Program – Investment Guidance Note* (DFAT, 2016b).

successful initiatives implemented with target providers communicated more broadly, and tools and products systematised within TED for wider application. The nature of support to be delivered to the participating local providers is represented diagrammatically below:

Skills for PSET Providers



The Training Provider Agreements will be formalised through a signed MoA between the Program and the respective provider and its Board, which will outline the contributions to be made by both parties. On the provider side a primary condition will be agreement to deliver training through the Skills Centres on an at-cost basis, as well as to provide access to QMS and M&E data. The focus on application of the provider's QMS and development of record-keeping databases in line with VQA requirements will assist providers to understand the critical elements of quality training delivery and also to use this data to inform their own continuous improvement processes. The Program will also ensure that respective QMS enhancements at the individual provider level inform and influence improvements of the VQA's own QMS. Moreover, and similar to the Skills Centre client agreements, an ongoing coaching approach will be adopted for provider capacity building. The MoAs will articulate desired improvement targets and monitoring timeframes, but these will be viewed as part of an iterative relationship between the provider and the Program as capacity is developed through a progressive and phased Quality Improvement Plan process. With regard to any potential partnership with VIT, it is highly recommended that this be addressed as part of the tripartite MoA with the APTC given the latter's focus on improving the quality of training delivery of this national provider.

In addition, a discrete fund will be available to assist training providers improve their capacity for disability inclusive skills development delivery in line with the *National Disability Policy for the TVET Sector*. This is possible through the Program's collaboration with DFAT's Disability Section and the grant awarded from the DIDFund. The Program's 'Training Provider Inclusion Improvement Fund' (TPIIF), officially launched by the Australian Minister for Foreign Affairs in collaboration with the Program in December 2016, will enable nationally registered training providers to identify and address barriers participation of people with disabilities in skills development opportunities. This will include tailored support to improve facilities, policies and processes (e.g.: enrolment and assessment), as well as professional development for trainers. DIDFund resources will support training providers to develop and implement Disability Inclusion Action Plans which address identified barriers to inclusion, followed by TPIIF proposals based on these plans. Proposals will be assessed by the TPIIF Secretariat, comprised of the Program's disability and skills supply staff, and a representative of the Ministry of Education and Training. Recommendations regarding TPIIF grantees will be provided to a TPIIF steering committee comprised of representatives of the Program, the MoET, Ministry of Justice, DPA, VQA and DFAT; this committee will endorse successful TPIIF proposals. A discrete, but integrated, monitoring and evaluation framework will be developed, as outlined in Section 5.3.

The Program will also work proactively with the Pacific Climate Change Support Unit to access expertise to support local training providers develop capacity in the delivery of practical climate change related skills in the target sectors, to manage risks and build resilience to the impacts of climate change. This will involve collaboration with the Ministry of Climate Change, NGOs, Live and Learn, to build upon progress to date with

selected RTCs.

Improved efficiency and sustainability of system resourcing

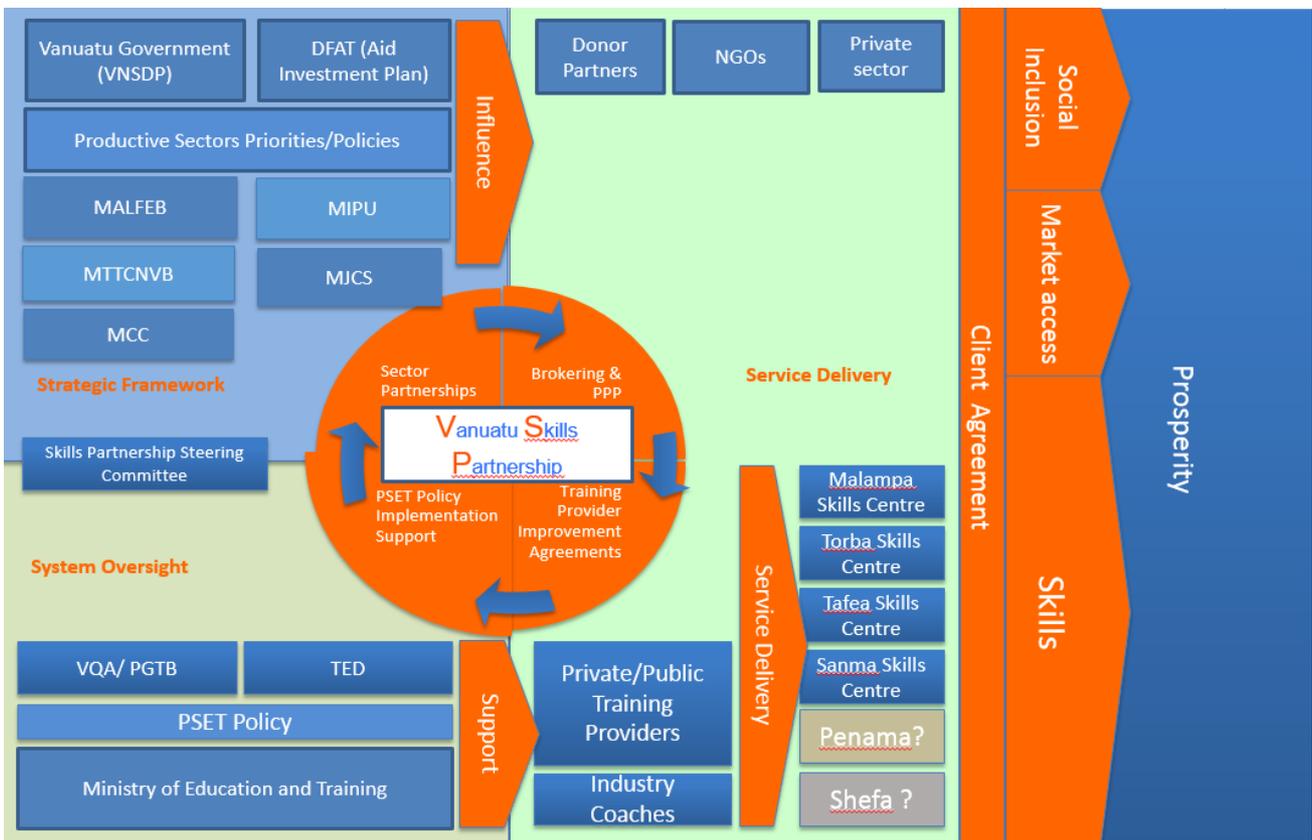
The Skills Development Fund (SDF), as the Program’s service delivery financing mechanism, will continue to be managed within strict governance and probity processes to ensure transparency and accountability of fund distribution. Robust contracting procedures to engage training providers and industry coaches for service delivery through the SDF will be refined and streamlined with the support of proposed increased contract management resources (see Section 4.4 – Resourcing). All agreements with providers will incorporate clauses to mitigate fraud and corrupt practices including strict disclosure and audit access requirements.

As SDF co-contributions to the SDF by a range of partners increases - specifically through the mutual accountability arrangements of the Sector Partnerships with GoV departments, brokering with private sector companies, other DFAT initiatives (e.g. Pacific Women/GfG/DID) - they will need to be incorporated efficiently into the Program’s financial management system. Importantly, processes will need to be in place that enable real-time reporting of how funds are allocated or earmarked and linked to M&E outcome reporting; this will be an important means of demonstrating – particularly to the GoV – how the SDF is functioning as a mechanism with low fiduciary risk for effective skills development financing nationally. In this way, the SDF will be actively promoted by the Program as a model for consideration in the widely discussed establishment of a National Training Fund.

4.3.5 Conceptual Framework – A Systems-based Partnership Approach

As articulated above, the Program is simultaneously aiming to ensure skills development leads to inclusive prosperity, while influencing reform within the national skills system, including greater engagement by the private sector for improved skills development outcomes. The co-contribution arrangements outlined above will be the Program’s focus on incentivising and influencing greater financial investment into the skills sector from a range of stakeholders including: Government, other donors, and the private sector (incorporating small business entrepreneurs).

A Concept Map of the proposed Phase 4 Program’s integrated implementation strategy is illustrated below:



In summary, the systems-based partnership approach aims to bring about the following changes between Phase 3 and Phase 4 of the investment:

Phase 3	Phase 4
Project-based Program Logic and M&E Framework .	Program Logic and M&E Framework aligned with national GoV policy and M&E plans.
Pacific Women and DIDFund Partnerships implemented and tracked outside of the Program’s mainstream M&E system.	Pacific Women and DIDFund objectives and activities incorporated into the Program Logic and M&E system.
No formalised agreement with the GoV for transition of Skills Centre staff salaries from the Program to the MoET budget.	Transition of Skills Centre staffing budget responsibly to the MoET to be formalised as part of the Phase 4 Subsidiary Agreement. Performance-based incentive strategies established and progress formally tracked as part of GoA/GoV High Level Partnership Talks.
Skills development services , apart from in the Tourism sector, delivered through the Skills Centres as isolated interventions.	All Skills Centre activity to be delivered as part of holistic sector plans, within a value-chain approach, drawing from the success and lessons of the ‘Skills for Tourism’ model.
Collaboration with productive sector department officers, apart from in the Tourism sector, is informal and inconsistent.	Formalised Sector Partnerships to be established with all relevant departments for the implementation of the GoV-driven sector plans. Partnership Implementation Frameworks (PIF) to clearly specify and quantify contributions by both parties to achieve improved sector productivity, with joint reporting and M&E responsibilities.
Market access initiatives developed opportunistically.	Market access facilitation activity planned and implemented as an integral part of all Sector Partnerships and Skills Centre activity.
No purposeful consideration of climate change mainstreaming through Skills Centre activity.	Climate change adaptation to be mainstreamed through all Skills Centre activity, along with gender equality and disability inclusion.
Broad-based training provider capacity building .	Targeted, coaching-based training provider capacity building with select providers meeting key criteria, in line with the sector PIFs, and to be implemented through an agreed Quality Improvement Plan.
No dedicated funding to support systemic-level improvements within training providers related to disability inclusion .	Training Provider Inclusion Improvement Fund established and implemented.
Project-based governance arrangement – the Strategic Advisory Group.	Skills sector-based governance arrangement – the Skills Partnership Steering Committee – with targeted capacity building for Committee members

	to increase accountability for sector reform by key agencies.
Project-based M&E system with Skills Centre results focused at output level.	As part of a new M&E system, Skills Centre results defined and measured at output and outcome levels and integrated into GoV sector productivity M&E systems.
No systematised M&E approach for tracking change within training providers.	New M&E system to track and measure systemic change within skills providers, and at the system management/policy level, with Program M&E data integrated into local systems.
Program Skill Development Fund primarily resourced through the bilateral DFAT Program budget.	Skills Development Fund to be promoted as a key mechanism within the skills system for effective skills development financing nationally – with earmarked contributions from GoV productive sector departments, private sector, and other donors.
Conventional Managing Contractor modality.	Reduced scope of Contractor, with a clear corporate support role. Technical responsibility to be carried by the in-county team and Strategic Adviser (reporting to DFAT) which reinforces locally-driven nature of the investment, and presents an improved value for money proposition.

4.4 Duration, Timing and Resourcing

Implementation of the Phase 4 Program is currently planned to commence at 1 July 2017 with a conclusion at 30 June 2020. Further extension of implementation may be considered dependent on progress made in the partnership and co-contribution arrangements for sustainable systemic reform and inclusive economic growth outcomes.

The Program’s organisational structure was approved by DFAT in the 2015-16 Annual Plan (see Annex 6.2). This structure will largely remain in the short to medium term, with an understanding that the Program will continue to work with the GoV to progressively shift Program funded positions that are now designated as part of TED (both at the national and Skills Centre level) to become GoV funded public service positions under the MoET. Numbers of staff to be transitioned in each Annual Plan period will be specified in the Phase 4 Subsidiary Agreement. An additional Contracts Officer, working under the Finance Manager, is recommended, in light of the expected increase of new partnerships and agreements requiring monitoring and management. The successful Skills for Tourism model of a dedicated National Sector Coordinator will also be applied to resourcing implementation for the additional focus sectors.

The Program Management team will be supported by a small number of short-term Technical Advisers (TA), funded through the personnel budget as named positions, as well as through a discretionary TA pool to respond flexibly to additional assistance requirements if and when necessary. Adviser inputs for the 2017-2018 Annual Plan period are included at Annex 6.3. As has been the practice of the Program to date, women will be actively supported to take on management and advisory positions within the Program to further model positive role models and gender equal power dynamics. The Program will continue to ensure that reasonable accommodations are provided to ensure women are able to participate fully in these positions through enabling family-friendly working environments, child care arrangements for breast-feeding mothers, and the facilitation of children to travel with mothers and fathers as appropriate. Additionally, all Program offices/Skills Centres will be disability inclusive, with adjustments provided as necessary to encourage equal employment opportunity. Professional development to enable all staff, and in particular women, to develop skills and confidence to take on increasing levels of responsibility and promotions within the Program will be provided.

Moreover, the Program will continue to emphasise the importance of contextual understanding, and relational skills and values in the recruitment of staff and technical advisers with an acknowledgement that technical skills are only one element of a successful development practitioner⁶⁴. Recruitment of technical assistance will prioritise candidates who have achieved demonstrable outcomes working in similar contexts through successful negotiation of the political economy, and who have positive and sustained stakeholder relationships. The Program will also continue to work closely with volunteer sending agencies, including AVID, Volunteer Service Abroad and Peace Corps, to facilitate the strategic placement of personnel in positions that will support the sustainable development of the national skills system, within a coordinated human resourcing approach.

5. Implementation Arrangements

5.1 Management and Governance Arrangements

A new Subsidiary Agreement for the Phase 4 Program will be developed for signing between the GoA Head of Mission and/or DFAT Counsellor and the Director General and the Minister, MoET. This Agreement will set out the fundamental mutual accountability principles of the new phase of partnership. Critically, the Agreement will establish the structural reform milestones in terms of Skills Centre personnel salary transition to the GoV and associated performance-based payments to further support skills sector reform activities in line with the PSET Policy Implementation Plan. The Agreement will also make clear that any expansion of the Skills Centre network and/or extension to the initial Phase 4 period will be conditional upon GoV financial investment into the sector – either in terms of TED/Skills Centre salary allocations or SDF budget contribution. The status of mutual investments to the sector, in line with the Agreement, will be discussed as part of the annual High Level GoA-GoV Partnership Talks, which will determine the level and nature of ongoing Program support, particularly any extension post 2020.

A Skills Partnership Steering Committee (SPSC) will replace the previous Program Strategic Advisory Group in line with the recommendation of the *Independent Evaluation*. It will receive 6-monthly progress reporting on the implementation of the Sector Partnerships and advise on strategies to address blockages and/or maximise results. It will also be the key mechanism for the GoV to track progress against the PSET Policy Implementation Plan, which will simultaneously reflect Program progress towards its Long-Term Outcomes. The Program will continue in the use of a system 'Sustainability Matrix' (or similar) as developed with the previous Phase 3 SAG to facilitate SPSC analysis of system reform, including areas of weakness and lack of traction. The SPSC will be a highly focused and strategic body with decision-making authority and ability to make concrete recommendations to address identified weaknesses, and identifying the agents responsible for action to address these.

The Committee will reflect current representation of the VQA Board – Directors General from the participating productive sector departments and the Moet – along with relevant personnel (at least Director or DG level) from the Ministry of Justice and Community Services including to ensure inclusion perspectives are addressed. The Program's Director and a DFAT representative will also be part of the Committee in light of the GoA-GoV partnership approach to sector reform. Particular care will be taken to avoid an all-male composition. Secretaries General from each Skills Centre province will be present to strengthen national/provincial coordination. The CEO VQA, Director TED, and Skills Centre Managers will also participate as observers, along with any relevant Program advisers and personnel.

Discussions and recommendations from the SPSC will interface with discussions and updates of the National Trade Development Committee (NTDC), which now considers the Skills sector – and the Program - to be playing a critical role in the broader national economic development agenda. The Program administration team will be the secretariat for the SPSC and will be responsible for ensuring all relevant progress/outcome reporting is available for these meetings. The Committee will meet quarterly. Importantly, and as discussed in Section 3.1, the Program's senior management team will continue to strengthen their personal relationships with members of the SPSC to address reform blockages, particularly those of a political/personality-based nature, through informal channels.

The Program management team responsible for implementation is outlined in the Organisational Structure at Annex 6.2. As indicated, the Senior Management Group is comprised of the Program's Director, supported by

⁶⁴ See DevPolicy Blog, N. Nixon et al, 'Partnering agreements: Effective relationship management in complex development programs' 23 May 2017.

the Operations Manager and the Finance and Administration Manager. The latter two positions are currently filled by women and it is critical that they are actively supported to further develop their leadership skills and to become highly visible positive role models. The Director will continue to be supported in management of the Program by his Strategic Adviser. The Adviser, in particular, will ensure alignment with DFAT priorities and reporting and communication requirements. The relationship will also continue to be a model of a positive gender-equal/cross-cultural dynamic.

The direct counterpart to the Program's Director will be the Director, TED, with whom he will meet on a regular basis to discuss Program progress and emerging issues across the skills system. Strong engagement between the two will be enhanced by the facilitation of joint professional development opportunities and ensuring that all Program service delivery reporting is made to both Directors. The Program will also build engagement with, and awareness of, the TED Director in important Program/Skills Centre activity through supporting his participation in regular monitoring visits and key events.

The Program's Director will also continue to engage with the DFAT Senior Program Manager (Education), with whom he will meet on a weekly basis to discuss Program operations, issues and strategies.

At the provincial level, the Skills Centre Managers will participate in regular management meetings with the respective Secretary General (SG), Provincial Planner and PGTB Chair, and the Skills Centres will continue to be the Secretariat for the monthly PGTB meetings. A bi-monthly progress report for each sector PIF will be jointly prepared and distributed to provincial and national counterparts by the Skills Centre Manager and the respective departmental provincial officer. Program technical advisers and coordinators will also provide regular reports to the Program's Director to facilitate keeping Program staff and stakeholders up to date with Program activity.

5.2 Procurement Arrangements

The 'implement-design-implement' approach adopted at DFAT's discretion for Phase 4 was determined due to an acknowledgement that support services through a Managing Contractor (MC) would continue to be required during the fourth phase. DFAT will continue this arrangement with a slight adjustment to the arrangement, based on the following:

- a) The Program's experience with the conventional approaches of MCs to date has borne out international research findings that these approaches are often incompatible with implementation that has flexibility, innovation, locally-driven strategies and local empowerment at its core. These findings make clear that program management requires **non-conventional** MC approaches that:
 - reject 'best practice' one-size-fits-all models of operation in favour of 'best fit' context-responsive program management, grounded in local realities⁶⁵;
 - recognise that innovation and authentic sustainability require risk, including an environment for decision-making that encourages experimentation with new approaches even when it is unclear whether these will be successful. Encouragement, trust and authority of implementing local staff are essential characteristics of this environment⁶⁶;
 - are inherently flexible and nimble. Complex and elaborate bureaucratic procedures can dampen innovation and effectiveness⁶⁷, and stifle the ability of staff to take advantage of sometimes narrow windows of opportunity⁶⁸.

As highlighted by the Joint Standing Committee of Foreign Affairs, Defense and Trade⁶⁹, the managing contractor aid delivery modality can frequently have insufficient flexibility to adapt to the changing contexts in which programs operate. MCs are often accustomed to 'business as usual' implementation arrangements; programs are perceived to be 'owned' by the contractor, with a primacy placed on compliance with MC standard operating procedures across multi-country portfolios, rather than the need for customisation and adaptation to support and capacity build locally-driven operations.

- b) The Program is at a hybrid phase of its development; while the bulk of operating funds and personnel

65 Rocha-Menocal, 2014.

66 Andrews et al., 2012.

67 *The clash of the counter-bureaucracy and development*, (Natsios, 2010).

68 Rocha Menocal, 2014.

69 17 June 2015.

are being provided by the GoA, co-contribution levels are increasing and Program structures and staff are progressively being incorporated into the MoET TED. Given these fluid programmatic boundaries, Program implementation, including branding and communications, must be highly sensitive to the diverse interests and stakes at play. There needs to be freedom to work both formally and informally 'behind the scenes' to catalyse internal structural reform within the GoV, and to broker effective partnerships across the sector. Program management systems must also be able to manage funds from multiple sources, including other donors, the private sector and the GoV.

- c) Linked to the above, the fully localised nature of Program staff in a process of transition into GoV structures means that the operations of the Program itself have an internal capacity building focus. Rather than simply personnel working on a DFAT program, Program staff have become a powerful coalition of change in the Vanuatu context. There is a need for ongoing support to the local team so that this force for reform is further strengthened.
- d) The long-standing relationships between Program staff and key GoA and GoV stakeholders have been recognised as an important factor in the Program's success to date. The relationship between the DFAT Post and the senior management of the Program's implementing team is particularly strong with direct, regular and candid communications, based on shared accountability for the Program's failures and achievements.

In light of consideration of the factors above, procurement arrangements for Phase 4 of the Program will continue implementation through a managing contractor modality **with two important changes:**

1. **The Program's Strategic Adviser** will directly report to DFAT. He/she will be responsible for technical oversight of the Program and guidance and management support, as necessary, to the Program's Director.
2. **DFAT will also contract an MC with a corporate support role and a specific Scope of Services** that explicitly requires the contractor to adapt its standard procedures to support the management requirements of the Program, led by the Senior Management Group. The Scope of Services will explicitly provide for on-going capacity building support to Program staff to enable them to strengthen these procedures as required for effective implementation, and in recognition of the Program's unique role as 'coalition for change' within the local environment. To emphasise the 'supporting' rather than 'management' role of the Contractor, the term 'Managing Contractor' will be replaced by 'Support Contractor' (SC).

The contract for the Support Contractor for the fourth phase of the Program will emphasise:

- a) Customised and responsive program management support that is focused on building the capacity of the in-country management team to manage budgets and Program operations in a way that is contextually appropriate, locally-led, and enables flexibility and innovation. Financial management systems will need to be able to accommodate funding from a range of sources (e.g.: private sector, other donors, departmental and individual client contributions). Usage of these funds will need to be managed and reported against within a streamlined system that does not create layers of administrative complexity. Particular emphasis will be placed on strengthening and establishing systems that best meet the needs of the in-country staff, not compliance with contractor-defined systems and templates.
- b) The SC will ensure the Program's financial systems are compliant with DFAT's fiduciary and probity requirements. The SC must provide timely funding of Program activities and the efficient management of payroll for all staff (other than the Strategic Adviser and except for that component which is expected to increasingly be taken over by the GoV). Quarterly financial reporting, invoicing and arrangements for independent audit will be an SC responsibility.
- c) The SC will provide Human Resource Management and Development support in response to the Director's instructions including: managing recruitment, contracting and mobilisation processes for staff and external technical advisers, implementation of performance management systems as required, and the facilitation of capacity building support for staff to strengthen existing operational procedures.
- d) The SC must ensure the Program has IT systems and capacity that is not only commensurate with DFAT requirements but is flexible and responsive to increasing interoperability with GoV IT systems, as the

Program is increasingly integrated into the fabric of GoV systems and processes.

Results-based payments and criteria for assessing the SC's performance as part of the annual Partner Performance Review will reflect the corporate and capacity building support role of the SC. Indicators may include: user-friendly financial management systems in place with timely fund disbursements; highly functional IT systems established; positive feedback from local staff, collected through routine surveys, on the SC's provision of capacity building support.

Importantly, the employment of the Program's Strategic Adviser directly by DFAT with clear lines of technical accountability and responsibility for technical reporting to the DFAT Post, will clarify reporting lines and emphasise the distinct support role of the SC. This direct engagement will reduce the previously experienced confusion as to where ultimate responsibility for technical leadership and risk lies. This arrangement also reflects current practice where the Strategic Adviser interacts frequently and closely with the Post and engages with the Post, in conjunction with the Program's Director, for all approvals on all key documents such as Annual Plans and on major expenditure outlays such as vehicle purchase and capital works. Under this arrangement technical performance management of the Director will be a DFAT responsibility, through the Strategic Adviser.

5.3 Monitoring and Evaluation and Learning

Monitoring, evaluation and learning (MEL) for the Phase 4 Program will build on the Monitoring and Evaluation (M&E) system which has operated in Phase 3. The MEL system – which is described in more detail in Annex 6.5 – will be developed to further increase its effectiveness and to support the specific requirements of the new phase. There will be a shift from focusing data collection on the participation and experiences of individuals, to a more layered approach to MEL which explores program outcomes for individuals, client businesses, sectors, training providers and the skills system as a whole. MEL will include an enhanced approach to the quantification of economic outcomes through econometric analysis that provide robust assessments of impact contributions.

The MEL system will also respond to the recommendations in the *Independent Evaluation*, and the DFAT management response, so as to 'take MEL to the next level'. The design team has interpreted 'the next level' to mean i) an increased focus on outcomes measurement; ii) deeper analysis and evaluation of results; and iii) the evolution of the Management Information System with greater embeddedness and alignment to GoV data systems. In addition to focusing its efforts on monitoring progress towards intended outcomes, and understanding the different experiences of men, women and people with disabilities, the system will also support research to explore developmental leadership in and by the Program.

Importantly, M&E reporting will be deployed as a strategic advocacy tool for system reform and has potential to motivate enhanced investment into the skills system, as well as providing credible evidence of funding efficiency (or opportunities to increase funding efficiencies). Evidence of this occurring will be documented in the MEL System.

The parallel purposes of the MEL system are to:

- Enable **shared learning and continuous improvement**- findings and lessons from evaluations are shared with DFAT, Government of Vanuatu, other DFAT (skills) programs and other stakeholders, so they can learn from the Program and to apply that learning to other development efforts.
- Support **well-informed management decisions** on a day-to-day and strategic level by the Program leadership and by DFAT and its partners in the Government of Vanuatu.
- Contribute to the **advocacy efforts** of the program, to develop support from key stakeholders and build coalitions for positive change.
- Provide a basis for **accountability to DFAT and to the Government of Vanuatu** about the use of program resources and the achievement of Program outcomes - feedback is scheduled and synchronised to provide timely information to DFAT and the Government of Vanuatu at critical stages in the reporting schedule.

To support the focus on outcomes for individuals, client businesses, sectors, training providers and the skills system as a whole, the MEL system will expand the range of tools and methods by which progress is assessed, including both greater depth in qualitative and increased quantitative analysis. MEL will take an enhanced approach to the measurement and quantification of economic outcomes that can be attributed to program

activity, for client businesses across target sectors.

The MEL approach will also seek to increasingly contribute to the emerging development of national systems for data collection and analysis, and its use in monitoring and management. This will take several forms, as the Program works with multiple partners in the GoV. For example, sector programs will work to integrate the monitoring and management systems for skills development into the systems of each sectoral Department, in line with the Skills for Tourism model. And as the systems within the VQA and MoET also develop (especially the Vanuatu Qualifications Register), the Program will integrate its M&E systems with those – and to contribute to their strengthening – as opportunities arise. A key element of the MoAs with sectoral partners will be agreement on a collaborative approach to M&E, whereby the Program’s MEL team supports the respective agency to implement and strengthen its own M&E system, with clear reporting and data collection responsibilities.

The approach to MEL will continue to reflect the principles which already underpin the MEL system:

- **MEL is an integral part of all Program activities:**
 - Anticipated outcomes and outputs, and linkages to the Program goal, outcomes and outputs are clearly defined for all activities.
 - MEL is not an ‘add-on’ to program activities, but an integral part of the Program’s implementation and management. This necessarily requires that responsibilities for MEL are shared across all staff, rather than just the MEL team.
- **Balancing flexibility and simplicity:**
 - The MEL Plan will provide flexibility to reflect Program activities across provinces, productive sectors and socio-cultural environments, and the reality that different methodologies may be required to evaluate different outcomes.
 - The MEL approach will be able to be understood and applied by those with limited expertise in the topic, while still providing comprehensive data for those seeking deeper analyses.
- **Monitoring and Evaluation Standards:**
 - The program will be monitored and evaluated in line with the OECD Development Assistance Committee criteria of relevance, effectiveness, efficiency, impact and sustainability.
 - MEL is also guided by the DFAT Monitoring and Evaluation Standards.
 - Evaluation activities will be conducted in accordance with the relevant aspects of the Guidelines for the Ethical Conduct of Evaluations, as set out by the Australasian Evaluation Society.
- **Alignment, partnership and inclusion:**
 - The Vanuatu Skills Partnership aims to contribute to systemic reform within the Vanuatu Skills sector. Monitoring and Evaluation information is a critical advocacy tool to support buy-in from key stakeholders and build coalitions for change.
 - Social inclusion and variables monitoring inclusiveness will be routinely assessed within the MEL System.
 - The MEL system is participatory and accessible, so that all stakeholders participate in ‘sense-making’ and have ownership of the conclusions about program progress and performance so that the utilization of evidence is more likely and more possible.
 - MEL activities have a parallel capacity development aim, so that Program staff and national partners increasingly build MEL competencies.
- **Contribution to knowledge and learning:**
 - Two-way information flows are supported, so clients, Skills Centres, training providers, productive sectors and other contributors of data receive feedback. The MEL system will use a range of communication and reporting tools to make information more accessible.
 - Social inclusion and variables monitoring inclusiveness at the participant level will be routinely assessed within the MEL system, including through the continued use of the Washington Group disability identification questions, which will be applied in alignment with their use in data collection efforts led by the National Statistics Office to the extent this is possible.

- Qualitative and narrative data will be valued as much as quantitative data. In instances where quantitative data is not available, values may be assessed through documented assumptions from qualitative data.
- Support will be provided to the national monitoring and evaluation of the skills system as it develops, and program MEL will align with national M&E systems as much as possible, embedding itself within those systems where possible while also meeting the specific and additional requirements of program management and DFAT reporting.

5.3.1 Overarching Evaluation Questions

The Phase 4 Program evaluation questions have been refined through a stakeholder workshop in December 2016 and are defined as:

1. How has the coordination, planning and management of the skills system improved and how has the Program contributed to any changes?
2. To what extent are training providers providing higher quality and relevant skills development to men, women and people with disability, and how has the Program contributed to this?
3. How well is the Program, through the Skills Centres, supporting the provision of relevant, good quality skills development to people and businesses in response to clear demand?
4. What evidence exists of a more flexible training system, which enables men, women and people with disability to access pathways to further education and training opportunities, and how has the Program contributed?
5. Has the Program supported increased diversity of training provision within the sector?
6. How has the Program supported increased and more diverse financial investment into the skills system?
7. To what extent is there a greater representation of women and people with disability, and their interests, in skills system leadership and service delivery?
8. To what extent has the Program contributed to more positive perceptions of women and people with disability?
9. To what extent are Skills Centre clients achieving increased income and business development?
10. To what extent is the Program supporting women and people with disability to build skills, develop businesses and increase their income and status?
11. How are Skills Centre clients contributing to broader sustainable development, including increased climate change resilience?
12. What is the Program contributing to the Vanuatu provincial and national economies?

The MEL Plan will build on the Phase 3 Program M&E Plan (May 2014), and will be revised to reflect the new Phase 4 design. Key aspects of the MEL Plan and system are presented in within the MEL Annex (Annex 6.5). The MEL Plan will be reviewed annually. An updated version will be released following discussion and agreement on any changes during that review.

5.3.2 MEL Methods and Tools

MEL will be an integrated function with the focus on progress in achieving the long term outcomes around the a) operation of the national skills system, b) the demonstrative effects of the Program and c) the results of Skills Centre clients applying skills to achieve positive economic, social and cultural development changes. Ongoing monitoring will be differentiated between individual clients and productive sector business clients given that each of these groups will access different types of support.

MEL will continue to be a core responsibility of all staff, with data collection being increasingly undertaken outside of, but supported by, the MEL Team. Qualitative and quantitative MEL tools include:

Baseline Establishment - The program will be guided by a core set of baseline data available from the regularly updated program management information system. The collection of baseline data includes:

- Skills System Situational Analysis;
- Social Status Monitoring;
- Personal Registration Forms; and
- Business Client Files.

Client Management and Monitoring Tools - Baseline data collected from Personal Registration Forms and Business Client Files will provide useful information to assess the reach and coverage of Skill Centre activities. It will also support the planning of activities and support packages by the Program/Skills Centre team. Importantly, all client data collection processes will enable the collection of disaggregated disability data. Specific monitoring tools of individual clients and business clients include:

- Skills Centre Activity Reports;
- Business Client File updates (progressive); and
- Participant Feedback.

Tracking Outcomes - The Program will continue to monitor Client and System outcomes against anticipated Program Logic outcomes and in line with the Sector PIFs using:

- Tracer Studies;
- Productive Sector Follow Up;
- Evaluative Case Studies and Thematic Evaluations (including Annual Thematic Stakeholder evaluations) - a specific focus will be on the experiences and changes for women and people with disabilities, particularly with regard to barriers, benefits and successful implementation strategies;
- Training Provider Inclusion Improvement Fund Monitoring;
- Training Provider Improvement Partnership Monitoring;
- Sustainability Index; and
- Collaborative Research Study about the Program's approach to development, and in particular its deeply contextualised and politically informed way of working.

Impact Assessment - The collection of longitudinal data will enhance MEL capacity to quantify the impact of the Program, including at the sectoral level where possible. The Program will seek to collaborate with Governance for Growth in this analysis to increase the efficiency of data collection efforts, and to maximise the usefulness and use of M&E outputs. The following instruments will be deployed:

- Annual System Reform Review (Annual);
- Business Client Income regression modelling; and
- Difference-in-Differences Study using data from the next Household Income and Expenditure Survey by the National Statistics Office.

DFAT Program Evaluation - DFAT review and evaluation will include:

- Independent Review and Evaluation; and
- Support Contractor Performance.

In addition, a discrete, but inter-related M&E rubric will be established for the monitoring and evaluation of the Training Provider Inclusion Improvement Fund (TPIIF). This is detailed in Annex 6.5.

5.3.3 Management Information System

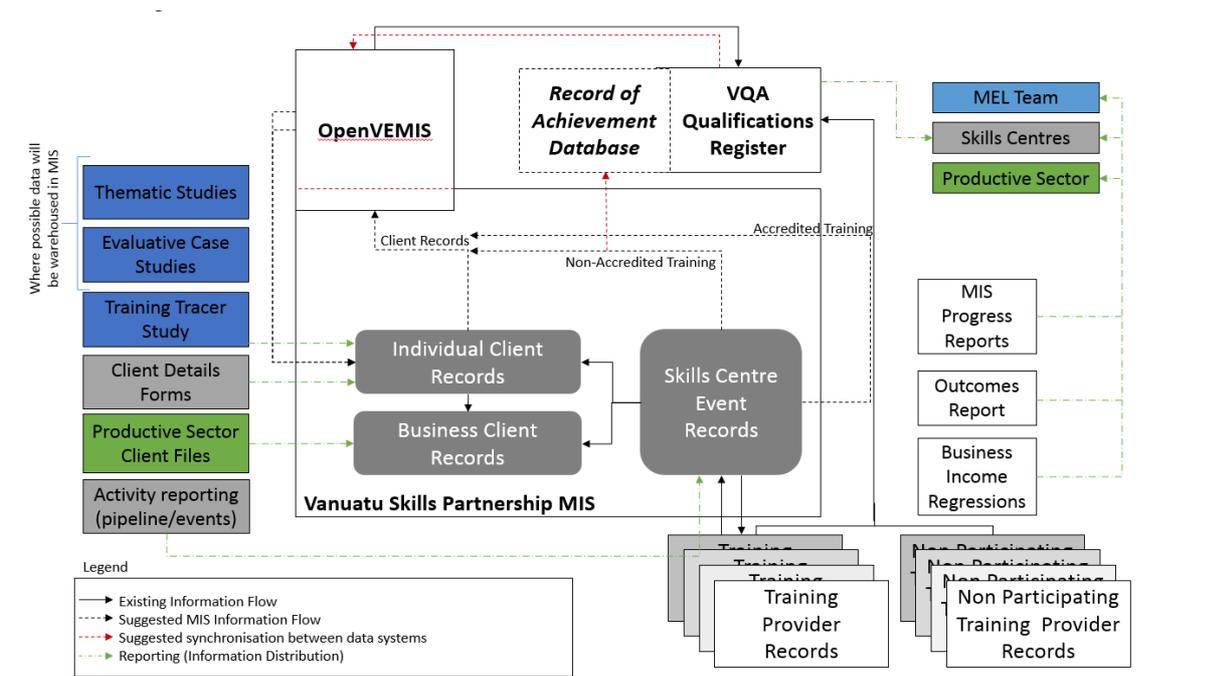
The Program operates within a complex information environment with complementary and at times competing data needs. Phase 4 will see the MIS for the Program graduate from a collection of disparate excel spreadsheets that were appropriate during Phase 3, to a database system that optimises data collection and processing as well as increasing the Program's capacity for enhanced analytical assessments. Whilst the MIS will be designed to meet the needs of the Program, it will operate within the broader skills environment, within which several other databases are being designed and/or implemented including the VQA Qualifications Registry (VQR) and OpenVEMIS. The information management system will be designed with close reference to existing and emerging information management systems in Vanuatu, and will align or, where possible, integrate, with these systems. This means that while the Program is collecting data for its own reporting, it will also be contributing to strengthening the national system. In the transition to Phase 4 the Program will undertake a situational analysis and options paper to inform decisions about the design of the management information system, including the extent to which it can be integrated with (or at least compatible with) the VQR and/or OpenVemis. The MIS will also be consistent with the NSO development of a Statistics Roadmap for Vanuatu, which maps development aspirations to the Sustainable Development Goals (SDGs). To this end, Program reporting will contribute to GoV monitoring of its progress towards these goals.

Phase 4 MEL will continue to optimise efficiency in data collection by shifting roles and responsibilities for

data collection across all Program staff. Most of the output information required by the MEL system is customarily collected during routine program management activities and will increasingly be collected by Skills Centre and the Productive Sector Group staff (shown in the Organisation Chart). Importantly, as the data environment in Vanuatu evolves, training providers are required to increasingly strengthen their own data collection and management systems as part of their overall quality system improvements. Through the Training Provider Improvement Agreements, the Program will continue to provide support in the form of standardised reporting templates, support to embed data management (including data use) within training provider organisations, and ongoing support in submitting mandatory information for VQA systems.

The MIS Information Flows and uses are shown schematically below with the MEL Team having responsibility for data management and quality assurance.

Vanuatu Skills Partnership MIS Information Flows



5.3.4 Learning through Monitoring and Evaluation

The MEL system will continue to comprise of a blended action research and theory of change approach to support an evidence-informed decision-making culture of adaptive program management for learning and continuous improvement, and demonstrating how this can work so a more adaptive approach to management can also be adopted within the Program’s partners. The Annual MEL Report, coupled with the Sustainability Index update and System Reform Review process will provide the opportunity for Program staff, stakeholders and partners to consider MEL data and analysis, share experiences, develop plans, adjust strategies for the future. The MEL Adviser and MEL Manager will present MEL findings and corresponding management recommendations (as documented in each Annual M&E Report) to the Skills Partnership Steering Committee. The MEL Team will also be required to deliver regular ‘reflect and review’ workshops, where the most recent MEL outputs are presented and discussed. Findings from these workshops will be documented and tabled as part of the Annual M&E Report.

The MEL Team will continue to comprise of a full-time MEL Manager and MEL Coordinator located within the program office in Port Vila. The MEL team’s role will deviate substantially from data collection in Phase 3 towards enhanced quality assurance of data, data analysis and higher level evaluation and reporting in Phase 4. The full-time MEL staff will be supported primarily by a MEL Adviser as well a Database/Information Management Specialist and an Economic Analyst. The MEL Adviser’s inputs in Phase 4 will shift to focus on the significant number of more sophisticated methods and tools which are being introduced to the MEL system, requiring substantial continued input, while the MEL Manager takes increasing responsibility for the management and quality control of the day-to-day data collection, management and analysis activities. Through the combined effort of the Communications and MEL Teams, as well as all other staff, the Program will maintain the momentum of MEL communications activities undertaken over Phase 3, and contribute a suite of

meaningful and strategic communication tools and products to continue to effectively engage with and influence a range of stakeholders, including the public, training providers, government officials and influential private sector leaders. These will include infographics, videos and ‘dash-board’ reports.

The program planning and reporting requirements are reflected in the table below.

Report	Content and format
Annual Plan	<ul style="list-style-type: none"> • Work Plan and budget for the following financial year including descriptions of approaches and their management. • The MEL Plan, aligned with the Program Logic and responsive to the ‘Key Evaluation Questions’ and sources of information matrix provided in this design. • Updates for all Program strategies and plans.
Skills Centre Manager/ Productive Sector Officer bi-monthly Skills Centre Reports	<ul style="list-style-type: none"> • To the provincial Secretaries General and copied to the Program Director, PGTBs, VQA, MoET counterparts, and relevant productive sector and other departmental heads. Summarised as input to quarterly reporting to the Skills Partnership Steering Committee meetings.
6-monthly Progress Report	<ul style="list-style-type: none"> • To the Skills Partnership Steering Committee combining outputs and outcomes against each PIF as well as system/supply side outcomes.
Annual MEL Report	<ul style="list-style-type: none"> • An analysis of outputs and outcomes for the year in question, including a summary of implementation progress towards LTOs. • A review of unplanned implementation issues addressed, and adjustments made to the program strategies as a consequence. • Any necessary adjustments to the MEL system.
Program Completion Report	<ul style="list-style-type: none"> • The Program Completion Report will detail the activities and assess the performance of the Program against its objectives.
Exception Reports	<ul style="list-style-type: none"> • Exception Reports will advise DFAT of any major, unforeseen, occurring or emerging issues or publicity likely to have an impact (positive or negative) on the operation of the Program. • Proposed responses to such issues will also be described.

5.4 Sustainability

The Program’s fundamental focus on ‘local solutions for local problems’, and the provision of support to local champions to lead viable internal process of change, is essentially to ensure that all Program activity leads to reform that can be locally sustained in the long-term. Integral to this is the embedding of all Program activity within the policy framework of the GoV, through using the national PSET Policy’s priority areas of skills system reform to organise, guide, monitor and measure implementation.

From a practical perspective, key sustainability elements of this locally-driven and evidence-based approach to implementation include:

- Economic growth priorities to be supported through skills development are **identified by local stakeholders at both provincial and national levels** and informed by evidence.
- Sector partnerships and client agreements are based on rigorous validation of economic return from SDF skills development, to ensure **sustainable viability and economic impact** of the businesses and individuals supported.

- Consideration of **environmental sustainability** is promoted throughout implementation, particularly with regard to building skills in climate change resilience.
- **Local training providers and local industry experts** are engaged and strengthened to deliver skills development to clients through the Skills Centres.
- **Local productive sector officers are mentored** to take on management and coaching of Skills Centre clients in priority sectors.
- Improvement agreements with training providers and system agencies are **led by the local partner** which determines the improvement priorities and strategies.
- The Subsidiary Agreement with the GoV for Phase 4 will lead to **Program systems and personnel being embedded within GoV structures**, and the Program itself becoming a coalition for positive change within local systems. The Program will continue to use incentives to expedite the agreed human resource financing transition process.
- **Resource co-contribution from beneficiary stakeholders is a necessary pre-condition for all Program investment.** This includes Skills Centre clients, productive sector agencies, private sector businesses and training providers.
- Advocacy of the economic and social benefits of SDF activity is leading to **increased contribution to the SDF by other financial sources (GoV departments, other donors, private sector).**
- **Local leadership of all Program activity and alignment with Melanesian values** are foundational commitments of Program implementation. This means that all external advisory and support inputs are directed by the local management team, adapted to the local context, and that empowerment of local staff – particularly women – to drive the development agenda is promoted and mainstreamed.

As reflected in the Program Logic, the Program is aiming to achieve sustainable economic outcomes for Skills Centre clients and for these outcomes collectively to make a contribution to greater prosperity at the provincial level, as has already been demonstrated in the four Skills Centre provinces. The Program Logic also makes clear that these outcomes are to be achieved through a systems approach; the vector to achieve these outcomes is the national skills system - Program initiatives and innovations to support effective skills service delivery and associated monitoring, evaluation and learning are all directed to inform and reform local providers and management and coordination agencies so that they can continue to be achieved with decreasing Program support.

The approach of Phase 4 to embed all operations within local systems and processes provides the basis for a clear exit strategy for the end of the Program. It is expected that by 2023:

- There will be a Skills Centre in every province, with all Skills Centre personnel fully funded through the MoET staffing budget.
- Key productive sector departments will have clear processes and tools for planning and supporting skills development and associated inputs for increased productivity. Provincial departmental officers will have the capacity to function as ‘industry coaches’ for small business growth in their respective sectors.
- Local training providers, of which there will be an increase (both public and private) will have institutionalised flexible, demand-driven and inclusive policies and practices.
- A cohort of qualified ni-Vanuatu trainers and industry coaches will be available to deliver in-demand skills, decreasing reliance on external resources.
- The Skills Development Fund will be considered by the GoV, donor partners and the private sector as an efficient, effective, low-risk disbursement mechanism for financing skills development nationally through the Skill Centre network and - potentially – adopted as a National Training Fund.
- Businesses and cooperatives supported by the Skills Centres will be operating sustainably and contributing to provincial development without further assistance.
- Individuals supported by the Skills Centres to access further employment opportunities will contribute to broader economic productivity.
- The modelling by local Skills Centre (and Program) staff of professional, effective, values-based management will continue to influence reform in a politically challenging environment.

5.5 Inclusiveness

As indicated in the Program Logic, inclusion – particularly of those people disadvantaged by gender, disability and geography – is a foundational commitment of the Program. At the heart of the rationale for the establishment of provincial based Skills Centres facilitating modular and phased training outside of institutional

boundaries – in the communities and businesses where people work and live – is the objective of maximum access to skill development service delivery. This has been assessed by both the *Independent Evaluation*⁷⁰ and the Office of Development Effectiveness⁷¹ as a primary factor in the achievement of economic outcomes for women and people with disabilities, who are often unable to be separated from family responsibilities and support networks. The Program understands that women and people with disabilities have specific barriers that prevent them from successful participation, and that purposeful strategies, which acknowledge the social, cultural, economic and religious norms and context, must be developed. Current Program documentation that details these strategies – the *Gender Equality Strategy for the Vanuatu TVET Centres*, and the *Disability Inclusion Strategy for the Skills Sector* and its associated tool-kit – will continue to play an important role in guiding inclusion across all operations.

In line with DFAT policy, and consistent with implementation to date, a twin-track approach will continue, whereby disadvantaged groups are specifically targeted in initiatives designed to benefit them, as well as inclusion in mainstream activities to ensure that broader systems and services cater for these groups⁷².

In the case of disability inclusion, participation will be promoted across all mainstream Skills Centre activity using existing mechanisms such as the Centres' Disability Inclusion Focal Points, provision of training support funding to enable reasonable accommodations such as transport, sign language interpreters and carer support, and the established relationships with DPOs and other disability inclusion networks (e.g.: VSPD and the Vanuatu Civil Society Disability Network). Simultaneously, dedicated resources will be directed to address specific barriers to access and participation, as demonstrated through the establishment of the Training Provider Inclusion Improvement Fund (TPIIF) and the recruitment of a full-time Disability Inclusion Coordinator to manage its implementation. As detailed in Section 4.3.4, the objective of the TPIIF is to support systemisation of disability inclusion within the skills development system. Through the TPIIF, local training providers in Vanuatu will have access to funding which will allow them to take action which will improve their policies and practices so that people with disability have equitable access to formal skills development opportunities, consistent with the *National Disability Inclusion Policy for the TVET Sector*, and DFAT's *Development for all 2015 – 2020* strategy, which promotes disability inclusion within skills investments. In addition to TPIIF, DIDFund resources will also support capacity development in disability inclusion across the skills development system through assisting inclusive policy development with the VQA, strengthening specific services for people with disabilities (such as access to assistive devices), and funding the above-mentioned reasonable accommodations for Skills Centre clients with disability.

With regard to improving women's economic empowerment, as discussed above, the Program has entered into a second phase of collaboration with the regional *Pacific Women* initiative. Activity has been clustered around the overarching objective of ensuring ongoing access by women in provincial areas to skills training and business development support, while concurrently mainstreaming gender-based violence minimisation and promotion of women in leadership⁷³. This integrated approach recognises that inclusion is much more than simply 'beneficiary counting' and the collection of gender- disaggregated data⁷⁴. As recognised by the *Pacific Women Delivery Strategy*⁷⁵, women's disempowerment in Vanuatu and more broadly across the Pacific is multi-faceted and inter-connected with change required across a number of 'domains of empowerment' for any single domain to be sustainably improved. In relation to optimising skill development for employment and small business growth outcomes, improvements in access to assets and financial services, as well as decision-making authority and influence in personal and professional spheres must also be addressed. The Program's concerted focus on the delivery of skills development as part of holistic and gender-sensitive value-chain framework,

⁷⁰ Schofield et al, 2015.

⁷¹ DFAT, 2012

⁷² DFAT, 2015b

⁷³ The agreed implementation framework for the collaboration with Pacific Women comprises: a) Ear-marked funds to be disbursed through the Skills Centres for accredited skills training, and customised small business mentoring and coaching, for women in areas of validated economic opportunity. Specific attention will be directed to the participation of women with disability, and the facilitation of further education and training pathways; b) Upskilling and national/regional certification of female trainers and the promotion of women's voice and leadership in the national skills sector; c) Development of provincial Women's Handicraft Centres in Tafea and Torba provinces, based on the successful Malampa Handicraft Centre model, in partnership with the Department of Women's Affairs and the Department of Industry; d) Support for implementation of the emerging 'National Workplace Literacy and Numeracy Strategy' with a specific focus on women's literacy; and e) Mainstreaming of GBV minimisation through the activities and reach of the Skills Centres in communities throughout Vanuatu in partnership with the Vanuatu Women's Centre.

⁷⁴ DFAT, 2015d

⁷⁵ *Pacific Women Delivery Strategy: 2012-2022* (AusAID, 2012)

undergirded by the deliberate promotion of women in leadership positions across all aspects of Program activity will support the multiple domains of women's empowerment to be enhanced. Similarly, successful strategies to minimise GBV vulnerability and to influence societal and community attitudes through the use of male advocates and strategic communications will also continue. As represented in the Program Logic these multi-layers of women's empowerment will be captured and regularly reported on through the Program's systematic M&E processes.

In order to practically drive the Program's mainstreaming of inclusion across all activity, and implement specific gender equality and disability inclusion initiatives, a number of dedicated human resources have been allocated. These include: a) a local Disability Inclusion Coordinator; b) a Disability Inclusion Adviser (STA); c) a local Gender Equality Specialist (also the Skills for Handicrafts Coordinator); and d) a Strategic Adviser with specific expertise in women's economic empowerment.

5.6 Risk Assessment and Management

There are inherent risks in Program implementation given the complexity of the operating environment. While risks such as political instability, changing macroeconomic conditions and natural disasters are beyond the scope of a single development program to control, it is possible to mitigate negative impacts through a flexible and responsive approach to risk identification and management.

Clearly the occurrence of a natural disaster of the scale and impact of Cyclone Pam in March 2015, and the political events leading to the jailing of sixteen MPs for corruption, affect Program operations in a way that cannot be wholly anticipated or mitigated. The current uncertainty around bureaucratic appointments is another case in point. However, risk management is an integral element of the process approach to Program implementation. The strong partnerships developed between the Program, DFAT and counterpart stakeholders has proven to be the essential ingredient for the identification and analysis of risks as they emerge and the collaborative development of management strategies⁷⁶.

While focusing on tangible outcomes across the three Priority Areas of system reform, the Program will, as discussed above, continuously seek to integrate all activity into local processes, systems and structures and to have the building of stakeholder relationships, at the provincial and national level, at the heart of its approach. In this way, 'Program' risks are not perceived solely as risks to be borne and managed by the Program. Rather, given the investment which has now been made by local stakeholders and the local ownership of 'Program' success, responsibility for risk management is widely shared and accepted.

The Risk Management Matrix at Annex 6.6 categorises risks under six broad headings – *Political, Financial, Technical, Organisational, System and Monitoring and Evaluation* and details the proposed risk treatment. The following is a brief summary of the key risks and mitigation strategies.

A cross-sector approach will continue to be critical in insulating Program activity from the **political risks** associated with vagaries of the political context. Key advisory bodies such as the PGTBs and the proposed SPSC are comprised predominantly of senior Government representatives from a range of productive sector departments at both the national and provincial levels. This participation from beneficiary departments will result in a broad base for advocacy of the skills sector as an integral element of economic and social development strategies, independent of the political party(ies) in power. Linked to this, the use of M&E data as a core element of the Program's strategic communications will continue to play an important role in ensuring ongoing support for the skills sector and application of the Program's successful models by both the GoA and the GoV. Despite the significant risks associated with a fluid local political and bureaucratic staffing environment, the wide acknowledgement of the Program's success, specifically through the Skills Centre model and the locally-driven approach, has enabled the Program to have greater influence within partner government systems and decision-making processes, including decisions around financial and human resources. These approaches of leveraging incremental reform and authentic partnership development through demonstration of Program benefit will be a hallmark of Phase 4.

Financial risks The increased cost-sharing arrangements with the MoET and productive sector departments are critical steps in the sustainability of the Skills Centre model. However, as discussed, significant sectoral financing reform on the part of the GoV, including increased financial contribution to the skills sector and its Skills Centre network, is required for its ongoing viability and the maintenance of the successful models and approaches

⁷⁶ Schofield et al., 2015.

established by the Program. The mutual accountability mechanisms at the crux of Phase 4 operations aim to leverage increased investment into the sector by a range of partner stakeholders – from government and the private sector. The Program will also potentially support a ‘Skills Sector Financing Feasibility Study’ to provide clear direction for sectoral financing priorities and opportunities, should this be initiated by the GoV. In addition, the Program will build on its financial partnership successes with a range of other aid activities and donors, including the *Pacific Women* initiative and the New Zealand Aid Programme, by continuing to demonstrate the efficiency of the Skills Development Fund as a mechanism to support targeted skills development service delivery.

The primary **technical risk** area relates to the quantity and quality of training providers that are capable of meeting the skill demand being generated in the provinces. Linked to this, the ongoing obstacles associated with course accreditation through the VQA is having a significant impact on the availability of nationally accredited training leading to certification, which is limiting skill recognition and pathway opportunities for trainees. This is also damaging the reputation of the VQA and causing questions to be raised across a broad range of stakeholders as to the value of Program support to the agency. To address these key risks a number of strategies will be put in place, including: a) continued fostering of demand by senior GoV stakeholders for increased accountability of the VQA, specifically through the VQA Board, with a focus on its processes and policies related to registration and accreditation; b) implementation of dedicated Training Provider Improvement Agreements to incentivise training provider reform, with a focus on smaller, more flexible providers with appetite for change; c) supporting the registration of new, private sector providers; and d) expansion of BDS industry expert pool to support training provider delivery.

From an **organisational risk** perspective, the principal risk area relates to the adequacy of staffing and capacity in key GoV skills sector governance agencies, namely the VQA and TED, as well as the management of the large public providers. However, as the MoET takes on increased responsibility for salary payment of Program staff within the TED structure, this will a) increase the numbers of motivated, reform-minded GoV personnel and b) free up Program resources to support further agency management strengthening, in line with PSET Policy Implementation Plan. An additional organisational risk is that of the engagement of an appropriate Support Contractor able to support the unique and broadly recognised strengths of the Program, as outlined in Section 5.2. However, increased clarity of requirements within the RFT process will assist with mitigating this risk. In addition, the direct recruitment of the Program’s Strategic Director by DFAT will also reduce concerns of prospective Contractors regarding responsibility for technical risks of Program implementation.

At the **systemic risk** level, the lack of a clear national coordination mechanism for the sector, consistent with the new PSET Policy, presents a challenge. There is concern from a number of VQA Board members that this body is not at a sufficiently strategic level to play this role, leading to members’ disengagement, in turn, leading to limited VQA management accountability. Through the establishment of the Skills Partnership Strategic Committee, and dedicated professional development, the Program will aim to engage meaningfully with these VQA Board members to build their awareness of critical road-blocks in system development, and of their role within the system; the aim is that they will then use their position and authority to keep those responsible accountable for performance and progress. Similarly, the Program will work more closely with the NTDC and use its status through the PM’s office to have strategies to address blockages actioned.

The main risks to **Monitoring and Evaluation** arise from data management of multiple sources of data within a volatile ICT environment. Multiple data sources can compromise data quality, timeliness and accuracy whilst faulty telephone lines, lack of power and intermittent internet connections can impact the operation of the MIS. Further, disparate systems use various identifiers that may make migration of data between systems problematic (for example, Open VEMIS assigns a unique identifier to each record whereas the VQA database may use the Open VEMIS unique identifier, or name and date of birth as an identifier.) An MIS Specialist, with familiarity of Vanuatu data systems (including Open VEMIS) will be recruited to assess the storage and flow of MEL data and management information to scope options to upgrade ICT and information management across the multiple Skills Centre locations and the Program head office. The MIS will have ‘off-line’ functionality and partly be built within, or synchronise with, national M&E systems to avoid double entry of data.

Another risk to M&E arises out of access to M&E respondents, and the limited extent to which economic outcomes can be reliably, and sensitively, understood. The Program will use the client agreements to ensure that confidential sharing of economic data is understood to be a condition of engagement with the Skill Centres.

Safeguards related to displacement and resettlement, indigenous peoples and ethnic minorities are not considered directly relevant to the Program.

5.7 Value for money

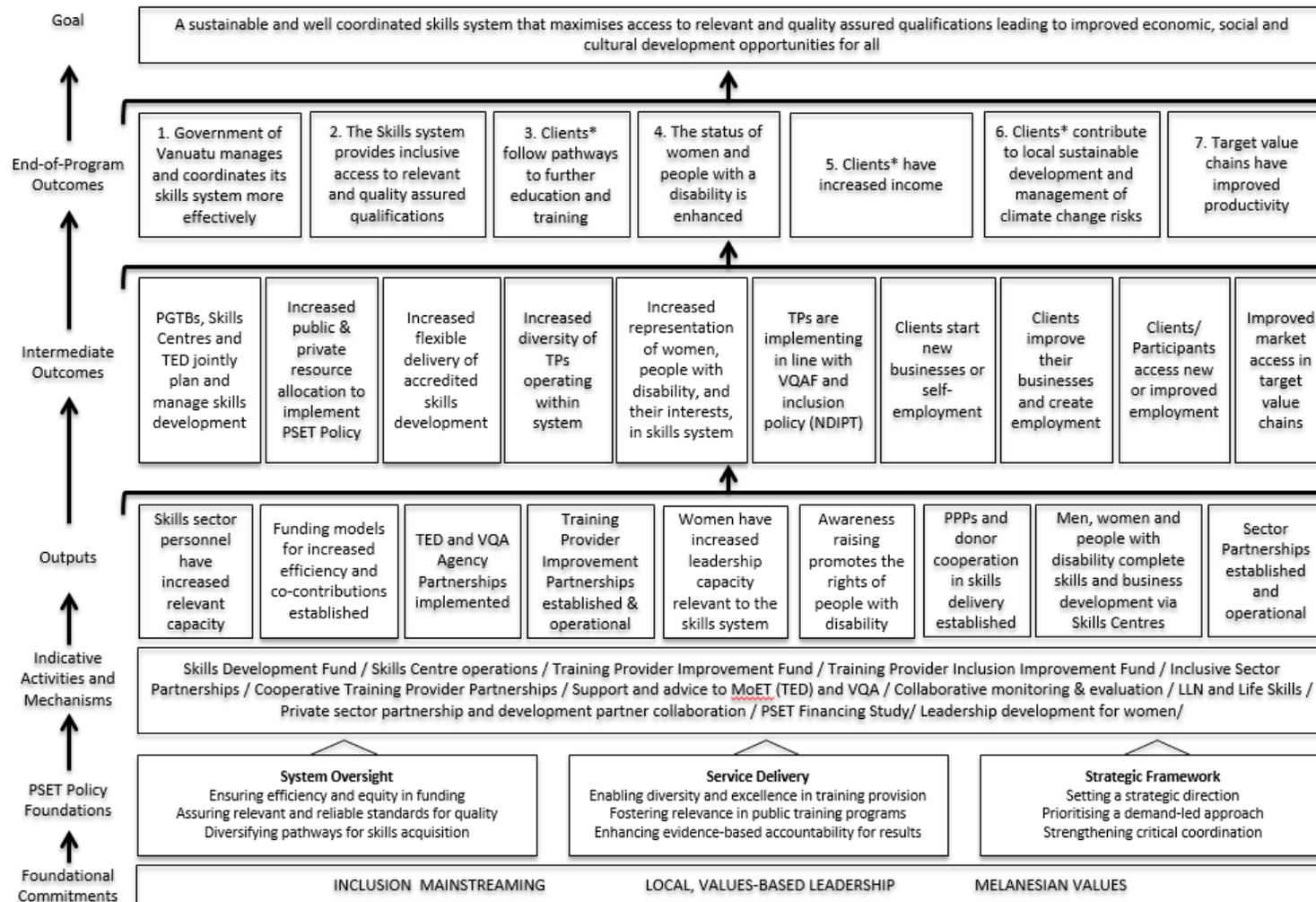
It is anticipated that Phase 4 of the Program will provide increased effective, efficient and economical use of Australian Government funds. As documented, the Program has a well-established track record in terms of a) demonstrated economic results for trainees; b) broader provincial/sectoral growth – best exemplified by the purchase of a new aircraft by the national carrier to meet the tourism demand in the northern provinces where the Program has built the local industry from an almost zero baseline; and c) strengthening of diplomatic relations between the Government of Vanuatu and Australia due to the goodwill generated by the Program nationwide across government and civil society. The new phase of the Program will continue to provide value for money by maximising the impact of Australia’s investment through the following:

- A budget structure that has only 18% of the total budget estimated for international advisers and their support/travel costs.
- The ‘hybrid’ nature of the Program meaning that expenditure for local staff salaries and professional development is associated with the creation of a powerful local ‘coalition of change’ that is able to influence governance reform at provincial and national levels.
- The Program is playing, and will continue to play, a ‘catalytic’ role in influencing the implementation of key Government strategies and policies. This is due to the credibility of the Program’s staff and approaches and does not require financial investment.
- A design that is fundamentally underpinned by mutual accountability. All investment by the Program is conditional upon agreed co-contribution and validated ‘appetite for change’ at every level: a) by clients in receipt of training through the Skills Centres; b) by key GoV productive sector departments with which the Program is working; c) by training providers in receipt of capacity building support.
- Any future major investment of the Program into the expansion of the Skills Centre network or PSET policy implementation support is conditional upon the GoV assuming staffing costs of personnel now within the TED structure and still paid for by the Program, to off-set, in part, expansion costs. Furthermore, based on the roll-out to date, any potential future expansion would also require a validation of provincial ‘readiness’ and co-contribution at the provincial government level.
- A more targeted approach to selection of clients to be supported through the Skills Centres ensuring that Program skill development inputs have maximum likelihood in resulting in measurable economic growth outcomes – at individual, sectoral and broader sustainable development levels. Skill development inputs are customised to support the specific economic growth requirements of clients, which avoids the wastage associated with generic training programs.
- The Program will increase its focus on supporting targeted businesses to grow and to transition from the informal to formal economy which generates tax, employment opportunities, and market opportunities for other producers/service providers along the value chain. This ‘ripple’ effect means that skills development investments to one business client can result in indirect financial ‘flow-on’ returns.
- All Program activity, including MEL, is embedded within local systems so that all Program outputs are owned, systematised and sustained within these systems. This is particularly the case for priority productive sector departments (Tourism, Agriculture, Industry) which have ‘Sector Partnerships’ with the Program.
- The Program will have a continued and increased focus on leveraging a diversity of funding into its operations in addition to the base DFAT bilateral budget. Based on proven success, this already includes collaboration with other DFAT regional initiatives, Pacific Women and the DIDFund, as well as private sector partners, e.g.: TVL. A key strategy of the phase 4 Program is the brokering of new financial partnerships including with the private sector and other donors.
- The Program has a concerted strategy to work collaboratively with other DFAT programs in Vanuatu to maximise the collective impact and value for money of Australian Government investments. These include the APTC, PHAMA, LMAP, VESP, GfG, PRRP and the AVID program.

- The enhanced MEL system will enable the Program to monitor and measure more effectively economic returns on Program investment. The Program will be able to use this data to scale up those inputs that are resulting in clear outcomes and to discontinue those that are not producing returns. The planned economic impact assessment tools, including client income regression modelling and a Difference-in-Differences study, led by an Economic Analyst, will be important in this regard.
- The recommended Procurement Arrangements in this IDD, whereby a Support Contractor is engaged with a reduced scope focused on supporting the program management expertise already within the Program, is expected to result in a reduced Management Fee.
- The GoV-endorsed partnership model of the Program that appreciates and recognises ni-Vanuatu values and leadership will continue to enhance the reputation of the Australian Government's aid program in Vanuatu, which is vital to the Australian Government's bilateral diplomacy objectives.
- Linked to the above, the strategic communications campaign of the Program is anticipated to continue to provide tangible evidence for Australian Ministers on the value of the Aid Program, which can be used to build support among their domestic political constituents.
- The model of the Program is being adapted for a number of other DFAT skills initiatives (Solomon Islands, Tonga, Sri Lanka). The Program was also heavily used for examples of good development practice in the recent *DFAT Skills for Prosperity Guidance Note*. This is evidence that the investment into a single bilateral program is providing broader learning benefits for DFAT programming areas across the agency.

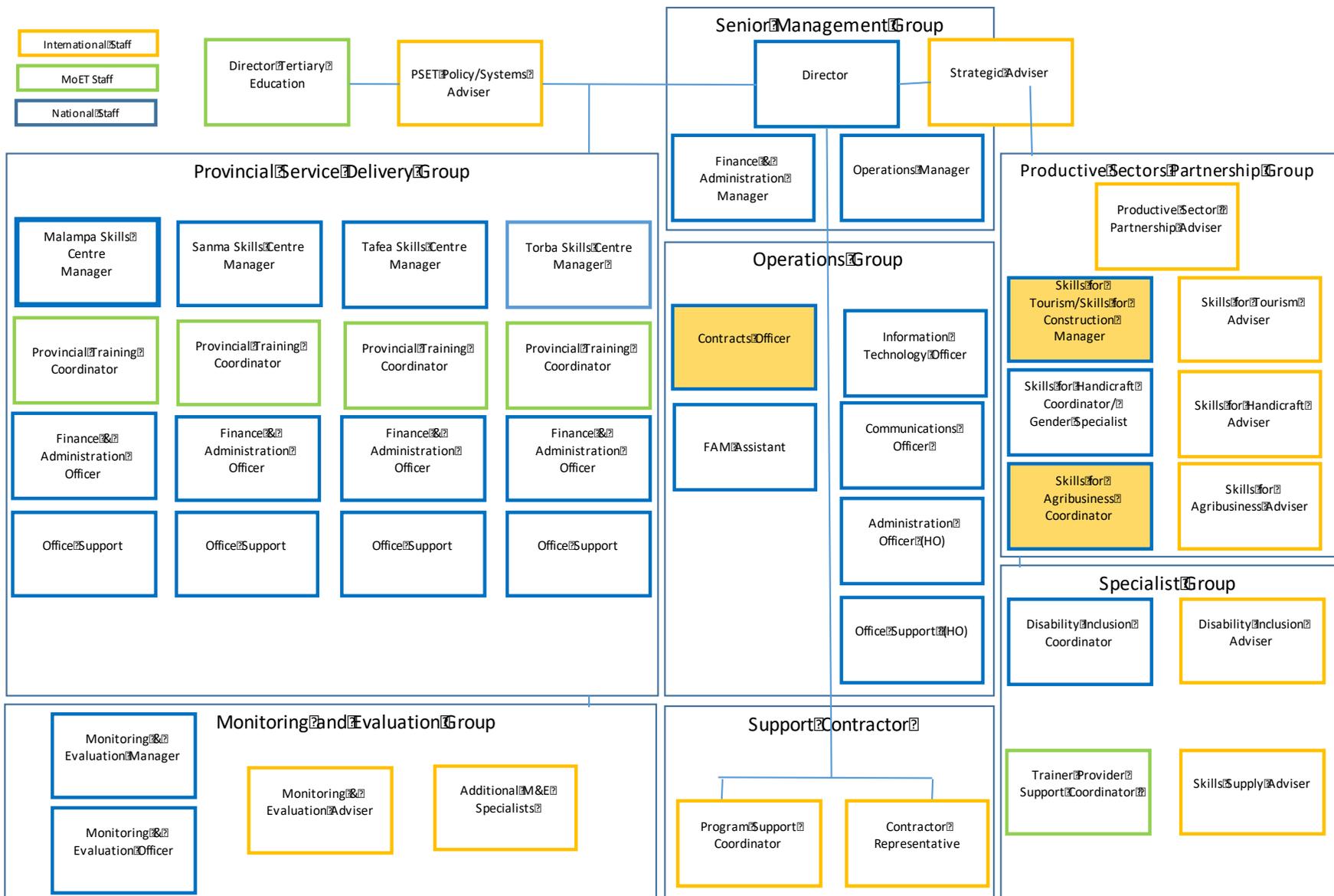
6. Annexes

6.1 Program Logic



*Please note: The term 'Client' includes women, men and people with disability

6.2 Organisational Structure



6.3 Costings and Personnel Inputs

See separate file

6.4 Selected ToRs

See separate file

6.5 Monitoring, Evaluation and Learning

Overview

Monitoring, evaluation and learning (MEL) for the Phase 4 Program will build on the Monitoring and Evaluation (M&E) system which has operated in Phase 3. The MEL system will be developed to further increase its effectiveness and to support the specific requirements of the new phase. There will be a shift from focusing data collection on the participation and experiences of individuals, to a more layered approach to MEL which explores outcomes for individuals, client businesses, sectors, training providers and the skills system as a whole.

The MEL system will also respond to the recommendations in the Independent Evaluation Report, and the DFAT management response, so as to 'take MEL to the next level'⁷⁷. Phase 4 MEL will be based on the theory of change which was developed and supported by stakeholders during the design process, with a comprehensive MEL system that enables the tracking of implementation, ongoing attention to performance and effectiveness, and the evaluation of progress towards the achievement of outcomes. In addition to focusing its efforts on monitoring progress towards intended outcomes, the system will also support research to explore developmental leadership in and by the Program.

The parallel purposes of the MEL system are to:

- Enable **shared learning and continuous improvement**- findings and lessons from evaluations are shared with DFAT, GoV, other DFAT (skills) programs and other stakeholders, so they can learn from the Program and to apply that learning to other development efforts.
- Support **well-informed management decisions** on a day-to-day and strategic level by the Program leadership and by DFAT and its partners in the Government of Vanuatu.
- Contribute to the **advocacy efforts** of the Program, to develop support from key stakeholders and build coalitions for positive change.
- Provide a basis for **accountability to DFAT and to the Government of Vanuatu** about the use of program resources and the achievement of Program outcomes - feedback is scheduled and synchronised to provide timely information to DFAT and the Government of Vanuatu at critical stages in the reporting schedule.

The MEL system will broaden its coverage and expand the range of tools and methods by which progress is assessed, including both greater depth in qualitative and increased quantitative analysis. MEL will take an enhanced approach to the measurement and quantification of economic outcomes that can be attributed to program activity through the deployment of econometric quantification and analysis at the client business, household and sectoral levels – aggregating to a provincial and/or national estimate of impact where possible.

In Phase 4, MEL will also seek to increasingly contribute to the emerging development of national systems for data collection and analysis, and its use in monitoring and management. This will take several forms, as the Program works with multiple partners in Government. For example, sector programs will work to integrate the monitoring and management systems for skills development into the systems of each sectoral Department, following the Skills for Tourism model. And as the systems within the VQA and MoET also develop, the Program will integrate its M&E systems with those – and to contribute to their strengthening – as opportunities arise.

The MEL Plan will build on the Phase 3 M&E Plan (May 2014), and will be revised to reflect the Phase 4 design and continue to be compliant with DFAT's MEL Standards (June 2014). The revised MEL Plan will be submitted to DFAT for approval and will be reviewed and updated annually.

⁷⁷ The design team have interpreted 'the next level' to mean i) an increased focus on outcomes measurement; ii) deeper analysis and evaluation of results; and iii) the evolution of the Management Information System with greater embeddedness and alignment to GoV data systems.

Principles

The approach to MEL in Phase 4 will continue to reflect the principles which already underpin the system:

- **MEL is an integral part of all program activities:**
 - Anticipated outcomes and outputs, and linkages to the Program goal, outcomes and outputs are clearly defined for all activities.
 - MEL is not an 'add-on' to program activities, but an integral part of the Program's implementation and management. This necessarily requires that responsibilities for MEL are shared across all staff, rather than just the MEL team.
- **Balancing flexibility and simplicity:**
 - The MEL Plan will provide flexibility to reflect Program activities across provinces, productive sectors and socio-cultural environments, and the reality that different methodologies may be required to evaluate different outcomes.
 - The MEL approach will be able to be understood and applied by those with limited expertise in the topic, while still providing comprehensive data for those seeking deeper analyses.
- **Monitoring and Evaluation Standards:**
 - The program will be monitored and evaluated in line with the OECD Development Assistance Committee criteria of relevance, effectiveness, efficiency, impact and sustainability.
 - MEL is also guided by the DFAT Monitoring and Evaluation Standards.
 - Evaluation activities will be conducted in accordance with the relevant aspects of the Guidelines for the Ethical Conduct of Evaluations, as set out by the Australasian Evaluation Society.
- **Alignment, partnership and inclusion:**
 - The Vanuatu Skills Partnership aims to contribute to systemic reform within the Vanuatu skills sector. Monitoring and Evaluation information is a critical advocacy tool to support buy-in from key stakeholders and build coalitions for change.
 - Social inclusion and variables monitoring inclusiveness will be routinely assessed within the MEL System.
 - The MEL system is participatory and accessible, so that all stakeholders participate in 'sense-making' and have ownership of the conclusions about program progress and performance so that the utilization of evidence is more likely and more possible.
 - MEL activities have a parallel capacity development aim, so that Program staff and national partners increasingly build MEL competencies.
- **Contribution to knowledge and learning:**
 - Two-way information flows are supported, so clients, Skills Centres, training providers, productive sectors and other contributors of data receive feedback. The MEL system will use a range of communication and reporting tools to make information more accessible.
 - Social inclusion and variables monitoring inclusiveness at the participant level will be routinely assessed within the MEL System, including through the continued use of the Washington Group disability identification questions, which will be applied in alignment with their use in data collection efforts led by the National Statistics Office to the extent this is possible.
 - Qualitative and narrative data will be valued as much as quantitative data. In instances where quantitative data is not available, values may be assessed through documented assumptions from qualitative data.
 - Support will be provided to the national monitoring and evaluation of the skills system as it develops, and program MEL will align with national M&E systems as much as possible, embedding itself within those systems where possible while also meeting the specific and additional requirement of Program management and DFAT reporting.

MEL System Overview

The MEL system is based on the Phase 4 program logic (see Annex 6.1). The program logic illustrates the sequence of elements required to achieve the program's goal and objectives. It sets out the conceptual links between indicative activities and mechanisms, and their intended outputs and outcomes. Overall, MEL is addressed at four levels:

- **Activities** – the *processes* of management, client service delivery, technical assistance and support;
- **Outputs** – the tangible *products* of the activities that are within the control of the program to deliver;
- **Intermediate Outcomes**⁷⁸ – the *interim changes* that result from the delivery of outputs that will occur through the ongoing implementation of the program; and
- **Long-term Outcomes** - the *changes* that result from the intermediate outcomes that are expected to be achieved in the longer term (six or more years).

The MEL system will be described in detail in a comprehensive **Monitoring, Evaluation and Learning Plan**. The MEL Plan will include:

- Summary of overarching system design;
- Description of all MEL activities and their link to the program design;
- Full description of all data collection methods;
- Explanation of data management tools including database system;
- Description of analysis and evaluation approaches;
- Plans for the utilisation of information collected and the findings resulting from analysis;
- Details of required reports;
- Calendar for all MEL activities; and
- Resources schedule showing the resources that support implementation of the MEL system.

The MEL Plan will be reviewed annually. An updated version will be released following discussion and agreement on any changes during that review.

Evaluation Questions

The evaluative focus of the program will be guided by a list of evaluation questions that will be investigated through the MEL system:

1. How has the coordination, planning and management of the skills system improved and how has the Program contributed to any changes?
2. To what extent are training providers providing higher quality and relevant skills development to men, women and people with disability, and how has the Program contributed to this?
3. How well is the Program, through the Skills Centres, supporting the provision of relevant, good quality skills development to people and businesses in response to clear demand?
4. What evidence exists of a more flexible training system, which enables men, women and people with disability to access pathways to further education and training opportunities, and how has the Program contributed?
5. Has the Program supported increased diversity of training provision within the sector?
6. How has the Program supported increased and more diverse financial investment into the skills system?
7. To what extent is there a greater representation of women and people with disability, and their interests, in skills system leadership and service delivery?
8. To what extent has the Program contributed to more positive perceptions of women and people with disability?
9. To what extent are Skills Centre clients achieving increased income and business development?
10. To what extent is the Program supporting women and people with disability to build skills, develop businesses and increase their income and status?

⁷⁸ Outcomes describe an end state, how things are – rather than how they are achieved.

11. How are Skills Centre clients contributing to broader sustainable development, including increased climate change resilience?
12. What is the Program contributing to the Vanuatu provincial and national economies?

MEL Methods and Tools

The MEL Plan will define methods to investigate these key evaluation questions in line with the Long-term Outcomes. The attached matrix provides an initial set of methods, mapped against the outcomes, and they are described in more detail below.

Much of the day-to-day monitoring of implementation progress, and the delivery of outputs, will be undertaken through operational and management processes that incorporate the collection of data as integral to management and administration.

MEL will be an integrated function with the focus on progress in achieving the long term outcomes around the operation of the skills system, the demonstrative effects of the Program and the results of Skill Centre clients developing and applying skills to achieve improved economic, social and cultural development opportunities.

The Program will make use of targeted qualitative and quantitative MEL tools, including:

Establishing Baselines and Monitoring Progress

The Program will establish a core set of baseline data available from the regularly updated program management information system. The collection of baseline data will occur through several processes:

- **Skills System Situational Analysis:** Early in 2017 the MEL team will prepare a Skills System Situational Analysis, which will contribute to the establishment of a qualitative baseline for the work across the system in Phase 4. The Situational Analysis – which may take the form of a SABER Analysis – will profile the skills system in Vanuatu in terms of the elements identified in the program logic, including: allocation of government budget and other resources, extent of flexible delivery by training providers, the number and range of training providers and their registration status, and the extent to which women and people with a disability (and their interests) are represented in the system. The Situational Analysis will be led by the MEL team but will draw input from across the Program team and in discussion with stakeholders, and will be recorded in a brief report. Early in 2020 the Situational Analysis will be repeated, thus offering the opportunity to profile the skills system against the baseline established in the 2017 Situational Analysis.
- **Wellbeing and Quality of Life Study:** In order to assess the extent to which the Program is achieving the long-term outcome regarding the status of women and people with a disability in Vanuatu, the program will undertake a Wellbeing and Quality of Life Study. Building on the experience of other development partners such as Oxfam, with similar studies in Vanuatu, the study will be completed in 2017 – to provide a baseline – and again in 2020 to provide an end line.

The provision of support to business and individual clients through the Skills Centres will be supported by a set of tools which also provide data for baseline setting, monitoring, evaluation and learning, in line with the sector PIFs. Ongoing monitoring will be differentiated between individual clients and productive sector business clients given that each of these groups will access different types of support. Baseline data collected from Personal Registration Forms and Business Client Files will provide useful information to assess the reach and coverage of Program activities, it will also support the planning of activities and support packages by the program team. Importantly the inclusion of baseline data points will enable the program to track progress over time, as well as compare baseline and post-participation data (enabled through progress monitoring and outcomes assessments instruments). Specific monitoring tools include:

- **Personal Registration Form:** Once individuals are accepted for skills development support through the Skills Centres (either as the owner/operators of business clients, as future entrepreneurs, as staff of business clients, or as promising individuals), they will complete a Personal Registration Form. Building on the former Baseline Form the Personal Registration Form will continue to capture preliminary demographic information from clients, and will be enhanced to capture key baseline information for each client which at a minimum

will include: i) Type of Employment (Full time/Part time, self-employed, wage earning, non-wage earning, subsistence) and ii) Level of Education prior to training. Individuals who are linked with a business client will be so identified, enabling cross-analysis between businesses and individuals receiving Skills Centre support.

The Personal Registration Form will enable the creation of a personal client file for each man and woman supported by the program, which will record their continuing participation in skills development activities. These data will enable analysis and reporting of the demographic profile of the entire cohort of personal clients, including the extent to which women and people with disabilities are being effectively included. This will also provide the sampling frame for future tracer studies, case studies and thematic evaluations, as necessary. Where possible the system will use the same structure as the emerging VQA National Record of Achievement database, which is seeking to establish a reliable means of creating unique identifiers for training participants, among other things. That system is in the early stages of testing and there remain challenges in the proposed approach to identification, but if proven it may also work well for Program requirements.

The Personal Registration Form will be completed at the start of engagement for each individual client by Skills Centre staff or Productive Group staff, with support from the MEL team where necessary. All individual client details will be input into the program's Management Information System (MIS) (initially an excel spreadsheet) by Skills Centre staff.

- **Business Client Files:** Client Files have been successfully introduced to the program as part of the 'Skills for Tourism' model applied in Phase two. When a business, or potential business, is accepted into the program for support, a Business Client File will be created to record the baseline information about that business, and then log key performance indicators, production indicators and business indicators (including income and employment) longitudinally.

Within each business client will be at least one individual – the owner/operator – but perhaps many more if staff and/or co-operators are also supported with skills development, each of whom will be also be required to complete a personal registration form. In many cases the business client may be limited to a single individual but comprise multiple businesses or nascent businesses that will be treated as a single business in terms of establishing their business baseline in their Business Client File.

Baseline information is collected by the relevant Productive Sector Group Coordinator/Productive Sector departmental officer from the client (or client representative) during the first visit to the client. This information will form the basis for ongoing consultation and access to support. The Productive Sector Group Coordinator in collaboration with the Productive Sector departmental officer, supported by Provincial Training Coordinators, will continue to progressively monitor the progress of clients through Business Client Files and will input Client File information into the program's MIS (initially an excel spreadsheet). Productive Sector Group staff will work with MEL Staff to analyse and interpret data trends – providing direction and quality assurance of lessons learned, findings and recommendations.

The usefulness of Client Files is that they can be used to assess specific individual and sector development strategies and packages of support, as well as providing measures of indicator rating to enable comparison across productive sectors. The information contained within client files will be used for comparative analysis, as such it will be routinely reported against progress monitoring and evaluation data.

- **Skills Centre Activity Reports:** Skills Centres will be required to input Skills Centre and Training Provider activity data (events records), link these to individual client records within the MIS and input data on outputs (completion/attendance rates). Automated program reporting will be developed within the MIS to assimilate and aggregate Skills Centre transactional data to provide information on the scale, scope, reach and coverage of the program over specified periods. Skills Centre staff will support the MEL Team to interpret and provide information on data movements and trends in line with corresponding activity through the program.
- **Participant Feedback:** The Program will encourage all training providers – both registered and non-registered – to routinely collect, analyse and respond to participant feedback. Registered training

providers will do this with their own tools, and will be supported to improve these as part of the program's Training Provider Improvement Agreements. Non-registered training providers and industry experts who do not utilise participant feedback tools will be provided with a suitable template and assisted to routinely use these. The Program will establish templates that demonstrate good practice and guidance on the type of information to assess training quality, and work with Training Providers. Training providers will report to Skills Centres aggregated data against key aspects of quality (as judged by participants) within the programs MIS.

Tracking Outcomes

The Program will continue to assess the progress of clients and System against anticipated program logic outcomes. The breadth of the Program's stated intermediate outcomes, and the variation in the way that these will be presented across client groups requires more than one outcomes assessment tool. Instruments used to track program outcomes include:

- **Individual Client Tracer Studies:** The evaluation of outcomes will be enhanced through annual tracer studies on a sample of clients who have completed skills development through the Skills Centres (differentiated by the length of time since first exposure to the Program – for example, first training or first coaching system). Sampling frames will be calculated annually to ensure that findings are statistically significant for each group of interest, including marginalised groups, as well as being representative of clients over time (recent and distant). The selection of a random survey sample will be limited by the need for representation of groups, as well as purposely not selecting respondents that have participated in the survey in the preceding two years.

Data collected will be relatively limited and will complement Personal Registration Forms to assess the extent to which outcomes are being realised, as well as enabling comparisons of pre- and post-participation. Key indicators around income; household livelihood; further education and training; perceptions on social inclusion, employment status; and occupation type will be assessed and reported quantitatively. Tracer Study findings may inform additional case study and focus group assessments in emerging areas of interest. Data collection for Tracer Study will be conducted by the MEL Manager and MEL Coordinator in 2018 and 2020 through face to face, telephone and online formats.

- **Business Client Tracer Studies:** Productive sector clients that maintain regular contact with the program will provide ongoing data against program outcomes through their client files in line with the sectors PIFs. The annual analysis of the most recent Client File data to assess the extent to which income, employment and business status has occurred across the portfolio is useful. Such assessment will require the aggregation of data to the whole-of-program level, although reporting will also be required at the productive sector level. The Business Client Tracer Studies will gauge the program's contribution to business and personal outcomes, both positive and negative. It will also seek to describe the extent to which, and how, clients are contributing to local sustainable development and social inclusion. The Business Client Tracer Studies will be facilitated by the responsible productive sector group member/productive sector departmental officer and conducted via face to face interviews between the MEL Manager and/or MEL Coordinator and the client.
- **Case Studies and Thematic Evaluations:** To examine a wider range of issues than is possible with routine monitoring, the program will conduct Thematic Evaluation and Case Studies under the direction of the Program's Director. The purposeful selection of case studies will be based on the analysis of outcomes data as well as discussions with Program staff and stakeholders. The specification of Thematic Evaluations will be guided by Program commitments to report additional funding sources, for example the DIDFund and *Pacific Women*. The aim will be to identify cases of interest that provide the opportunity to explore issues or thematic questions relevant to the program and its intended outcomes. Cases may be clients (individuals or businesses), or sectors (such as the tourism sector) or geographic locations (such as provinces), or any combination of these. Cases may

also be thematic, examining specific groups of participants selected according to a theme of interest for the program.

Studies will be modest in scope, tailored to address the theme of inquiry, and will be undertaken by the MEL Team with program staff or commissioned through standard procurement processes. Most would include a mixed methods approach using existing quantitative data with the addition of qualitative methods to provide greater depth to analysis. Qualitative methods may include focus groups or most significant change depending on the appropriate mix for the focus of the study.

Case Studies will enhance understanding of Program activities and complement other monitoring and evaluation methods being used throughout the program. Cases will be chosen purposively on the basis of providing the greatest opportunity to learn through 'substantive representativeness', rather than statistical representativeness. Case selection will enable the preparation of individual case studies for a diverse group of clients, and will also enable the cross-case analysis that may identify shared patterns that, because they have arisen from a heterogeneous group of cases, will have greater significance. Case studies also provide relatable content/collateral for program promotion, including, for example, short DVDs. Once a case is selected, the MEL Adviser will prepare a brief Case Study Design outlining the specific methods and workplan for the case study. Where DVD production is included in the case study design, the program will engage specialist local audio-visual production.

Indicative cases to be studied over Phase 4 include:

- A case study of participants of the Training Provider Inclusion Improvement Fund to identify good practice and demonstrate the achievement of program outcomes.
- Documenting specific examples that show how clients are contributing to local development, for example where a business client invests increased income into a community initiative.
- Productive Sector Value Chains, for example a study on sustainable linkages within a selected sector supply chain (such as food production in agriculture being utilised by a restaurant client in the tourism sector).
- Women in leadership study to explore how Vanuatu Skills Partnership networks, mentors, and staff can contribute to supporting and enabling women's leadership in the skills sector.
- Women's economic empowerment study focused on issues such as benefits/disadvantages of transition from informal to formal sector employment, gender-based violence, 'double-burden' minimisation. The specific use of a 'Do No Harm' lens will be considered.
- Individual stories that illustrate how program outcomes are being achieved in Vanuatu.

Thematic evaluations provide an assessment of a subset of program activities and the extent to which these have contributed to program and other outcomes. Thematic Evaluations will typically be defined during the planning stage of an initiative, providing methods and workplan for data collection, analysis and reporting. Thematic evaluations may align to supplementary funding sources (such as Pacific Women, or the Tanna reconstruction funds), but they equally may examine broader themes of concern for the program. Indicative Thematic Evaluations for Phase 4 may include:

- Tanna Tourism Reconstruction Project Evaluation
 - Productive Sector evaluations
 - Evaluation study on the extent to which the Vanuatu Skills Partnership contributes to women's economic empowerment
 - Longitudinal evaluation of Handicrafts Centres
- **Training Provider Inclusion Improvement Fund (TPIIF) Monitoring:** The activities funded through the TPIIF aim to contribute to the following Program outcomes: a) A skills system that provides inclusive access; b) Participants (including those with disability) follow pathways to further education and training, and c) The status of women and people with disabilities is enhanced. Two proposed outputs, and the monitoring and evaluation methods that will be used to measure progress against them, are outlined below.

Output One: Training Providers enrol, train and assess people with disability – measurement will include the following indicative activities:

i) Development of a rubric which outlines indicators for different “stages” and areas of disability inclusion within training providers, and tools to enable baseline and endline measurement of this. This rubric will enable systematic, objective and consistent assessment of progress towards disability inclusion within training providers which receive TPIIF funding. The rubric is likely to cover different elements of inclusion, including accessibility, policies, data collection systems and others. The same rubric will be reviewed in discussion with training providers periodically, providing a basis for monitoring progress towards a more inclusive training provider. Development of this will be led by the Disability Inclusion Advisor, working closely with the Disability Inclusion Coordinator, and will be informed by stakeholders.

ii) Implementation of a baseline and endline study to measure changes in trainer attitudes, confidence and knowledge. This will consist of a quantitative questionnaire administered to trainers, and will be complemented by case studies. Finding from the baseline study will inform the training program that will be developed for trainers as part of DIDFund activities.

Output Two: People with disability participate in skills development – measurement will be enabled through collection and analysis of data regarding trainees with disability. This will involve working with training providers to: a) establish disability data collection and analysis tools, and b) strengthen the capacity of Training Provider staff to use these.

Early investigation indicates that training providers do not currently collect participant data regarding disability. The Disability Inclusion Advisor will work with the Disability Inclusion Coordinator and the program’s Monitoring and Evaluation team to devise simple disability data collection mechanisms to be applied consistently across training providers. Lessons from the Program’s efforts in this area during Phase 3 will inform these efforts, and the resulting disability data collection system utilised by training providers will, as far as possible, be consistent with the system used in the Skills Centres.

Efforts will be made to ensure data collection methods utilise questions and methodology for disability data collection are in line with national efforts led by the Vanuatu National Statistics Office. Training will be provided to relevant staff from training providers in the use of the questions, data storage and analysis. All training providers involved in TPIIF funded activities will participate in efforts towards harmonised and accurate disability data collection; this will be an imperative activity funded under the DIDFund rather than an option available under TPIIF.

Achievement of the DIDFund objectives will be reviewed according to the Phase 4 Monitoring and Evaluation Plan, in line with the Program Logic.

- **Training Provider Improvement Agreement Monitoring:** Agreed improvement targets to be set and regularly monitored as part of the Partnership Agreement.
 - A Training provider quality improvement checklist (aligned against the VQA Standards, the VQAF and the PSET Policy). The checklist will list quality improvement areas listed under several organisational categories – e.g: human resources, facilities and equipment, teaching and learning materials and consumables, product development, administration and finance, student management and support services.
 - Training Provider Improvement Action Plan developed in collaboration with the Program comprising performance indicators to address improvement area identified in the checklist. Action plan will list KPIs with timelines and responsibilities, resources, required, reporting mechanisms and contribution of training provider as recipient of training provider improvement funds.
 - Training Provider Improvement Progress Report where the provider reports against KPIs and performance supported by the improvement plan.
- **Sustainability Index:** The Sustainability Index considers sustainability in relation to the continuing development of the Vanuatu skills sector and against an agreed set of criteria. The Phase 4

sustainability matrix will build from the version used in Phase 3, and will be strengthened by the addition of a clear rubric which provides a more robust basis for regular review of progress towards the system-level long-term outcomes. Changes in the rating of each element of the index enable an evaluation of higher level impacts on the skills system over time. The Skills Partnership Steering Committee will collectively refine the Sustainability Matrix and its supporting rubric during an early meeting in 2017 so that the Skills Partnership Steering Committee can analyse, discuss and agree a rating for each element of the index that will be aligned to the Program Logic and Skills Policy. The annual review of the Sustainability Index will provide a basis for monitoring changes in the overall system development.

Collaborative Research Study: To deepen the understanding of the Program's approach to development, and in particular its deeply contextualised and politically informed way of working, the MEL system will include a research study. Ideally undertaken as a research collaboration with a specialist organisation, to explore the Program's application of what is essentially a problem-driven iterative adaptation (PDIA) approach with a focus on locally-driven leadership, catalysing local coalitions for change, and 'positive deviance' within an authorising aid program environment. The direction of the research study will be developed jointly by the program and DFAT (both Vanuatu post and the governance section in headquarters), including the appropriate partner research organisation. Key members of the Program team will participate in the research, including the Director, the Strategic Adviser and the MEL Adviser.

Economic Impact Assessment

The developments in Program MEL in this design will include the collection of longitudinal data, which will enable increased economic impact assessment. Where possible, the Program will seek to collaborate with GfG in impact assessment. The primary instruments through which this will be achieved include:

- **Business Client Income regression modelling:** Previous program studies, and literature review, has provided compelling evidence that income is determined by, amongst other things, baseline earning, age, training and post-training follow up support. It is also anticipated that there may be significant influences on the ability to effect change in incomes by gender; province; productive sector; type of employment and level of education prior to program engagement. The identification of these factors allows the specification of a regression model that examines the extent to which these variables and other influences affect incomes by analysing multiple observations. Strength of relationship can be reported as, for example, for every 10 hours of coaching, business income (annually) will increase by 10,000 Vatu⁷⁹, or, income from tourism in province 1 is on average 3 times higher than income in province 2.

A regression is also an estimation and analytical tool that predicts the value of Income (Y) from the variation in observed variables and influences (X) are known, correcting for random deviations and errors. This means that by specifying the average or total case (through statistical methods), the average or total income from a quantum of activity can be predicted – this can then be a useful measure of predicted income contributions for example to a sector, or to a province, or to sector within a province. Additionally, the predicted value can be compared to other data sources to predict share of contribution and therefore the reach within a sector, province or nationally. The predictive power of the business income regression model will support planning functions and provide credible evidence that support greater investment in a sector or province. Stated differently, a regression model predicted from a sample of data and applied across a quantum of activity can be used to i) provide some accountability of impact that is being achieved by the program, and ii) provide a prediction of return on investment (in a sector, or province, or both) to create greater impetus for supplementary investment from other (non-program) sources.

Applying a regression model using personal client data, whilst interesting, will present some challenges: i) clients will generally be less inclined to provide income information resulting in

⁷⁹ Hypothetical example.

oftentimes complicated and expensive income estimation techniques⁸⁰, and ii) If personal clients and business clients are considered together, then in some cases income will be double-counted (overstated) within the model. Regression estimation will thus be conducted through time-series observations of business client data only. The ability to specify and run valid regression models with productive sector data will provide useful analysis of changes to coefficient values (relative strength of the variable on income over time) and examine any significant difference in generating income between women and men; productive sectors; provinces and any combination of these. Understanding these statistical relationships will provide a robust basis for recommendation to be made for the program to continue or tailor delivery approaches.

The MEL system's Business Client Income regression model will enable the Program to assess the extent to which program activities are linked to changes in observed outcomes, as well as providing a quantum around how much each activity or variable affects the ability to achieve outcomes. This allows the program to identify, and scale up, those activities that have maximum impact, whilst also providing a basis for further research or redirection of activities that are not presenting observable outcome changes. For example, if gender is found to be a significant contributor to being able to achieve enhanced income, then specific gender strategies may be piloted and rolled out.

The MEL Team will continue to coordinate data collection and provide quality assurance oversight of data with the initial regression model, and subsequent re-estimation and analysis being conducted by an Economic Analyst.

- **Difference-in-Differences Study:** The Program commissioned an assessment of Program impact using household level micro data from the 2006 and 2010 Household Income and Expenditure Surveys (HIES) (conducted by the Vanuatu National Statistics Office (NSO)) in 2012. The study utilised the difference-in-differences approach, and was conducted by a consultant who worked closely with the NSO throughout. It examined the net impacts of training for communities supported by the program in Phase 2 by comparing changes in their household incomes between 2006 (baseline) and 2010 (about 18 months after Phase 2 began), to changes in household incomes for non-program communities over the same period. The study estimated the overall net impact of the program through the Skills Centres, and disaggregated impacts by province, and by type of support provided.

Vanuatu is planning a further HIES⁸¹ in the first half of 2017. The program will, through the agreement of NSO, contribute feedback and request the inclusion of additional lines of enquiry to the NSO survey instrument, prior to its finalisation. An updated HEIS provides the opportunity for the program to commission a second difference-in-differences study, comparing the Phase 2 findings with the 2017 HIES data. The study will be further enhanced by the Business Client Income regression models (mentioned above) that will provide trend data over time to assist with analysis. This should provide an even more robust assessment of the impact of the program, given that it will have been implementing for a much longer period. The study will be commissioned in parallel with the HIES, and will be undertaken in cooperation with the NSO. It is expected that the study will be completed in early 2018.

DFAT Program Evaluation

DFAT will review and evaluate the Program's progress both in terms of contribution and operations (funded and managed separately from the Program budget). Key mechanisms for this are:

- **Independent Review and Evaluation:** An Independent Program Evaluation will be completed towards the end of the first contract period (2020) to assess Program progress and Support Contractor performance. It will provide advice on ways to improve the effectiveness and sustainability of the Program for the remainder of its implementation period, and possibly beyond. DFAT will commission

⁸⁰ Individual clients will be asked to rate movement in income, and potential quantum of income changes through the Tracer Study, however this data is not likely to generate suitable estimates of income.

⁸¹ The HEIS will include a hybrid of other evaluative foci including poverty analysis and sector contribution.

a further Performance Evaluation at the end of the Vanuatu Skills Partnership implementation period. This evaluation will be timed so that it can provide input to the preparation of any subsequent design for further programming in Vanuatu.

- **Support Contractor Performance Assessment:** Overall Support Contractor (SC) performance will be specifically assessed through an annual Partner Performance Assessment process using the standard DFAT assessment template. The PPA scoring criteria will reflect the specific and limited nature of SC services required for this mature Program which is focused on locally-driven change and embedding Program operations into national systems. These will assess the efficacy of administration and back-office support (funds/treasury management, ICT, recruitment and human resource support), responsiveness to DFAT and Program local staff satisfaction with SC support⁸².

Learning

The MEL system will continue to comprise blended action research and theory of change approaches to support an evidence-informed culture of adaptive program management. The MEL Adviser, MEL Manager and Communications Officer will include within the M&E Plan a documented approach to strategically communicate the findings of the Program's MEL to inform change at the individual, business, and system reform levels to influence systemic and political decision makers and the wider public in efforts to progress the reform agenda. Information dissemination will continue to combine digital media with more traditional outlets such as newsletters, newspapers and radio.

The Annual MEL Report, coupled with the Sustainability Index update and System Reform Review process provides the opportunity for program staff, stakeholders and partners to consider MEL data and analysis, share experiences, develop plans, adjust strategies for the future. The MEL Adviser and MEL Manager will at a minimum present MEL findings and corresponding management recommendations (as document in each Annual M&E Report) to the Skills Partnership Steering Committee. The MEL Team will also design and facilitate regular reflect and review workshops, where the most recent MEL outputs are presented and discussed. Findings from these workshops will be documented in the Annual M&E Report.

Information (Data) Management

The Program will require a substantial upgrade in its information management system to reflect the enhanced MEL requirements and the expansion of Program activities across multiple productive sectors in Phase 4. The information management system will be designed with close reference to existing and emerging information management systems in Vanuatu, and will align or, where possible, integrate, with these systems. This means that while the Program is collecting data for its own reporting, it is also strengthening the national system.

Management Information System

The Program operates within a complex information environment with complementary and at times competing data needs. Phase 4 will see the management information system (MIS) for the Program graduate from a collection of disparate excel spreadsheets that were appropriate during Phase 3, to a database system that optimises data collection and processing as well as increasing the Program's capacity for enhance analytical assessments.

Whilst the MIS will be designed to meet the needs of the Program, it will operate within the broader skills sector in Vanuatu, within which several other databases are being designed and/or implemented. Regardless, national data systems that are being developed do not (and will not) meet all the information needs of the Program, particularly in term of outcomes measurement. Therefore, at least initially, the Program will develop and utilise a program-specific management information system (MIS) which supports management of data required for M&E of all aspects of the Program. The Program's MIS will be structured so that it is fully compatible and able to synchronise with these other systems, and possibly even built within one of these.

⁸² The satisfaction of Program staff with SC support reflects the hybrid/transformational nature of the program, as well as providing greater accountability to 'local ownership'. It is recognised that the success of the Program to date requires changes to the performance assessment criteria that are usually applied to aid programs.

The interaction, and early structure of the Vanuatu Skills Partnership MIS is represented in Figure 1, below. Key systems to consider include:

- **Open VEMIS:** The MoET system, the Vanuatu Education Management Information System (VEMIS), has been upgraded to Open VEMIS. The system assigns a unique identifier to students within the education system, and then tracks their achievement through their primary and secondary school journey. At present the system is used for Early Childhood Care and Education, Primary and Secondary with a few specialised institutions such as MoET itself. Open VEMIS does not currently include PSET data, although it can and will likely do so in future. The program will continue to engage in discussion with the Vanuatu Education Support Program (VESP) to align the programs MIS to Open VEMIS, as well as supporting (and modelling) the development of PSET fields that relate to the skills sector within Open VEMIS.

Open VEMIS uses a .Net front end with a MS SQL back end. The web server front end is hosted by the Vanuatu Office of the Government Chief Information Officer (OGCIO) at the national data centre. The database is presently held by MoET but will be relocated to the national data centre. Technically, it is possible to extend Open VEMIS to the Skills sector through the Program. This will also enhance longitudinal assessments as, for example, childhood disability, assessment and other data would be tracked with students as they progress into the skills space, such analysis is not possible with a standalone system. Opportunities to work through, and at a minimum regularly synchronise Open VEMIS with the Program MIS, will be explored and progressed through database design expertise⁸³, and will be subject to further discussion at senior levels between the Program, MoET, and broader GoV information technology officials.

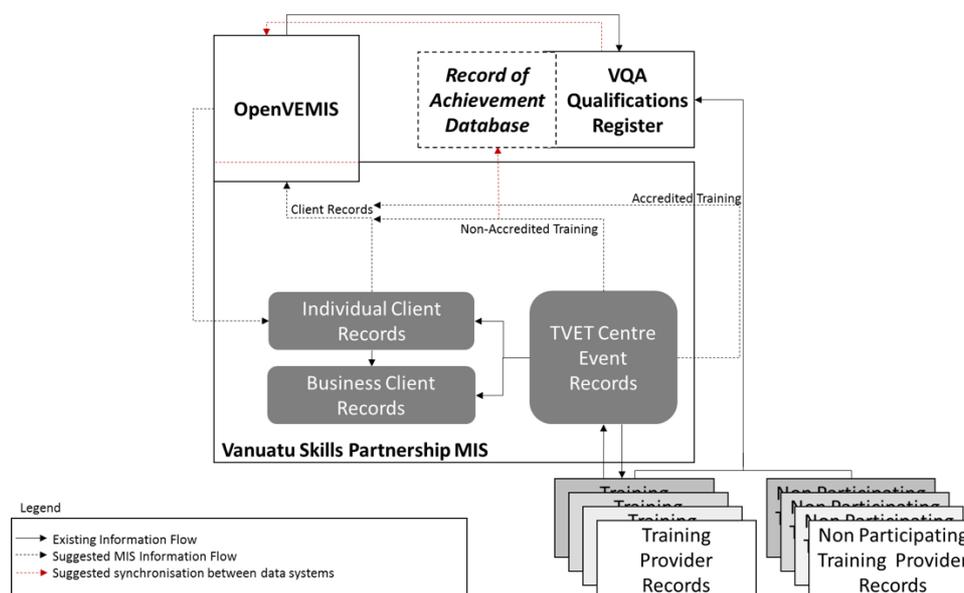
- **VQA Qualifications Registry:** The VQA's web-based qualifications registry will serve as an online enrolment and moderation database hosted by the VQA to house PSET provider data and information. All training providers will be required to manually enter all student and study particulars, including names, birthdate and a valid VEMIS ID⁸⁴ or Birth Certificate number in the absence of a VEMIS ID. Compliance with, and input into, this database is mandatory for all Training Providers that deliver accredited training although at present training providers maintain very limited information systems, if at all in some instances. A volatile internet environment is also likely to affect the efficacy with which Training Providers can comply with this requirement. Through the Training Provider Improvement Agreements, the Program will support training providers to meet the requirements of Vanuatu Qualifications Registry data entry/upload. The program will continue to work with the VQA to support, and pilot, this web-based database, so that ultimately there is consistent data between the program and the VQA – should the Program MIS ultimately model a link to OpenVEMIS, then it is likely that synergies between VQA systems and OpenVEMIS can be demonstrated and enhanced.
- **VQA Record of Achievement database:** The VQA aims to include within the VQA Qualifications registry a VQA Record of Achievement database that, in theory, maintains records of each individual's PSET journey, including accredited and non-accredited training records against individual students, however these can only be inserted into the database through the submission of a paper form at VQA. To avoid data duplication with OpenVEMIS, it may be worthwhile for the Program to, with the VQA, develop a non-accredited training database within OpenVEMIS and then synchronise to the VQA record of achievement when it becomes operational.
- **NSO Development of a Statistics Roadmap for Vanuatu:** The NSO is currently working across a range of relevant ministries, defining variables and indicators of interest to the program. This roadmap aligns the Government of Vanuatu's development aspirations to the Sustainable Development Goals (SDGs) providing a platform for the program to contribute to SDG reporting where common indicators are used. The program will ensure regular engagement with the NSO to ensure that

⁸³ To ensure a depth of understanding and harmonisation with Open VEMIS, the program's database specialist, who will be recruited to design and develop the program's MIS, will preferably have worked on the re-design of OpenVEMIS or similar.

⁸⁴ At the time of writing the VQA Qualifications Registry does not link to OpenVEMIS, although there is an intention to do so in future.

indicator and variable definitions are consistently applied. The NSO will provide higher level quality assurance and support the design of data collection instruments so that they are consistent with, and complementary to NSO data collection. NSO staff may also support program data collection and analysis⁸⁵.

Figure 1: Indicative structure of Vanuatu Skills Partnership MIS



Data Collection and Management

Most of the activity output information required by the MEL system is customarily collected during routine program management and administration activities and will increasingly be collected by Skills Centre and Productive Group Staff and departmental officers with regard to the sector PIFs. Examples of such data include training/coaching/skills events delivered, individual and business client information, and completion by client. The MIS will provide the functionality for Skills Centre Staff and the Productive Sector Group to enter information directly to the MIS.

Importantly, as the data environment in Vanuatu evolves, training providers are required to increasingly strengthen their own data collection and management systems as part of their overall quality system improvements. As mentioned previously, Skills Centres will continue to provide support to training providers in the form of standardised reporting templates, support to embed data management (including data use) within training provider organisations, and ongoing support in submitting mandatory information to VQA systems.

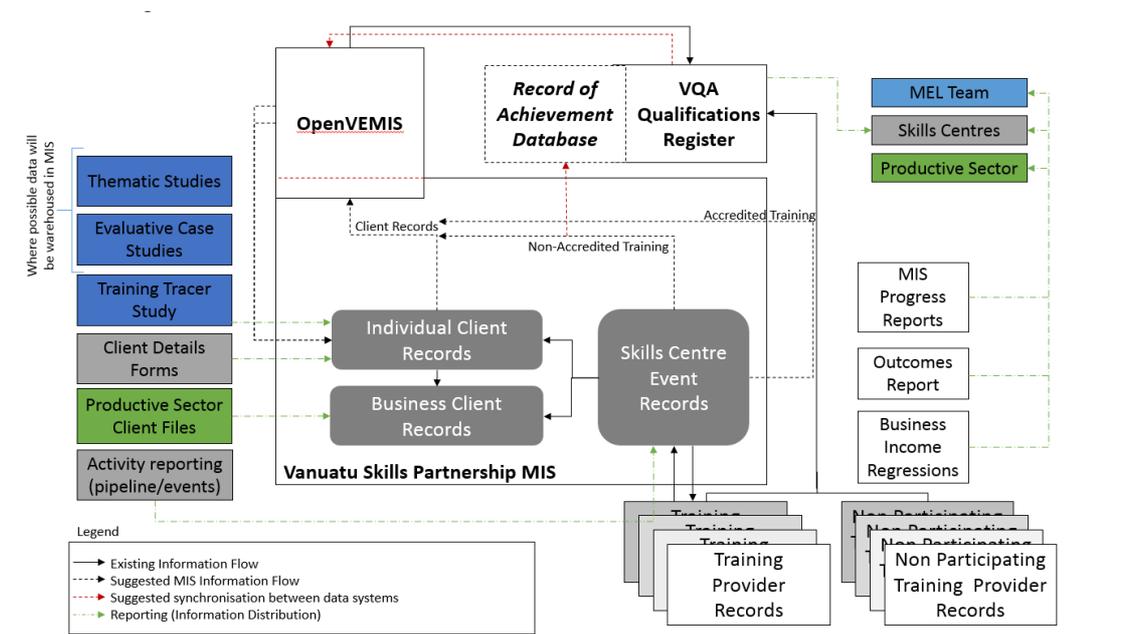
The delivery of ongoing coaching and skills support to client businesses incorporates the collection of useful MEL data from clients by Productive Sector Group staff, as a central coaching and business development tool (not just for M&E). To optimise the efficiency of data entry, and in conjunction with the design of the MIS, the program will pilot the use of tablets to capture data to Client Files. If this proves feasible, this mode of data collection will be adopted as standard practice wherever practicable.

The program's MEL Team will take responsibility for the coordination of all data collection, and hold a quality assurance role for data within the MIS. The MEL team will also, supported by other team members, design and implement specific instruments to assess progress against outcomes. The MEL Team will also pilot the use of tablet technology for survey-based studies. The analysis of MEL findings will always be shared with the relevant technical expertise within the program team (for example, the analysis of disability inclusion would involve the Disability Inclusion Coordinator and the Disability Inclusion Adviser to interpret and add insight to findings that are reported.)

⁸⁵ The NSO has requested that the program includes NSO staff to support data collection to assist in building the capacity of NSO staff.

The roles and responsibilities for data collection are shown schematically in Figure 2. The diagram assumes that responsibility for data management and quality assurance will rest with the MEL Team.

Figure 2: Vanuatu Skills Partnership MIS Information Flows



MEL Roles and Responsibilities

The MEL Team will continue to comprise a full-time MEL Manager and MEL Coordinator located within the program office in Port Vila. The MEL team’s role will shift substantially from its data collection focus in Phase 3, towards increased quality assurance of data, data analysis and higher level reporting in Phase 4. The full-time MEL staff will be supported by several short-term advisers, and a range of other program staff and stakeholders will also make substantial contributions to the overall monitoring, evaluation and learning approach of the Program. An overview of these roles and responsibilities is provided below (with detailed terms of reference for the new specialist positions provided in Annex 6.4).

MEL Manager: The MEL Manager will support all program staff in implementing the MEL Plan and MEL tools, and will act as the focal point within the Program from which all data collection is coordinated and supported in terms of scheduling and defining standards (templates) for data reporting. The Manager will review data collected and provide interpretive analysis of the same against reporting requirements, taking an increasing responsibility for report preparation, and undertaking several evaluation studies. The role will also liaise with GoV agencies to identify and address opportunities for MEL system integration and development, and to ensure the Program remains fully informed of relevant developments across government.

MEL Coordinator: The MEL Coordinator will provide day-to-day support to the MEL Manager other program staff in data collection, analysis and reporting. This role will coordinate the all data collection processes with special responsibility for database management and data entry, for coordination and administration of survey implementation, and assistance with report preparation. The MEL Coordinator will also support the maintenance and quality of the MEL tools and systems, also supporting Program staff in their use of these tools.

MEL Adviser The MEL Adviser will report to the Director and work closely with the MEL Manager to lead system development, data analysis and reporting. The Adviser’s input will continue to provide support as the MEL system undergoes considerable redevelopment and upgrading over the course of Phase 4, bringing in new tools and methods, integrating routine monitoring with Program operations, and linking with national systems as they develop. The MEL Adviser will aim to support the MEL Manager to progressively build capacity so as to increasingly take the lead on MEL activities, including the provision of advice to stakeholders of the program. The MEL Adviser will support capacity development of the MEL team, the broader Program

team as well as with partners and stakeholders. The MEL Adviser will provide periodic inputs focussed on MEL system development, Skills Partnership Steering Committee meetings and report preparation, as well as preparing case studies and other evaluation studies.

Database/Information Management Specialist (STA): The Information Management Specialist will work with the MEL Manager, MEL Coordinator and MEL Adviser to develop the database and data management system, to support the requirements of the MEL system and of program management. The specialist will convert existing, and proposed MEL databases from excel spreadsheets and Survey Monkey to a suitable database software solution that can accommodate future data demand and use, aligned and linked with national systems as much as possible. The specialist will provide ongoing technical advice and oversight of the application and maintenance of the MIS once it is implemented.

Economic Analyst (STA): The Economic Analyst will design and implement instruments for the collection of administrative, time series socio-economic data, advance development an analysis tool for provincial, enterprise and sector level impact assessments of the Program's activities, particularly in productive sectors. The Analyst will be responsible for regression data and the estimation of household income regression models annually. The Analyst will also replicate the DID study on completion of the next Vanuatu HIES. The Economic Analyst will support the MEL Team and key program staff to build capacity in the interpretation of statistical models, so that statistical findings are understood and useful.

Skills Centres: Skills Centres will increasingly take on more responsibility to collect and enter monitoring (administrative) data from training Providers into the Program MIS, whilst at the same time strengthening training providers' own systems in line with their QMSs. Whilst information is likely to initially be provided through customised excel spreadsheets it is anticipated that the MIS will ultimately facilitate the input of data through online formats. Skills Centres will collect and provide information through 'enrolment' forms, personal registration forms, and participant completion reports (formats and fields will be aligned to Open VEMIS and VQA Databases), Skills Centre staff may also be required to support other data collection exercises such as the Tracer Study.

Productive Sector staff: Productive Sector Group staff in collaboration with departmental officers for the respective PIFs will have responsibility for documenting client interaction and maintaining detailed Client Files for client businesses, which will be accommodated within the MIS to be developed. Until the MIS is operational, data will be provided to the MEL Team through summarised excel based reports. The Productive Sector Group has a key role in defining key performance indicators for each productive sector, and will continue to refine and implement these over Phase 4 of the program.

Communications team: Through guidance from the MEL Manager, and under the direction of the Director, and the Strategic Adviser to the Director, the program's communication team will collaborate with the MEL team on learning and communication activities including case studies, DVDs, media tracking and results presentation (for example infographics). The link between MEL and communication activities will continue to be an important enabler of strategic and influential communication.

Training Providers: Training Providers are contributors and users of the programs MEL systems. They will be required to provide MEL information on training activities, whilst at the same time accessing support to build their own data management and decision making systems, in line with their QMS, through this interaction. The change in quality of information provided by Training Providers is a measure of enhanced reporting capacity within the skills system. Training providers will also comprise a primary target audience for MEL reporting.

Skills Partnership Steering Committee: A key principle of the MEL system is useability of data to learn from and inform decision making processes. The Skills Partnership Steering Committee is a critical client of MEL, with a crucial role on strategic communication for system reforms at the national level. Importantly, the Skills Partnership Steering Committee will also serve as a reference point for higher level program reporting, and support the ongoing contextual analysis of MEL findings.

Reporting

Reflecting the multiple purposes of MEL system, the Program will use a range of reporting and communication methods. It will continue to place significant emphasis on the strategic communication of its MEL results to raise community awareness, and to progress the reform agenda. Through the combined effort of the Communications and MEL Teams, as well as all other staff, the Program will maintain the momentum of MEL communication activities undertaken over Phase 3, and contribute a suite of meaningful and strategic communication tools and products to continue to effectively engage with and influence a range of stakeholders, including the public, training providers, government officials and influential private sector leaders. These will include infographics, videos and 'dash-board' reports.

Importantly, the deployment of M&E reporting as a strategic advocacy tool for system reform has potential to motivate enhanced investment into the skills system, as well as providing credible evidence of funding efficiency (or opportunities to increase funding efficiencies). Instances of MEL data and or reports being used to enhance the delivery of program outcomes will be documented either as a section in the Annual M&E Report, or as a possible evaluation study exploring the application of M&E data for advocacy. Examples of possible areas of study could include:

- A study on the extent to which Centre Manager/Departmental Officer reporting and relationships contribute to changes in provincial budgetary allocations; possible timing of reports to align with departments budgetary planning;
- Using the results of regression analysis and prediction to demonstrate value for money of financial investments into the skills system – both to the GoV (in terms of their funding of the Skills Centres) and other development partners/donors (in terms of contribution to the Skills Development Fund).

Communication of MEL products will take into account the impact of demographic factors such as age, location and gender to establish effective communication mechanism to reach specific target audiences, avoiding a 'one size fits all' approach. The Program will make use of digital media including social media, DVDs and websites, as well as more traditional outlets such as newsletters, newspapers and radio as part of a communications dissemination strategy – materials will be available in English, Bislama and French as appropriate.

The Program will prepare several reports over the life of the program, which will provide timely, formative, summary data (disaggregated by age, gender, disability status, disadvantage status, training type) to support the efficient implementation and review of the program. Reporting will focus on program impacts, although numerical reports will continue to be sent to Skills Centres, MoET, Skills Partnership Steering Committee representatives and relevant DFAT officers in a summary, user-friendly format.

Annual Program Report: Each year the MEL team will work with the program leadership to prepare an Annual Program Report. The report will draw together all the monitoring and evaluation findings across each calendar year to provide an annual review of progress and performance, with a focus on identifying opportunities to share learning, improve the program, and respond to opportunities.

Towards the end of each calendar year, the MEL Adviser and MEL Manager will conduct a series of stakeholder interviews (over time the MEL Manager will take over this role). These semi-structured interviews with targeted program and sector stakeholders will collect evidence on the perceptions of progress towards, for example, the objectives of sector partnerships or other such areas of interest. The interviews will also enable the collection of data about program context, program quality, and program management performance. Stakeholders can comprise of a sample of national officials, representatives from Training Providers, provincial officials and other members of PTBs, and key program staff.

The Skills System Situational Analysis planned for 2017 and 2020 will provide a useful measure of systemic change that will be supported by the program. The 2017 Situational Analysis will define a series of analytical dimensions (linked to the program logic) that, together with the process of annually updating the Sustainability Index, can provide useful insight to the level of systemic reform being achieved. As part of the program's annual reporting, the program's management team will provide a qualitative assessment of Sustainability Index ratings across the Skills System Situational Analysis domains.

The full set of program planning and reporting outputs is provided in the table below.

Report	Content and format
Annual Plan	<ul style="list-style-type: none"> • Work Plan and budget for the following financial year including descriptions of approaches and their management. • The MEL Plan, aligned with the Program Logic and responsive to the ‘Key Evaluation Questions’ and sources of information matrix provided in this design. • Updates for all Program strategies and plans.
Skills Centre Manager/ Productive Sector Officer bi-monthly Skills Centre Reports	<ul style="list-style-type: none"> • To the provincial Secretaries General and copied to the Program Director, PGTBs, VQA, MoET counterparts, and relevant productive sector and other departmental heads. Summarised as input to quarterly reporting to the Skills Partnership Steering Committee meetings.
6-monthly Progress Report	<ul style="list-style-type: none"> • To the Skills Partnership Steering Committee combining outputs and outcomes against each PIF as well as system/supply side outcomes.
Annual MEL Report	<ul style="list-style-type: none"> • An analysis of outputs and outcomes for the year in question, including a summary of implementation progress towards LTOs. • A review of unplanned implementation issues addressed, and adjustments made to the program strategies as a consequence. • Any necessary adjustments to the MEL system.
Program Completion Report	<ul style="list-style-type: none"> • The Program Completion Report will detail the activities and assess the performance of the Program against its objectives.
Exception Reports	<ul style="list-style-type: none"> • Exception Reports will advise DFAT of any major, unforeseen, occurring or emerging issues or publicity likely to have an impact (positive or negative) on the operation of the Program. • Proposed responses to such issues will also be described.

Key Questions and sources of information

Long-term Outcome	Evaluation Question	Possible Evidence of Success	Baseline	Timing	Monitoring	Timing	Evaluation	Timing
1. Government of Vanuatu manages and coordinates its skills system more effectively	How has the coordination, planning and management of the skills sector improved and how has the program contributed to any changes?	VQA board takes the lead to the implementation of PSET policy	Skills System Situational Analysis	2017	Sustainability Index	Annual	Skills System Situational Analysis + DFAT Evaluation	2020
		Up-to-date policies and legislation for each sector						
		Meetings and Reports demonstrate good coordination						
		Regular PGTB meetings						
		Management of the sector reflects the implementation of PSET policy (inclusiveness)						
		Planning is conducted in co-operation with relevant agencies and Production Sector Departments, Industry and Provincial Governments						
		The disability sector is consulted to provide reliable advice on supporting people with disabilities						
		Increased involvement of industry in training and assessment						
		Government has a strengthened staffing structure –Skills Centre and TED positions budgeted and filled	Skills System Situational Analysis	2017	Sustainability Index	Annual	Skills System Situational Analysis	2020

Long-term Outcome	Evaluation Question	Possible Evidence of Success	Baseline	Timing	Monitoring	Timing	Evaluation	Timing
		More investment into the sector from a range of funding sources that are linked to economic and social development priorities					+ DFAT Evaluation	
2. The skills system provides inclusive access to relevant and quality assured qualifications	How effectively is the program supporting Training Providers to provide higher quality and relevant skills development to men, women and people with disabilities?	Qualifications are registered and recognised regionally	Skills System Situational Analysis	2017	Program data	Ongoing	Skills System Situational Analysis	2020
		QMS fully implemented by all Training Providers						
		Training Providers are implementing access & equity policies in their QMS						
		More women and people with disabilities are undertaking skills development and gaining qualifications						
	Training providers and experts are implementing inclusive practices (e.g. using accessible facilities, have training with skills and confidence to include people with disabilities)	Training Provider Inclusion Improvement Fund Monitoring (TP Inclusion Rubric, Trainer Survey)	2017	Training Provider Inclusion Fund Monitoring	Ongoing	Training Provider Inclusion Fund Monitoring	2020	
		Informal skills development is inclusive of all marginalised groups						
	How well is the program supporting the provision of relevant, good quality skills development to people and	More RTPs are delivering more accredited training packages	Skills System Situational Analysis	2017	Skills Centre Activity Reports	Monthly	Skills System Situational Analysis	2020
There are graduates with accredited training (skills & knowledge) in demand areas								

Long-term Outcome	Evaluation Question	Possible Evidence of Success	Baseline	Timing	Monitoring	Timing	Evaluation	Timing
	businesses across program provinces, in response to clear demand?	High demand for all graduates – they are employed in their field of training (including greater participation by women and people with disability)						
		Industry confidence in graduate skills, knowledge and aptitude/attitude						
		High demand for training and skills development						
		There are stronger links between Industry and Training Providers						
3. Clients follow pathways to further education and training	How is the program contributing to a more diverse and flexible training system, which enables men, women and people with disabilities to access pathways to further education and training opportunities?	Clients are accessing further training through training providers	Personal Registration Form	2016	Tracer Study	Annually	Tracer Study	Annual
		Clients are accessing education pathways nationally						
		Clients are accessing training pathways internationally						
	Provinces can offer higher level qualifications	Provinces can offer higher level qualifications	Skills System Situational Analysis	2017	Skills Centre Activity Reports	Monthly	Skills System Situational Analysis	2020
		Training delivery is tailored to accommodate the needs of women (childcare, home-maker responsibilities, household commitments)						
		Training delivery is tailored to accommodate the needs of people that are rural and/or remote						

Long-term Outcome	Evaluation Question	Possible Evidence of Success	Baseline	Timing	Monitoring	Timing	Evaluation	Timing
		Training delivery is tailored to accommodate the needs of people with a disability						
		Clients are able to access training closer to their homes or workplaces						
	To what extent is there a greater representation of women and people with disability, and their interests, in skills system leadership and delivery?	Economic & Social participation/inclusion in all sectors & provinces – formalised in provincial strategies	Skills System Situational Analysis	2017	Sustainability matrix	Annual	Skills System Situational Analysis + DFAT Evaluation	2020
		The management structure of the skills system has greater representation of people with a disability in leadership and/or having more responsibility						
		Increased representation of people that have a disability as industry experts/trainers						
		The management structure of the skills system has greater representation of women in leadership and/or having more responsibility						
		Increase representation of women as industry experts/trainers						
4. The status of women and people with a disability is enhanced	To what extent has the program contributed to more positive perceptions of women and people with a disability?	Stories and examples of changes in perception	Wellbeing and Quality of Life Study	2021	Case Studies	As needed	Wellbeing and Quality of Life Study	2020

Long-term Outcome	Evaluation Question	Possible Evidence of Success	Baseline	Timing	Monitoring	Timing	Evaluation	Timing
5. Clients have increased income	To what extent are the clients achieving increased income and business development?	Business clients are more productive leading to increased business income	Client Files	At first visit	Client file updates	Ongoing	Business Client Income regression modelling	Annual
		Business clients start new businesses or enterprises that allow them to generate additional revenue						
		Business Clients employ more people as their businesses grow						
	Individual Clients access new or improved jobs	Personal Registration Form	On entry		Individual Client Tracer Studies	2018 2020		
To what extent is the program supporting women and people with a disability to build skills, develop businesses and increase their income and status?	People with a disability develop or start new businesses	Increase number of people with disability in income generating activities (entrepreneurship or employment)	Personal Registration Form	On entry	Skills Centre Activity Reports	Monthly	Individual Client Tracer Studies	2018, 2020
		Women develop or start new businesses			Case Studies	Ad hoc	Thematic Evaluations	Ad hoc
		Increase number of women in income generating activities (entrepreneurship or employment)						
6. Clients contribute to local sustainable development and management of climate change	How are clients contributing to sustainable development?	Community development initiatives supported by clients	n/a		Business Client Tracer Studies	Annual	Business Client Tracer Studies	Annual
		Increased client awareness and application of climate change adaptation strategies			Individual Client Tracer Studies	2018, 2020	Individual	2018, 2020

Long-term Outcome	Evaluation Question	Possible Evidence of Success	Baseline	Timing	Monitoring	Timing	Evaluation	Timing
risks		Increased livelihoods due to client employment creation					Client Tracer Studies	
		Increased inclusion of women and people with disability					Case Studies	
	To what is the program contributing to the Vanuatu provincial and national economies?	Increased production of local products	Business Client Files	At first visit	Client file updates Business client tracer studies	Ongoing Annual	Business Client Income regression modelling DID Study	Annual
		Clients create more employment						
Clients have access to a range of markets	2018							
Clients contribute to VAT								
7. Target value chains have improved productivity	To what extent are clients supported by the program improving their businesses?	Clients move from informal to formal businesses	Business client files	At first visit	Client file updates Business client tracer studies	ongoing Annual	Business Client Income regression modelling	Annual
		Increase in market share of local products (displacement of imported products)						
		Increased value addition to local products						
		Increase quality of local products						
		Regular supply of products for market (sustainable supply represented by fewer supply blockages/bottlenecks)						

6.6 Risk Matrix

Risk Assessment Criteria

	CONSEQUENCES (C)				
LIKELIHOOD (L)	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)
A (Almost Certain)	M	H	H	VH	VH
B (Likely)	M	M	H	H	VH
C (Possible)	L	M	M	H	H
D (Unlikely)	L	L	M	M	H
E (Rare)	L	L	M	M	H

RISK (R)

VH: Very high risk; immediate action required

H: High risk; senior management attention needed

M: Moderate risk; management responsibility must be specified

L: Low risk; manage by routine procedure

Risk	Effect on Program	L	C	R	Risk Treatment	Responsibility
POLITICAL RISKS						
Political instability and dysfunctionality causing changes in GoV altering the dynamic of commitment to support skills system reform agenda.	- Insufficient political will and direction to integrate Program's reform strategies and successes into national and local GoV structures and processes. Long-term sustainability and impact of the Program undermined.	B	4	H	<p>The likelihood of this risk is at C, as although there is broad-based recognition within all sides of Government of the value of the skills system and the Skills Centre model, particularly as demonstrated in the inclusion of the Program's Director in the NTDC, the political system itself remains fragile.</p> <ul style="list-style-type: none"> - The Program will continue its active national advocacy/communications strategy. - The Program will continue its technical reform strategies – eg: supporting new PSET policy development and implementation. - The Program will use the Phase 4 Subsidiary Agreement to leverage increased GoV commitment to, and buy-in for, the reform agenda. - Continue to engage formally and informally with influential political individuals (e.g.: Political Advisers). 	DFAT, PD, Strategic Adviser (SA), Skills Systems and Policy Adviser (SSPA), Communications Officer (CO)
Provincial government misunderstands governance arrangements of the Program and seeks to take control of its operations and funding disbursement.	- Program unable to operate according to its Design and agreed governance arrangements, and credibility of the SDF compromised.	D	3	M	<p>The likelihood of this risk is at 'D – unlikely', particularly given the positive roll-out of the new Tafea Centre and the understanding of, and agreement with, the governance structures of the Skills Centres and the funding disbursement processes of the SDF.</p> <ul style="list-style-type: none"> - The Program will continue to emphasise the strict guidelines governing the SDF and the Skills Centres' place within the national skills system, particularly with the integration of Skills Centre staff under the PSC. 	PD, DFAT, SA

Risk	Effect on Program	L	C	R	Risk Treatment	Responsibility
Program and DFAT perceived to be favouring provinces with a Skills Centre over others.	- Reputation of the Program and DFAT damaged among key stakeholders.	D	3	M	<p>The likelihood of this risk is at ‘D-unlikely’ given that the Program has now established Skills Centres in 4 provinces and there is growing understanding that Program funds are limited and that multi-stakeholder financial contribution is required.</p> <ul style="list-style-type: none"> - The Program will continue communicating the central message that the Skills Centres are part of the MoET structure and require resourcing from the MoET for sustainable expanded operations. The basis of the Sector Partnerships will also be emphasised – i.e.: financial co-contribution is required for the effective disbursement of the SDF across an increased number of provinces. 	PD, CO, CMs, DFAT, Sector Coordinators
FINANCIAL RISKS						
GoV departmental budgets unable or unavailable to provide counterpart contribution to proposed skills system governance and operational structures.	- Program sustainability compromised.	C	5	H	<p>This is ‘C- possible’ as although the agreed initial contributions in the form of some PTC staff transfer to the PSC has now taken place, there has been slow progress with all other positions within TED.</p> <ul style="list-style-type: none"> - The proposed incentive budget support arrangement with the MoET will provide leverage for GoV allocation of financial resources to the Skills Centre network. - The Program will continue to make the establishment of a fifth Skills Centre conditional upon GoV budget allocation, creating a further incentive mechanism. - The Program will potentially support a ‘Skills Sector Financing Feasibility Study’ to provide clear direction for sectoral financing priorities and opportunities, and 	PD, TAs, DFAT, CO, M&E team

Risk	Effect on Program	L	C	R	Risk Treatment	Responsibility
					<p>to provide justification and leverage for increased GoV investment.</p> <ul style="list-style-type: none"> - Program communications and the M&E team will ensure GoV productive sector stakeholders understand the benefits of the Skills Centre model to promote investment into the SDF. 	
SDF funds insufficient to service potentially additional provinces beyond the current four.	<ul style="list-style-type: none"> - Skills Centres unable to meet priority training demand and reputation of Centres and Program compromised 	C	3	M	<ul style="list-style-type: none"> - Collaboration/negotiation with productive sector departments to share costs related to training delivery as part of the Sector Partnerships. - The Program will build on its financial partnerships successes with a range of other aid activities and donors, including the Pacific Women and DIDFund initiatives, and the New Zealand Aid Programme, by continuing to demonstrate to other donors and the private sector the efficiency of the Skills Development Fund as a mechanism to support targeted skills development service delivery. - Clear focus on specific Sector Partnerships with targeted Client Partnerships with smaller numbers of participants. 	PD, CMs, PTCs, Sector Coordinators/Advisers, DFAT
TPIIF grantee training providers do not implement or acquit their grants.	<ul style="list-style-type: none"> - Program is unable to acquit the DIDFund grant - Further provision of TPIIF grants is stalled. - Training providers do not improve disability inclusiveness. 	C	4	H	<ul style="list-style-type: none"> - Program will provide close monitoring and mentoring to training provider grantees. - Capacity assessments will be undertaken with successful training provider grantees. - Program will make efforts to strengthen TPIIF grantee reporting processes. 	TPIIF Secretariat (disability inclusion and skills supply staff and advisors) CMs, PTCs, PD
TECHNICAL RISKS						

Risk	Effect on Program	L	C	R	Risk Treatment	Responsibility
VQA systems, policies and procedures limit delivery of quality-assured, demand-driven, flexible skills development services.	<ul style="list-style-type: none"> – Trainees’ lack of certification prevents further education and training pathways. 	B	4	H	<p>This risk level is at ‘High’ due the ongoing obstacles associated with quality assurance services managed through the VQA.</p> <ul style="list-style-type: none"> – Continued TA support to the VQA and its Board to establish efficient and financially sustainable accreditation policies and processes. – Fostering of demand by senior GoV stakeholders through the VQA Board and the SPSC for increased accountability of the VQA to improve its processes and policies related to registration of new providers. – Continued TA support as part of the Training Provider Improvement Agreements to training providers to build capacity to meet VQA accreditation requirements. 	PD, SSPA, SPSC, Skills Supply Adviser (SSA), TAs
Insufficient number and quality of training providers to meet productive sector demand.	<ul style="list-style-type: none"> – Productive sector expectations not met due to lack of quality skills training. – Reduced impact on economic development. 	C	4	H	<ul style="list-style-type: none"> – Implementation of dedicated Training Provider Improvement Agreements to incentivise training provider reform, with a focus on smaller, more flexible providers with appetite for change. – Continued work with APTC in the delivery of Cert IV TAE to increase pool of qualified trainers and assist with their affiliation. – Expansion of BDS industry expert pool to support training provider delivery. – Support for new initiatives from the private sector to establish training institutions (eg: new Pacific Vocational Training Centre and ProMedical). 	PD, SSA, TPSO, CMs
Limited number of training providers recognised to deliver PSET trainer courses and ongoing obstacles with the	<ul style="list-style-type: none"> - Insufficient number of trainers with relevant 	C	4	H	<ul style="list-style-type: none"> – Ongoing collaboration with the APTC to support delivery of Certificate IV TAE and technical upskilling for local trainers. 	PD, SSA, Trainer Training Officer (TTO)

Risk	Effect on Program	L	C	R	Risk Treatment	Responsibility
development of the VITE as the national TVET/PSET trainer institute.	TVET/PSET training qualifications.				<ul style="list-style-type: none"> – Potential strategic support to the VITE for trainer training. 	
Insufficient number of people with disabilities will be interested / eligible to participate in accredited training.	<ul style="list-style-type: none"> - Few people with disabilities benefit from the Program. 				<ul style="list-style-type: none"> – Collaborate with VQA to determine minimum entry requirements for people with disabilities. – Work with DPA and other DPOs to raise awareness of the skills development opportunities available for people with disabilities. – Develop bridging / literacy courses for people with disabilities (and others) as per demand. 	Disability Inclusion and Skills Supply teams (staff and advisors) PD
Productive sectors do not comply with agreed partnership mutual accountability arrangements	<ul style="list-style-type: none"> - Sector implementation plans unable to progress through lack of counterpart resources and support and partnership principle of Program undermined. 	C	4	H	<ul style="list-style-type: none"> – ‘Pilot’ 1-year partnerships implemented to trial commitment levels. – Program to foster from senior provincial GoV officers on national level officers to comply through the SPSC. 	Sector advisers/coordinators, PD, CMs
ORGANISATIONAL RISKS						
Recommended modality of a Support Contractor unable to support the unique and broadly recognised strengths of the Program, in line with its PDIA framework and system reform agenda.	<ul style="list-style-type: none"> - Delays in activity implementation, personnel mobilisation, drop in staff morale and motivation - Engagement of new and inappropriate SC personnel, and establishment of inappropriate processes undermines staff capacity building focus, partner agency relationships, and 	C	3	M	<ul style="list-style-type: none"> – RFT to clearly emphasise specific and specific requirements of the SC. – EC Panel members to be expert in the Program context, operations and requirements. – SC Contract to link payment to specific performance requirements. – New SC to prioritise and expedite mobilisation of funds and key personnel in-country to ensure continued Program momentum. 	DFAT (Post and Contracts), PD, Strategic Adviser, SC

Risk	Effect on Program	L	C	R	Risk Treatment	Responsibility
	prevents Program progress.					
As staff progressively transition to employment under the MoET, performance may be compromised due to organisational and management constraints within the MoET.	<ul style="list-style-type: none"> - Program unable to fully control and manage staff performance. - SC considers lack of control over staff performance to be too high-risk. - Staff feel vulnerable and constrained in achieving Program's objectives. 				<ul style="list-style-type: none"> - Direct recruitment of the Program's Strategic Adviser by DFAT reduces risk carried by the SC for organisational performance. - All local staff contracts to include clauses limiting liability in the case of factors due to transition of personnel to the more volatile and politically complex MoET environment. - Transition of staff to MoET to continue to prioritise junior and middle management positions so management control is retained. 	DFAT, PD, SA
MoET and VQA insufficiently or inappropriately staffed to manage the skills system and lack of priority placed on strengthening of TED.	<ul style="list-style-type: none"> - Sustainability of Program support compromised. 	B	4	H	<ul style="list-style-type: none"> - Capacity building support for improved role understanding and coordination. - Transfer of key senior Program technical staff to positions within TED, as per the MoET structure. - Continue advocacy work with the SPSC and the VQA Board to increase MoET and VQA accountability. - Support development of MoET and VQA budget submissions. 	PD, SA, SSPA, TAs, TPSO, TTO
Skills system reforms supported through the Program constrained through unrealistic plans of partner agencies and lack of receptivity to pragmatic advice.	Strategic reforms at the national level are not implemented, compromising the quality and quantity of skills development service delivery.	B	4	H	<ul style="list-style-type: none"> - Engage culturally sensitive TA with strong negotiation and relationship management skills. - Advocate for small scale modeling in line with resource availability consistent with partners' over-arching long-term vision. - Ensure all agency support is based on agreed mutual accountability and performance measures. 	PD, TAs, TPSO, TTO

SYSTEM RISKS

Risk	Effect on Program	L	C	R	Risk Treatment	Responsibility
Lack of a clear and broadly supported national coordination mechanism for the sector, consistent with the new PSET Policy.	Sector development constrained by poor coordination and lack of VQA accountability, across all areas of the PSET policy – inclusion, relevance, quality and flexibility.	B	5	VH	<ul style="list-style-type: none"> – Through the establishment of the Skills Partnership Strategic Committee, the Program will aim to engage with VQA Board members to build their awareness of critical road-blocks in system development and to use their position and authority to keep those responsible accountable for performance and progress. – Continued capacity building of VQA Board members to understand their critical role in the skills system reform process. – Program to provide potentially technical support for review of VQA Act in line with the PSET Policy. – Program to work more closely with the NTDC and use its status through the PM’s office to have strategies to address critical system issues actioned. 	PD, SSPA, TAs
M&E RISKS						
Limited ability to report on economic outcomes	Qualitative assessments of economic outcomes limit the ability to confirm and report on program outcomes, as well as being able to provide useful analysis in this regard.	B	3	H	<ul style="list-style-type: none"> – Program will establish the basis for the provision of MEL data as part of all partnership and client agreements. – Whilst individual income information is likely to not be assessed, business clients have been, and will continue to, participate in assessments of economic outcomes. – Income data will be supplemented by progressive data analysis techniques (including regression analysis). 	MEL team, Economic Analyst TA
Data management of multiple sources of data	Multiple data sources can compromise data quality, timeliness and accuracy of	B	4	H	<ul style="list-style-type: none"> – Program will develop an MIS that synchronizes with national M&E Systems to avoid double entry of data. – An Information Management Specialist, 	MEL Team, IM Specialist

Risk	Effect on Program	L	C	R	Risk Treatment	Responsibility
	information management and reporting.				<p>with familiarity of Vanuatu data systems (including Open VEMIS) will be recruited to assess the storage and flow of MEL data and management information to scope options to upgrade ICT and information management across the multiple Skills Centre locations and the program office.</p> <ul style="list-style-type: none"> – Once the MIS is developed all data entry staff (including at Skills Centers) will receive ongoing training to provide guidance on data standards and MIS use. – MIS Users in Skills Centre will require dedicated support in the use of the MIS, and associated ICT. – The MEL Coordinator will be expertly trained as an administrator of the MIS, and will provide ongoing support as needed to Skills Centre to use the system. 	
A volatile ICT environment	Faulty telephone lines, lack of power and intermittent internet connections can impact the operation of the MIS.	C	3	H	<ul style="list-style-type: none"> – The MIS will be designed to have off-line functionality so that it can continuously “refresh” and mitigate the volatile internet environment. – All information will be initially stored locally and consistently backed up (for example via a Cloud based system) allowing unimpeded access to files and documents during internet outages. 	MEL Team, IM Specialist

6.7 Consultations

Vanuatu-based

Name	Position	Organisation
Joel Toa	Chief Executive Officer	Pacific Vocational Training Centre
Wade Evans	Principal	Pacific Vocational Training Centre
Fr. Charles Aru	Manager	Lorevilko Rural Training Centre
Augustine Rihai	Education Secretary	Anglican Church of Melanesia
Willie Ben	Manager	Torgil Rural Training Centre
Stephen Garae	Manager	Londua Rural Training Centre
Noel Buleval	Construction Trainer	Vanuatu Institute of Technology
Steward Moli	Construction Trainer	Vanuatu Institute of Technology
Nicholas Crosling	Country Manager	Australia-Pacific Technical College
Gareth McGrath	Senior Vocational Trainer	Australia-Pacific Technical College
Arthur Edgell	Training Manager	Vanuatu Chamber of Commerce and Industry
Karldon Sam	Manager Training and Communication	Office of the Registrar of Cooperatives and Business Development Services
Emmanuel Aru	TVET in School Coordinator	Ministry of Education and Training
Kalpat Kalbeo	Principal	Vanuatu Institute of Technology
Jack Takalo	Deputy Principal	Vanuatu Institute of Technology
David Lambukly	CEO	Vanuatu Qualifications Authority
Sam Samuel	Principal Quality Assurance Officer	Vanuatu Qualifications Authority
Tony Kalo	Head of Department	Vanuatu Institute of Technology
Simeon Nixon	Compliance Officer	Vanuatu Institute of Technology
Norah Rihai	Training Manager	Vanuatu Agriculture College
Christopher Radcliff	Curriculum Development Officer	Vanuatu Agriculture College
Kalmer Vocor	Manager	Lonnoc Tourism and Hospitality School

Estelle Vitunadamu	Quality Assurance Officer	Vanuatu Qualifications Authority
Pala Luen	Qualifications Officer	Vanuatu Qualifications Authority
Augustin Garavi	Principal	St Michel College
Alistair McGilvray	Chief Executive Officer	Listair Adventist Training Institute
Jingo Dingi	Training Manager	Listair Adventist Training Institute
Simeon Bage	Provincial Training Coordinator- Sanma	Sanma Skills Centre
Jonas Masovish	Centre Manager	Sanma Skills Centre
Dorian Naliupus	Sanma Provincial Disability Officer/ Coordinator Frangipani	Sanma Province/ Frangipani DPO
Christian Tukunamoli	Manager	Save the Children, Santo
Vomboe Molly	Manager	World Vision, Santo
Jason	Volunteer	Disability Promotion and Advocacy Association
Peter Dick	Client with a disability	Santo
Isaac Usi	Client with a disability	Santo
Dorah Willie	Provincial Training Coordinator	Malampa Skills Centre
Elise Silas	Centre Manager	Malampa Skills Centre
Gisele Ureles	Client with a disability	Malekula
Marie Andek Tensly	Member of Malampa Disability Committee	Malekula
Jimmy Kelvin	Provincial Training Coordinator	Torba Skills Centre
Albert Ruddley	Centre Manager	Torba Skills Centre
Sam Kaiapam	National Disability Desk Officer	Ministry of Justice and Community Services
Collin Tavi	M&E Manager	Skills for Economic Growth Program
Jamine Makikon	M&E Officer	Skills for Economic Growth Program
Moulin Tabouti	Training Provider Support Coordinator	Skills for Economic Growth Program
Joe lautim	Centre Manager	Tafea Skills Centre

Lionel Kaluat	Commissioner of Labour	Department of Labour
Olsen Tama	Head of Department	HTLTC Vanuatu Institute of Technology
Jim Knox Allanson	National Inclusion Coordinator	Ministry of Education and Training
George Maeltoka	Director, Tertiary Education	Ministry of Education and Training
Iven Joshua	Training Officer	Department of Cooperatives
Christopher Radcliff	Training Officer	Vanuatu Agriculture College
John Sam Naika	Food and Beverage Trainer	HTLTC Vanuatu Institute of Technology
Richard Coleman	CEO	Vanuatu Maritime College
Nelly Caleb	Coordinator	Disability Promotion and Advocacy Association
Glenes Lingtamat	Competency Developer	Vanuatu Qualifications Authority
Yvette Andrews	Program Officer, Education	Australian High Commission
Kalowie Robert	Gender Specialist	Skills for Economic Growth Program
Marakon Alilee	Director General	Ministry of Tourism, Trades and Industry
George Borugu	Director	Department of Tourism
Howard Aru	Director General	Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity
Johnson Binaru	Director General	Ministry of Infrastructure and Public Utilities
Jesse Dick	Director General	Ministry of Education and Training
Roy Obed	Director	Ministry of Education and Training
Noel Kalo	Director	Department of Industry
Lonny Bong	Director	Department of Livestock
Hanington Tate	Director	Department of Forestry
Antoine Ravo	Director	Department of Agriculture
Michael Silona	Chairman-PGTB/Provincial Planner	Torba Provincial Government
Kasen Alick	Forestry Officer	Department of Forestry-Torba Province

Peter Maho	Agriculture Officer	Department of Agriculture- Torba Province
Olivet Dorony	Tourism Manager	Department of Tourism-Torba Province
Julia Sagler	Cooperatives Officer	Department of Cooperatives- Torba Province
Arthur Kete	Trainer	Fisher Young Rural Training Centre
Edmond Hillary	Vice Chairman/ Provincial Education Officer (PEO)	Torba Provincial Education Office
Dudley Woksen	Livestock Officer	Department of Livestock-Torba Province
Paul Nelou Harrison	Agriculture Officer-Vanualava	Department of Agriculture-Torba Province
Jimmy Willie	Fisheries Officer	Department of Fisheries-Torba Province
Cliffton Lonsdale	Youth and Sports Officer	Department of Youth and Sports -Torba Province
Albert Toa	Livestock Officer	Department of Livestock-Torba Province
Zachariah Daniel	Secretary General/PGTB Chairman	Sanma Provincial Government
Tari Molisale	Root Crop Officer	Agriculture Department-Sanma Province
Kehana Andrew	Product Development Officer	Department of Tourism –Sanma Province
Clentin Ronson	Cooperative Development Officer	Department of Cooperatives and ni-Vanuatu Business- Sanma Province
Glen Alo	Aquaculture Officer	Department of Fisheries- Sanma Province
Dick Tomker	Forestry Officer	Department of Forestry – Sanma Province
Stephen Boe	Livestock Officer	Department of Livestock –Sanma Province
Thompson Paul	Principal Education Officer	Provincial Education Office –Sanma Province
Kalmer Vocor	President	Sanma Tourism Association
Anna Blessing	Women’s Representative	Handicraft Association, Sanma
Christion Tukunamoli	Project Coordinator	Save the Children, Vanuatu
Joel Daniel	Manager	Matahi Rural Training Centre
Neman Tangis	Youth and Sports Officer	Sanma Provincial Government

Juliet Sumbe	Area Council Development Officer	Sanma Provincial Government
Richard Coleman	CEO	Vanuatu Maritime College
Renjo Samuel	Provincial Education Officer/PGTB Chairman	Malampa Provincial Education Office
Nickless Lingtamat	Manager	Department of Agriculture–Malampa Province
Edna Paolo	Manager	Department of Tourism–Malampa Province
Ettiene Tiasinmal	Manager	Nawori Seaview Bungalow
Ben Asmus	Manager	Department of Cooperatives and ni-Vanuatu Businesses –Malampa Province
Kalite Tanmao	Youth Representative	Malekula
Ivan Cyrus	Youth and Sports Officer	Department of Youth and Sports–Malampa Province
Job Havo	Forestry Officer	Department of Forestry–Malampa Province
Palen Ata	Secretary General	Malampa Provincial Government
Nakou Nathaniel Nipou	Chairman-PGTB	Tafea Provincial Government
Simon Naupa	Forestry Officer	Department of Forestry–Tafea Province
Lissi Rosse	Agriculture Officer	Department of Agriculture –Tafea Province
Richard Narina	Project Officer	Live & Learn Environmental Education
Dorothy Pel	Project Officer	Vanuatu National Council of Women
Smith Pakoasongi	Cooperatives Officer	Department of Cooperatives and ni-Vanuatu Businesses –Tafea Province
Sylvain Tangabu	Manager	Department of Tourism –Tafea Province
Thomas Iar	Livestock Officer	Department of Livestock –Tafea Province
Willie Nayieu	Manager	Lourakau Rural Training Centre
Bill Iapson	Manager	Iapson Store
Ray Vakesa	IT Officer	Vanuatu Qualifications Authority
Shane Smith	Volunteer	Vanuatu Qualifications Authority

Simil Johnson	Director	Vanuatu National Statistics Office
Collin Connelly	MIS Expert	Vanuatu Education Support Program
Francois Japiot	Agriculture Adviser	Ministry of Agriculture, Forestry, Livestock, Fisheries and Biosecurity
Rayman Leung	Vice Chairman	Espiritu Santo Tourism Association
Christelle Thieffry	Senior Program Manager, Education	Australian High Commission
Charity Alick	Acting Principal Officer	Department of Agriculture
Marian Loughman	TVET Systems Specialist	Skills for Economic Growth Program
May Garae	Operations Manager	Skills for Economic Growth Program
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Jimmy Tom	Manager	Lume Rural Training Centre
Steven Garae	Manager	Londua Rural Training Centre
Godwin Armstrong	Manager	Fisher Young Rural Training Centre
Elison Bovu	Executive Director	Vanuatu Society for People with Disability

Australia-based

Chakriya Bowman	Pacific Economic Growth Section	DFAT
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Tracey Newbury	Director, Gender Equality and Disability Inclusiveness Section	DFAT
Marco Salvio	Pacific Leadership Program	DFAT
Mark Sayers	Education Section	DFAT
Tim Vistarini	Director, Investment Design Section	DFAT

6.8 Program contribution to the National Sustainable Development Plan 2016-2030

Anticipated Contribution to National Sustainable Development Plan 2016-2030						
NSDP Policy Objectives	Program contribution to Productive sectors				Program contribution to Skills system	
	Agriculture	Construction	Manufacturing	Tourism	Public Officers	Training Providers
Society Pillar						
2.1 Insure an inclusive Education system					✓	✓
2.2 Promote a trusted, reliable, well managed education system						✓
2.4: Promote general and vocational pathways at upper secondary level.						✓
2.5: Develop higher education with two structures for both academic and vocational training.						✓
2.6 Ensure that teaching personnel are highly educated and trained.					✓	✓
4.8 Supporting and encouraging the leader of women, people with disabilities to be part of making decision structure	✓	✓	✓	✓	✓	✓
6.2 Promote good public sector management, program management, compliance and performance management of public officers	✓	✓	✓	✓	✓	✓
Environment Pillar						

1.3 Enhance sustainability of farm, forest and fisheries production	✓					
1. 4 Promote import substitution for food and product that can be produced locally	✓			✓		
2.5 Promote and ensure strengthened resilience and adaptive capacity to natural disasters		✓		✓		
3.4 Improve education, awareness and institutional capacity on climate change and disaster mitigation	✓	✓	✓	✓		✓
Economic Pillar						
1.2 Improve revenue generation to ensure sustainable service delivery to a growing population	✓	✓	✓	✓		
1.4 Promote Economic Growth through increased trade and investment	✓	✓	✓	✓		
1.7 Stimulate the economic diversification to spread the benefice of growth throughout the islands	✓		✓	✓		
3.1 Promote broad-based growth by strengthening linkage between tourism, infrastructure, agriculture and industry	✓	✓	✓	✓		
3.4 Diversify the rural economy and encourage the spread of commercial agriculture through extension services and cooperatives	✓					

3.6 Increase production and productivity in the primary sector to provide sustainable incomes and improve livelihoods	✓					
3.7 Improve the integration of the tourism sector into the rural economy to spread opportunities to rural economy				✓		
4.2 Encourage strong linkages between urban and rural business and trade between islands	✓		✓			
4.3 Increase the production of niche commodities , and value addition to commodities in which Vanuatu enjoys a comparative advantage	✓		✓			
4.4 Improve and expand the range of sustainable tourism products and services throughout Vanuatu and strengthen links to local production				✓		
4.5 Promote the development of decent, productive employment opportunities particularly for young women and men and persons with disabilities	✓	✓	✓	✓		

1.9 Skills for Tourism (SfT) Partnership Implementation Framework

See separate attachment

1.10 References

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