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How the Vanuatu Skills Partnership has supported local-level service delivery and decentralisation in Vanuatu

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Table of Contents

Introduction	3
The Vanuatu Skills Partnership	3
Local service delivery and decentralisation as a development imperative.....	5
The challenge of local service delivery in Vanuatu.....	7
How is VSP contributing to decentralised service delivery?	10
Supporting the establishment of a decentralised skills system	10
Supplementing the capacity of government authorities to provide local level services .	12
Supporting the development of a “soft” decentralisation infrastructure	16
Conclusion: How VSP has supported decentralisation and local service delivery	18
Acknowledgements	19
References	20

Introduction

This report investigates the contribution of the Vanuatu Skills Partnership (VSP) to local-level service delivery and decentralisation in Vanuatu. The challenge of providing services to local communities has been a longstanding one in Vanuatu which successive governments have committed to addressing. But reaching remote and widely dispersed communities across a widespread archipelago has proven immensely challenging for successive governments ostensibly committed to decentralisation reform.

As an example of a locally driven program that has supported the development of an effective, decentralised skills system, there is interest in VSP as an example of successful decentralisation and the lessons it might provide to government and those interested in the decentralisation agenda. To this end, this report investigates the direct and indirect ways VSP is supporting local-level service delivery and decentralisation. *Directly*, VSP is supporting decentralised service delivery through the establishment of a provincial skills delivery network anchored in the centralised national skills system. *Indirectly*, VSP is supporting broader local-level service delivery activities as a model for other government agencies to emulate, by supporting planning and cross-government coordination for service delivery, by nurturing developmental leaders capable of implementing decentralisation policies, as a source of local technical expertise, and by providing material support to decentralised service delivery efforts beyond the skills sector.

This report has been prepared through a combination of desk-based literature review and interview-based methodologies. Interviews were conducted with key stakeholders as part of a broader program evaluation process conducted by the Australian Department of Foreign Affairs and Trade (DFAT).¹ The interviews were conducted remotely due to travel restrictions resulting from regional responses to Covid-19.

The report begins with a brief description of VSP and the issue of decentralised service delivery in Vanuatu, including the long-term policy interest in decentralisation. It then considers how VSP has supported decentralised service delivery, focusing on VSP's support for a decentralised skill system, its contribution to addressing capacity and resource deficits and its role as a model for practical decentralisation to inform efforts in other parts of the Vanuatu government. The report concludes with a consideration of lessons learned for policy makers interested in supporting decentralisation efforts.

The Vanuatu Skills Partnership

VSP is a DFAT-funded skills program that commenced its current modality in 2008, following over a decade of Australian support for technical and vocational training in Vanuatu. Over the course of its program life, VSP has evolved from a narrowly focused TVET program to a more ambitious program focused on developing a comprehensive skills sector relevant to the formal and informal economies in Vanuatu. Currently in its fourth phase, VSP's goal is to

¹ This report was prepared in parallel to an independent evaluation of VSP undertaken by Belynda McNaughton and Stuart Kinsella. The author participated in a number of interviews conducted by the evaluation and held additional meetings separately.

support the development of an ‘accessible and high quality skills system that contributes to a fair, prosperous and sustainable Vanuatu’.² Key elements of the skills system supported by VSP include the establishment of a network of decentralised Provincial Skills Centres (PSC), now integrated in the Ministry of Education and Training, which work to facilitate demand-driven training and business development activities implemented by local registered skills providers and industry coaches. As a program, VSP acts as a trusted intermediary, brokering connections between local employers and communities to identify skills needed to support inclusive, local-level development and entrepreneurialism, and supporting local training bodies to tailor relevant skills delivery to address identified skills needs. VSP is managed according to a “locally-led” modality by a ni-Vanuatu leadership team.

In addition to supporting the establishment of a decentralised network of PSCs with a physical presence in four of Vanuatu’s six provinces, and an associated policy framework for government management of the sector, VSP has also supported the development of a “soft” infrastructure necessary to invigorate an effective sector approach. This has included supporting the development of a network of skills professionals capable of undertaking collective action to advance skills policy in key productive sectors (agriculture, tourism and value addition); a leadership cadre that is respected and trusted by policy elites in Vanuatu; and a broader “political” community of stakeholders from the skills sector and productive sector agencies that recognises shared policy interests in the area of skills development as a driver of economic growth.³

VSP’s recognition by Vanuatu stakeholders as a successful, locally owned initiative operating within government systems has invested it with significant political capital and seen it invited to participate in broader processes of national development. According to VSP, demonstrating results in the skills sector has enabled ‘...the Partnership to apply evidence and experience to advocate for and influence broader system reform.’⁴ This has resulted in what VSP has itself described as a “step-change” in its development role in areas beyond the skills sector, most notably in supporting the emergency response efforts following Cyclone Harold. It has also been reflected in the role VSP has played in supporting the emergence of a skilled cadre of public administrators able to support broader public policy objectives in the country.

The evolution of VSP’s development role beyond a specific focus on skills to providing broader support for local-level service delivery has been incremental and oftentimes imperceptible. But VSP’s contribution is nevertheless of interest in the context of a country that has struggled to implement effective decentralisation policies to improve local service delivery. A 2018 study of VSP found that the program had:

² This goal is taken from VSP’s revised program logic which was updated in January 2020 (see VSP (2020), *Annual Plan 2020*, January, p.9). It differs from the VSP Phase 4 design goal which was to support ‘... a sustainable and well-coordinated skills system that maximises access to relevant and quality assured qualifications leading to improved economic, social and cultural development opportunities for all.’ (Investment Design Document (2017), *Vanuatu Skills Partnership: Skills for Prosperity (Phase 4)*, May. p.6).

³ Barbara, J. (2018), *Thinking and Working Politically in Vanuatu: Supporting Local Leadership and Building a Local Constituency for Change*, December

⁴ VSP (2020), *Six Monthly Progress Report January – June 2020*, p.2

... helped change the ways skills are understood in Vanuatu and supported the emergence of a new institutional framework to deliver decentralised, demand-driven and quality assured training and business development assistance to local business and communities. This has resulted in discernible improvements in livelihoods and local economic development.⁵

In doing so, VSP has provided a tangible example of local service delivery, changing community expectations about the role of government and how to support local-level development.

Local service delivery and decentralisation as a development imperative

Local service delivery refers to the ability of a government to provide a ‘... range of activities to ensure the provision of basic services to those who use them.’⁶ Service delivery is usually taken to mean social services such as health and education, but can also include security and justice services, business regulation and financial services. Ghani, Lockhart and Carnahan have provided an influential and comprehensive list of core state roles which a state must be able to deliver if it is to be judged effective, including security, administrative control, public financial management, building human capital, supporting infrastructure and service delivery and supporting the formation of markets.⁷ In the Pacific, disaster management and adaptation services have become increasingly important as the impact of climate change on local communities intensifies.

Service delivery is important as a policy goal because it is central to a government’s ability to address the development needs of its citizenry, to improve community wellbeing and reduce poverty. It also has a broader political role in supporting social stability and contributing to state legitimacy.⁸ A state’s capacity to deliver needed services to local communities is an important measure of state effectiveness and one of the principal ways in which citizens relate to the state. A state capable of delivering services to local communities is a visible state whose presence amongst communities adds to trust.⁹ Support for service delivery can therefore have wider development benefits by enhancing the legitimacy of the state and its capacity to support long-term development programs.

From a public administration perspective, service delivery requires the state to have an administrative capacity to reach local, and often remote, communities. Mann has influentially described this “infrastructural reach” a key measure of state capability.¹⁰ In practice, building effective states capable of reaching remote communities to deliver local

⁵ Barbara, J. (2018), op. cit., p. 6

⁶ ODI (Overseas Development Institute) (2013), *Innovations in Service Delivery: International Experience in Low-Density Countries*, November, p.2

⁷ Ghani, A., Lockhart, C. and Carnahan, M. (2005), *Closing the Sovereignty Gap: An Approach to State-Building*, Overseas Development Institute (ODI), London

⁸ Dagher, R. (2018), ‘Legitimacy and post-conflict state-building: The undervalued role of performance legitimacy’, *Conflict, Security & Development*, 18(2): 85-111

⁹ ODI (2013), op. cit., p.3

¹⁰ Mann, M. (1984), ‘The autonomous power of the state: its origins, mechanisms and results’, *European Journal of Sociology*, 25(2): 185-213

services has proven immensely difficult. In Melanesia, newly independent states such as Vanuatu inherited weak state systems with insufficient financial and human resources, making it difficult to provide comprehensive services to communities.¹¹ For many people in Melanesia, the state has for all practical purposes remained largely absent from their daily lives.¹²

Enduring concerns to improve local service delivery has driven long-term policy interests in decentralisation. Decentralisation involves transferring responsibility for public services from central government to local or subnational governments and can encompass a wide range of options from 'modest transfers of responsibility to full devolution of authority, accountability, and in some cases, political autonomy to subnational governments.'¹³

While local service delivery does not require decentralisation, proponents of decentralisation argue it is the best means to achieve it because shifting responsibility for service delivery to local authorities makes it easier for citizens to hold them to account.¹⁴ According to the OECD, successful decentralisation programs account for the political, administrative and fiscal dimensions of decentralisation. Building the capacity of local authorities to implement decentralisation policies, and ensuring the establishment of effective coordination mechanisms across different levels of governments are important but often overlooked elements of successful decentralisation reforms.¹⁵

However, critics point to the mixed record of decentralisation reforms in complex local environments.¹⁶ The OECD points to various risks in implementing decentralisation reforms, including the long-timeframes involved in building the capacity of sub-national governments, the tendency to under-fund decentralisation reforms leaving empowered local authorities without sufficient resources to deliver services, and insufficient clarity on the expanded roles of sub-national authorities and relationships between central and sub-national governments.¹⁷ Decentralisation reforms can exacerbate existing state fragilities, putting further strain on already limited national resources and capabilities. Local political economies, including the prevalence of clientelist and patronage pressures, can make decentralisation reforms prone to elite capture and subversion.

¹¹ Dinnen, S. (2008), 'The Solomon Islands intervention and the instabilities of the post-colonial state', *Global Change, Peace and Security*, 20(3): 339-355; Dinnen, S. (2007), 'A comment on State-Building in Solomon Islands', *The Journal of Pacific History*, 42(2): 255-263

¹² Nelson, H. (2006), *Governments, States and Labels*, State, Society and Governance in Melanesia Discussion Paper 2006/1, Research School of Pacific and Asian Studies, Australian National University; Cox, M., Alatoa, H., Kenni, L., Naupa, A., Rawlings, G., Soni, N. and Vatu, C. (2007), *The Unfinished State: Drivers of Change in Vanuatu*, April

¹³ DFAT (2015), *Working in Decentralised Service Systems. Short Report: Implications for Aid Managers*. January p.1

¹⁴ Jackson, P. (2016), 'Local government and decentralisation in post-conflict contexts'. *Third World Thematics: A TWQ Journal*, 1(6), p.750

¹⁵ OECD (2019), *Making Decentralisation Work: A Handbook for Policy-Makers*, OECD Multi-Level Governance Studies, OECD Publishing, Paris, pp.21-23

¹⁶ Jackson, P. (2016), op. cit., p.750

¹⁷ OECD (2019), op. cit., p.12

Efforts to strengthen local service delivery require a program of provincial state-building aimed at establishing ‘a positive state presence’¹⁸ amongst local communities.¹⁹ A key lesson from recent, ambitious “state-building” missions in the Pacific, such as the Regional Assistance Mission to Solomon Islands (RAMSI) in Solomon Islands, is the challenge of imposing complex institutions - often based on western models - in complex local contexts. What is needed is a locally-led and contextually-responsive approach to support the development of “practical hybrid” institutions best able to support service delivery in complex local environments.²⁰

The challenge of local service delivery in Vanuatu

Vanuatu’s population of some 270,000 live dispersed across 83 islands spread over 1,000 kilometres in the southwest Pacific. The country faces significant development challenges arising from its geography, economy and social diversity. More than 70 per cent of its population lives in rural areas, being dependent on informal and subsistence employment to support livelihoods. Efforts to develop Vanuatu’s formal economy have been hindered by, amongst other things, structural factors (remoteness from markets, small population), resource limitations (financial and skilled human resources) and poor governance (state capacity and government systems).

One persistent challenge facing successive governments in Vanuatu has been their inability to support local service delivery across a highly dispersed population. This partly reflects the physical and resource challenges faced by government in reaching geographically dispersed communities. But it also reflects administrative challenges in terms of developing public administration systems capable of reaching communities to provide services. Vanuatu’s constitution formally provides for a decentralised system of government and legislation has been enacted to support the establishment of provincial and municipal government authorities.²¹ The country has a system of 72 Area Councils across its six provinces which in theory provides a basis at the provincial level to provide services to local communities.

But invigorating sub-national levels of government to be able to drive local development agendas and deliver services to local communities has proven immensely difficult. This is because of resource and capacity issues which have been particularly acute at the sub-national level. It also reflects broader systemic fragilities in terms of whole of government (vertical and horizontal) planning and coordination systems. In their 2007 seminal report,

¹⁸ Lister, S. (2007), *Understanding State-Building and Local Government in Afghanistan*, Crisis States Research Centre, Working Paper No. 14

¹⁹ ODI (2013), op. cit., p.v

²⁰ ODI (2013), op. cit., p.vi. See also the review provided in Warner, R., Gouy, J. and Samson, A. (2017), *Vanuatu Governance for Growth Program – Review*, April, pp.24-25

²¹ Vanuatu’s constitution formally provides for a decentralised system of government. Section 82 of the Constitution recognises ‘... the importance of decentralisation to enable the people fully to participate in the government of their Local Government Region.’ These provisions have been operationalised through different pieces of legislation including the *Decentralisation Act 2013* and the *Municipalities Act 1988*. (see Commonwealth Local Government Forum (CLGA/F) (2018), *Vanuatu: The Local Government System in Vanuatu. Country Profile 2017-18*)

The Unfinished State: Drivers of Change, Cox et. al. identified local service delivery and decentralisation as a fundamental challenge facing the country:

There are two unfinished dimensions to state-building in Vanuatu. One is extending the state's capacity at regional level, to enable it to play a more active role in rural development. So far, decentralisation has been largely unsuccessful – that is to say, it has never been seriously attempted. Ever since independence, the tendency has been for a continuing concentration of resources in the capital. Basic questions about the roles of different institutions, and their relationships with each other, remain unresolved.

The other unfinished dimension is building up the capacities of local communities, to enable them to interact with the state and become active agents in their own development. They need to be empowered to deal with the state and operate within the formal economy, while at the same time keeping intact the structures and traditions that they value. Until now, the state has relied extensively on traditional structures for local governance, particularly in the area of law and order, without investing in building their capacity.²²

Over the last decade, there has been a renewed political debate within Vanuatu as to how best to support decentralisation and local service delivery. Prime Minister Charlot Salwai's (2016-2020) *Decentralisation Policy 2017-2027* seeks to: '... bring the government closer to the people by providing citizens with greater control over decision-making processes and allowing their direct participation in public service delivery.' His government sought to achieve this by '... devolving decision-making authority, functions and resources to improve efficiency and effectiveness in the delivery of services' and by the design and implementation of '... mechanisms to ensure a "bottom-up" flow of integrated development planning and budgeting from the Area Councils to the National Government; and enhance political and administrative authority in order to effectively and efficiently deliver services to the lowest level.'²³ Similar commitments to strengthen local service delivery have been reflected in recent national development plans. Vanuatu's *National Sustainable Development Plan 2016 to 2030* recognises that '[b]uilding and strengthening institutional capacity is essential if we are to take control of our own destiny, and ensure an inclusive, representative and responsive state.'²⁴

Renewed political interest in decentralisation has been coupled with practical reform initiatives focused on strengthening decentralised public administration systems. The

²² Cox, M., Alatoa, H., Kenni, L., Naupa, A., Rawlings, G., Soni, N. and Vatu, C. (2007), *The Unfinished State: Drivers of Change in Vanuatu*, April, p.49

²³ *Republic of Vanuatu Voluntary National Review on the Implementation of the 2030 Agenda for Sustainable Development 2019*, p.10

²⁴ See Government of Vanuatu (2016), *Vanuatu 2030: The People's Plan. National Sustainable Development Plan 2016 – 2030*: p.5. Key policy objectives enunciated in the Plan include: enhancing the capacity of public officials to deliver services; strengthening of '... national institutions to ensure they are cost-effective and well-resourced to deliver quality public services' (p.12); strengthening '... local authorities and municipal institutions to enable decentralised service delivery' (p.12); and strengthening '... physical planning and management to meet the service delivery needs of a growing population' (p.12).

Loughman Government is seeking to strengthen the capacity of local authorities to support local development. For example, the Department of Local Authorities, located within the Ministry of Internal Affairs, is establishing a network of Area Administrators to help the Government reach provincial communities, and providing them with modest seed funding to establish a local office and support local community needs (approximately 1.2 million vatu for each Area Administrator). The Area Administrators are charged with working with local communities within Area Councils to develop “needs profiles” which will inform Area Council strategic development plans.²⁵

Vanuatu’s capacity to improve local-level service delivery will require a program of provincial state-building aimed at ensuring ‘a positive state presence’ amongst local communities.²⁶ This will require a two pronged approach involving: 1) the practical construction of local state systems integrated into broader national government systems; and 2) trust-building processes fostering connections between local communities and government. The remainder of this report will consider the ways VSP is supporting efforts to advance such a program.

²⁵ Loop Pacific (2019), ‘Area Administrators induction to boost Vanuatu Government’s decentralisation’, August 7

²⁶ ODI (2013), *op. cit.*, p.v

How is VSP contributing to decentralised service delivery?

This section will analyse the ways in which VSP has been supporting local level service delivery in Vanuatu. Drawing on the concepts introduced in the previous section, VSP has contributed to local service delivery by:

1. supporting the establishment of a decentralised skills system, which provides a model for practical decentralisation to other parts of government;
2. functioning as a source of local capacity supplementation to facilitate the extension of local level services to other sectors beyond skills ; and
3. supporting the development of a “soft” decentralisation infrastructure to invigorate local service delivery efforts, including by supporting developmental leadership and the capacity of individuals within government to progress collective action at the local level.

This section will consider each of these in turn.

Supporting the establishment of a decentralised skills system

The previous section noted that a key challenge regarding effective local level service delivery in Vanuatu has been the inability of the state to reach local communities. Political commitments to support local service delivery have not been matched by the development of state capabilities to actually provide services to local communities. Arguably, the most significant way VSP has contributed to local-level service delivery and decentralisation objectives in Vanuatu has been by supporting the development of an effective, nationally-integrated, decentralised skills system in Vanuatu, which has acted as model for other parts of government to emulate.

The development of a decentralised skills system provides a rare example of effective decentralisation in Vanuatu at a number of levels. VSP support for an integrated national skills system has helped create an overarching policy framework that has strengthened government commitment to decentralised service delivery. The finalisation of Vanuatu’s *National Human Resource Development Plan*²⁷, which recognises development of a demand driven and decentralised skills system as a national priority, has created political momentum behind the objective of local service delivery. It has also encouraged whole-of-government coordination to support the extension of local skills delivery across new sectors, as a basis of supporting local level development. One senior national government official interviewed for this report said VSP has been “shining a light through the tunnel” by illustrating the importance of local skills development as a driver of economic development.²⁸ This has informed national government efforts to support local development across other productive sectors.

At the same time, VSP has sought to support the development of a provincial service delivery capability to implement national policy commitments supporting extension of a

²⁷ Government of Vanuatu (2019), *Vanuatu 2030: National Human Resource Development Plan. 2020 – 2030. Achieving NSDP 2016-2030 Objectives*

²⁸ Interview, senior national government official, 9 November 2020

decentralised and demand-driven skills system. One of VSP's most significant contributions in terms of decentralisation is as a tangible model of local level service delivery. This is best demonstrated by VSP's support for the establishment of a network of decentralised PSCs. Operating in four of Vanuatu's six provinces, the PSCs have responsibility for brokering local training and business development activities at the provincial level. They have had significant success in delivering, for the first time, demand-driven vocational skills and business training services to communities outside of Vanuatu's urban capitals, contributing to improved local development outcomes. This represents a concrete form of government decentralisation, with PSCs becoming, in effect, a provincially-based service delivery arm for the Ministry of Education and Training (MoET).

VSP has supported the development of PSCs in a way that has helped invigorate provincial government. For example, PSCs have been developed in the context of an existing but moribund provincial training framework, centred around Provincial Government Training Boards (PGTBs). Chaired by the Secretary General of each province, with members appointed from provincial government productive sector departments, business, civil society and the community, PGTBs predated VSP but lacked resourcing and capacity to support an effective provincial training program targeted to supporting local economic development. With support from VSP, PGTBs have now become important points of strategic oversight of PSCs, acting as coordination points between provincial and national government, validating skill gap priorities for productive sector development, and facilitating connections between provincial agencies and local/community stakeholders.²⁹ This has arguably helped strengthen provincial government legitimacy by helping it play a more visible and effective role in coordinating local stakeholders (government and non-government) and supporting local development.

Assisting the development of a nationally integrated and demand-driven skills system with provincial and community reach has required VSP to support the strengthening of vertical and horizontal relationships across government and between government and non-government sectors. The demand-driven nature of the skills system has required VSP to work with a range of stakeholders in high potential economic sectors (agribusiness, industry value addition, and, pre COVID-19, tourism). Since 2019, VSP has sought to formalise this process in the form of Partnership Implementation Frameworks (PIFs) which '... articulate joint commitments and cooperation for implementation of skills development activities in areas that align with their sectoral policy and program priorities, and address the priority skill gaps identified by the PSCs.'³⁰ The PIF process is resulting in concrete examples of decentralised government collaboration.³¹ For example, development of a PIF in the province of Malampa in 2019 required negotiations across three government departments (Agriculture, Livestock and Fisheries) and local stakeholders to support the establishment of

²⁹ VSP (2019), *Annual Monitoring Evaluation and Learning Performance Report 2019*, p.18

³⁰ *ibid.*, p.16

³¹ PIFs are now established with the Department of Tourism/Vanuatu Tourism Office, the Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity, the Department of Industry, and the Department of Water Resources. (VSP (2019), *Annual Monitoring Evaluation and Learning Performance Report 2019*: pp.16-17)

an integrated farming system to address food security and livelihood needs of local residents.³²

By helping to improve vertical and horizontal connections across key government productive sectors, negotiation of PIFs represents a form practical decentralisation leading to concrete examples of localised service delivery. One consequence of the negotiation of PIFs is a deepening of ‘... the understanding of the national government partners about the local skills development priorities, and has contributed to improved commitment and better coordination between national and provincial levels of government in fulfilling the commitments agreed in the PIFs.’³³ In this way, VSP is directly helping address fragmentation across government, establishing ‘... new relations with other parts of national government that to date have not been directly connected to the skills system The commitments set out in the PIFs, and their alignment and support of the GoV partners’ priorities, have been effective in moving commitment to skills training to an institutional level, whereas previously it was heavily reliant on the commitment of individuals.’³⁴

As an example of an effective decentralised service delivery system, VSP is having an important demonstration effect for other sectors. According to VSP, the Government of Vanuatu’s renewed interest in decentralisation has ‘... raised the prominence of the PSCs being one of the few effective models of decentralised service delivery in Vanuatu.’³⁵ As a result, VSP has found itself being invited to share its experience in establishing decentralised service delivery mechanisms by other government departments. For example, VSP is in discussion with the Ministry of Health to support decentralised service delivery models in the area of health service delivery. Vanuatu’s Department of Local Authorities, which operates under the Ministry of Internal Affairs, is also looking to strengthen a partnership between itself and VSP that would involve VSP providing specific training and leadership development support to Provincial Area Administrators and Secretaries, to strengthen their capacity to implement the national government’s decentralisation agenda.

As a practical example of how to construct effective local service delivery mechanisms embedded within national government systems, VSP is supporting a form of practical state building. In doing so, VSP is arguably – albeit modestly – helping build confidence in government, and through that, legitimacy. This is important in creating a basis for extending service delivery and the role of the state in other areas.

Supplementing the capacity of government authorities to provide local level services

Capacity constraints present a major impediment to the achievement of decentralisation objectives. Provincial governments in developing countries such as Vanuatu lack human and financial resources to deliver a comprehensive suite of basic services to local communities. VSP has made an important contribution to supporting decentralisation objectives in

³² VSP (2019), op. cit., p.16

³³ VSP (2019), op. cit., p.16

³⁴ VSP (2019), op. cit., p.4

³⁵ VSP (2019), op. cit., p.9

Vanuatu by using its own human and material resources to supplement provincial government capabilities beyond the skills system.

VSP has provided technical and management support to provincial and national government in the area of planning and coordination, which has supported the delivery of services at the local level. This was best illustrated in the Government of Vanuatu's disaster response to Tropical Cyclone Harold which occurred in 2020. Overwhelmed by the challenges of responding to the cyclone, heads of relevant national and provincial government authorities proactively sought VSP assistance in the areas of disaster response and recovery planning and coordination. This was a critical capability gap that was hampering disaster response and recovery efforts, but an area in which VSP was recognised as having particular capabilities given its local presence in some provinces through its network of local PSCs.

VSP has used its own human and financial resources to support critical emergency response and recovery efforts. VSP support included the provision of surge capacity through the secondment of the VSP Director to co-lead the Provincial Emergency Operations Centre (PEOC) in Sanma province and the Productive Sector Manager to support the coordination of the PEOC in Malampa province.³⁶ VSP's program team in Port Vila was also mobilised, with a number of officers deployed to affected provinces across Vanuatu.³⁷ In this way, '... the Partnership was able to provide important additional human and financial resources, working in an integrated way within the response structure to strengthen the efficiency and effectiveness of the localised response.'³⁸ The secondment of VSP staff to support local response efforts was particularly important in addressing resource and capability shortfalls in Vanuatu's National Disaster Management Office (NDMO).

Central to VSP's ability to effectively support Vanuatu's cyclone response was '... its experience bridging national and provincial priorities to support provincial service delivery'.³⁹ In mobilising its own program staff, who had direct experience in working (vertically and horizontally) across government in the skills sector, VSP was able to facilitate '... direct engagement between PEOC and Area Secretaries and Administrators including their involvement in needs assessment and distribution activities.'⁴⁰ VSP program staff also provided technical advice on data collection and analysis to assist Area Administrators direct emergency response efforts.⁴¹ One provincial Secretary-General interviewed for this report observed that in Vanuatu, people are "timeless" and in this context VSP "support with time management" has been particularly valuable in helping strengthen planning skills at the provincial level.⁴²

VSP has begun to engage directly with issues associated with local provincial administrative capacity. Under the aegis of its skills development mandate, VSP has begun providing training and capacity building support in the critical areas of planning and coordination. In

³⁶ VSP (2020), *Partnerships for Localised Response: The Vanuatu Skills Partnership's contribution to the Government of Vanuatu's Tropical Cyclone Harold response*, p.3-5

³⁷ *ibid.*, p.3

³⁸ *ibid.*, p.2

³⁹ *ibid.*, p.2

⁴⁰ *ibid.*, p.5

⁴¹ *ibid.*, p.5

⁴² Interview, senior provincial government official, 16 November 2020

2019 VSP supported a provincial planning workshop for provincial and area administrators hosted by the Vanuatu Department of Strategic Planning and Aid Coordination (see **Text Box 1**) – the first time such government led planning had occurred⁴³ VSP has also begun to deliver adaptive leadership workshops for provincial stakeholders including Area Administrators and sector leaders. Focusing on supporting local level leadership and collective action to achieve national development goals, the workshops have sought to build connections across local authorities in order for government to work more effectively.

VSP's focus on local level planning and coordination issues is responding to a major impediment to the extension of local level services at the provincial level and is being reflected in national development policies seeking to progress decentralisation. The Government of Vanuatu's *National Human Resource Development Plan*, whose development was supported by VSP, includes provision for public administration capacity building.⁴⁴ VSP has also been asked to support the Ambae Recovery initiative, partnering with the Department of Water Resources to support the repair of water supply systems and with the Department of Agriculture to support food security activities.

VSP has also provided material supplementation for provincial governments that have lacked resources necessary to deliver local services on the ground. During the emergency response to Tropical Cyclone Harold, VSP re-allocated its own program budget to address immediate provincial budget shortfalls and facilitate speedier recovery efforts. VSP also provided other material resources such as program vehicles and local offices to support the Emergency Operations Centres (EOCs) established across Vanuatu's cyclone affected provinces in the north. . The Government of Vanuatu's response to Cyclone Harold was thus aided in part by VSP's strong physical presence in several affected provinces and its associated capacity to deliver resources where needed on the ground. This underlined the importance of a having a decentralised infrastructural capacity to supporting local service delivery.

VSP is also helping other government agencies develop innovative ways of addressing financing shortfalls which have hindered decentralisation efforts. VSP established - and now manages - a Skills Development Fund (SDF) as a co-financing mechanism to extend decentralised training activities through its PSCs.⁴⁵ Over time, the SDF has received contributions from a range of government departments in Vanuatu and is being used to incentivise co-contributions from relevant government agencies to extend skills-focused activities to new sectors. As part of the annual PIF re-validation process, relevant national government departments have committed to allocate a percentage of their budget to the VSP SDF to support the costs of trainings delivered through the PSCs. The SDF is also expected to be an important mechanism to fund skills and training activities in support of Vanuatu's NHRDP. In terms of the broader decentralisation agenda, the SDF provides an example of a co-financing model that may be used to support co-financing contributions

⁴³ VSP (2019), op. cit., p.18

⁴⁴ Government of Vanuatu (2019), *Vanuatu 2030: National Human Resource Development Plan. 2020 – 2030*. op cit.

⁴⁵ Barbara, J. (2018), op. cit., p.38

across other sectors.

Text Box 1: Coordinated planning in Malampa Province

In 2020, VSP's Centre Manager for the Malampa PSC recognised the need for a more integrated approach to provincial planning. VSP developed an adaptive leadership and management training program which was delivered to twenty local leaders including area administrators and managers from a number of provincial departments. The training focused on issues of leadership and management at the provincial level and considered the need for a more integrated approach to provincial development, which was currently hampered by the proliferation of a number of fragmented and siloed, sector-based plans developed by individual departments. Following the adaptive leadership training, the Secretary General of Malampa Province convened the Provincial Technical Advisory Committee meeting – the province's highest advisory committee – where he tabled the issue of planning coordination on the agenda. Following that meeting, the Secretary General has appointed a four-member sub-committee charged with developing an integrated provincial development plan to identify and progress provincial development priorities. The approach has garnered the attention of a senior official in the Prime Minister's Office who has said he wants to replicate this process in other provinces.

While VSP has supported the Government of Vanuatu to address resource and capacity issues impeding local service delivery in specific sectors, there is some evidence it is beginning to play a more institutionalised role where VSP is recognised by the national government as a key coordination partner in support of decentralisation. For example, VSP's Director, Fremden Yanhambath, has been invited by the Prime Minister's Office to provide high level advice on the government's broader decentralisation strategy. According to Yanhambath, based on VSP's record supporting the establishment of a decentralised skills system, the government now sees VSP 'more as a trusted partner than a development program'.⁴⁶ VSP's recognised utility as a national development resource was underlined by its effective support for the cyclone response:

The Partnership is well known locally and it is viewed as a strong, respected, trusted partner for national development. In the response context, the Partnership's strengths were recognised by key leaders at provincial and national government levels. The Partnership was able to draw on its experience fostering collective action with a variety of stakeholders at national and provincial levels, across a wider range of sectors, as well as with community service organisations (CSOs) and the private sector, placing it well to support many facets of the emergency response.⁴⁷

VSP's recognition as a national development partner has been underpinned also by the NHRDP which has placed skills at the centre of the government's national development program and has therefore given VSP a role in national strategic development planning processes. This is providing VSP with opportunities to mainstream its decentralisation experience throughout other government agencies as they pursue decentralisation

⁴⁶ Interview, Fremden Yanhambath, Director VSP, 2 October 2020

⁴⁷ VSP (2020), *Partnerships for Localised Response*, op. cit. p.3

objectives. Practically, this is being supported through the appointment of VSP staff in key decentralisation roles, including provincial leaders' roles as noted above.

VSP's inclusion in national policy decision-making frameworks, coupled with its infrastructural presence in several provinces and capacity to direct resources flexibly to support local policy priorities has arguably seen the program come to be recognised within government circles as a sort of locally-owned development Facility that can be mobilised by provincial authorities to address identified system gaps and/or blockages. In the development sector, a Facility is a contracting arrangement, '... managed by an external contractor, to deliver programs of work aimed at achieving broad development outcomes.'⁴⁸() Facilities are scaled forms of support that are designed to allow '... aid activities to be developed on an ongoing basis during implementation ...'⁴⁹ They are supposed to be able to mobilise a range of resources at short notice to support the achievement of policy goals. As a *locally-owned* facility, VSP may represent an interesting and adaptive way of helping local actors address key capacity gaps and blockages that have impeded decentralisation efforts to date.

Supporting the development of a “soft” decentralisation infrastructure

One reason decentralisation policies struggle to advance is because they are often treated as technical reforms that fail to account for the informal political and administrative dynamics that can shape policy. For any formal institution, Helme and Levitsky have noted the importance of what they have called 'complementary informal institutions' which “fill in gaps” either by addressing contingencies not dealt with in the formal rules or by facilitating the pursuit of individual goals within the formal institutional framework.'⁵⁰ As with any institutional reform, formal decentralisation reforms must be complemented by informal processes and invigorated by effective relationships traversing diverse networks of government and non-government stakeholders. In this sense, decentralisation requires the development of shared public administration norms and cultures, operating procedures and routines 'that ease decision making and coordination within bureaucracies'.⁵¹

VSP has played an important role in “filling in the gaps” through the development of complementary informal institutions in a number of ways. The most significant has been its strategy to support the emergence of a network of developmental leaders committed to advancing practical service delivery reforms across government. VSP has deliberately sought to incubate developmental leaders within its own program, building a cadre of experienced professional staff who can then progress into senior roles across government.⁵² Incubation occurs through on the job experience, the provision of extra-curricular development opportunities (such as support for staff to achieve tertiary education and external professional development) and a commitment to regular, values-based team-building with

⁴⁸ Australian National Audit Office (2020), *Auditor-General Report No.32 2019-20: Value for Money in the Delivery of Official Development Assistance through Facility Arrangements*, p.16

⁴⁹ *ibid.*, p.17

⁵⁰ Helme, G. and Levitsky, S. (2004), 'Informal institutions and comparative politics: A research agenda', *Perspectives on Politics*, 2(4): 725-740, p.728

⁵¹ *ibid.*, p.728

⁵² Interview, VSP Technical adviser, 2 November 2020

an explicit focus on the theme of ‘nation-building’.⁵³ VSP has actively supported the promotion of program staff into senior government roles as a key, long-term developmental contribution to Vanuatu. For example, in 2019, two former PSC Managers were appointed as Secretaries General in the provinces of Sanma and Tafea – the senior administrative role in a province – with the active support of VSP.⁵⁴

In incubating developmental leadership amongst its program staff, VSP has nurtured a network of professionals who share a strong commitment to advancing Vanuatu’s national development agenda and who are recognised within government as trusted interlocutors committed to progressing national development policies. Importantly, VSP staff who have moved on to government roles have described their departure from the program not as ‘leaving’ the Partnership but as an opportunity to expand its impact and influence and promote its reformist work within government systems from positions of power. VSP staff have coined the phrase ‘stikfaea’ to articulate how they see themselves as catalysts for change within local systems, and are keen to help other parts of government pursue nation building objectives such as the extension of local services to support community development.⁵⁵

Programmatically, VSP has also begun to position itself to play a more active “nation-building” role supporting the advancement of the government’s decentralisation agenda. This is reflected in revisions to VSP’s own program logic in 2020, which articulates a broader reformist role in support of national decentralisation and service delivery objectives. This program logic seeks to leverage VSP’s credibility and trusted local expertise and networks to support decentralised service delivery efforts in other sectors.⁵⁶ It is also reflected in VSP’s evolving support for leadership and management training to develop the capacity of public servants to implement decentralisation reforms. One VSP PSC manager interviewed for this report noted VSP’s strategic focus on supporting developmental leadership for local service delivery: ‘We need to be more demanding of Area Administrators so that they work with local actors to support development plans. We need to help them become leaders and managers.’⁵⁷

By supporting the development of a cadre of development leaders embedded in a wider, trust-based network of relationships across government, VSP has helped build a soft or intangible infrastructure to support more joined up government. This has the potential to work as an informal institution to “fill in the gaps” between different stakeholders necessary to advance a practical decentralisation program. In the Vanuatu context, where government is relatively small and highly relational, personal networks remain important to progressing reform objectives, VSP’s approach represents an important contribution to extending practical decentralisation reforms across government.

⁵³ The current Program Director was supported to undertake overseas tertiary studies as part of a long-term professional development program.

⁵⁴ VSP (2019), op. cit., p.18

⁵⁵ See Barbara, J. (2018), op. cit. p.45

⁵⁶ VSP (2020), *Annual Plan 2020*, op. cit., pp.7-9

⁵⁷ Interview, VSP PSC manager, 14 April 2021

Conclusion: How VSP has supported decentralisation and local service delivery

This report has considered how VSP has supported decentralisation and local level service delivery in Vanuatu. While it is important to recognise that VSP is a relatively small program with a focus on skills development, it is arguably having a catalytic impact in supporting decentralisation efforts in other parts of government in Vanuatu.

The most important contribution VSP has made in this regard is as an example of practical decentralisation. VSP has supported directly decentralisation through its support for the establishment of a decentralised skills system, based on development of a network of PSCs located across four provinces. In order to do so, VSP has had to work innovatively within existing government structures to develop a viable decentralisation model that can achieve results in a Vanuatu context. Its success in rolling out a network of PSCs demonstrates it has been able to bridge the gap between decentralisation aspiration and practice which has dogged Vanuatu policy efforts to support decentralisation. As an example of practical decentralisation, VSP has become a policy resource available to the broader Government of Vanuatu to inform and support decentralisation efforts in other parts of government.

VSP has also become an important implementation resource, helping other parts of government (beyond the skills system) in tangible ways to implement local service delivery policies. VSP has provided supplementary human and material resourcing to fill critical capability gaps within the government system, most notably in the area of cyclone response and recovery. VSP is also using its skills mandate to expand its training remit to include strategic planning and project management, thus directly contributing to the capacity of local officials to support government decentralisation goals. In this capacity, VSP has arguably begun to operate as a type of local development Facility available for government authorities to draw on to support local service delivery. VSP's evolution as a partner for broader system reform will enable it to play a more active role in building public administration capabilities necessary to support a more ambitious decentralisation program.

Finally, VSP has helped support national decentralisation objectives by supporting the development of an intangible or "soft" infrastructure capable of invigorating decentralisation policies which would otherwise struggle to be progressed in a Vanuatu context. Most importantly, VSP has incubated a network of developmental leaders who have come to occupy important positions in provincial and national government agencies and are well placed to progress decentralisation policies. These relationships are being used to catalyse decentralisation reform efforts in new sectors.

Through these contributions, VSP is an important model of how to operationalise an effective decentralisation program in a country where decentralisation reforms have struggled. At the very least, VSP's success in supporting the development of a decentralised skills sector in Vanuatu capable of delivering improved livelihoods and business growth within local communities provides an important example of effective government which is contributing in a modest way to state legitimacy. This is an important contribution in its own

right, by demonstrating in tangible ways how government can improve community well-being and by potentially creating a constituency for more active decentralised government elsewhere.

A key lesson from VSP is the importance of intangible systems in supporting decentralisation efforts. Commitments to support decentralised service delivery often struggle because they treat decentralisation as a technical challenge and struggle to overcome key structural and political challenges. Effective decentralisation requires, amongst other things, strategic planning and coordination across horizontal and vertical layers of government, and between government and non-government stakeholders – all sensitively navigated within the grain of the local political economy and relational dynamics. It also requires the development of shared values across government including a commitment to local level service delivery, reflected in public administration norms and informal governance arrangements that act as an institutional glue joining up often fragmented and siloed actors. Technical approaches to decentralisation often overlook this informal dimension, and even where recognised, can struggle to develop effective strategies to address this issue. VSP's experience provides an example of how to cultivate effective local networks and convene fragmented actors to progress local service delivery objectives.

While VSP has supported decentralisation efforts in a number of ways it is important to recognise limitations in its contribution. VSP's decentralisation contribution has importantly focused predominantly in areas such as planning, strategic coordination and supporting communication and collective action across government and between government and non-government actors. It has not engaged substantively with other systemic issues which impact on decentralisation reform prospects such as public financial management and public sector reforms. Implementing national decentralisation policies will require systemic reforms encompassing public financial management and public sector issues beyond the immediate scope of VSP. VSP's reliance on personal networks to support decentralisation reforms has made sense in the Vanuatu context, but may also make gains overly dependent on personal relationships while also raising questions about the capacity to support more comprehensive and scaled up systemic reforms.

Nevertheless, VSP provides an important example of how to build a “positive state presence” at the provincial level and as a form of practical, local-level state-building. VSP's approach – based on an adaptive, locally-led and context responsive approach to skills decentralisation - provides an interesting case study in effective decentralisation that has worked relatively well in a country where decentralisation initiatives have proven difficult to progress.

Acknowledgements

The author is grateful to the individuals who shared their insights in the preparation of this report, including members of the Vanuatu Skills Partnership.

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