

# Skills for Creative Industries - Narrative Report January – June 2019

## 1. Introduction

This is an update on the activities that have been implemented between January to June 2019 for the handicraft sector, now referred to as the “Creative Industries” (SfCI). The initial planning and activity implementation has been done in collaboration with the Department of Industry, the provincial government and handicraft producers in Malampa, Sanma, Tafea and Torba province.

## 2. Overview

The Vanuatu Skills Partnership (the Partnership) currently has a tripartite MOU with DOI and VSTAP to work together in strengthening the Creative industries through the implementation of the Handicraft Sector Action Plan 2018 – 2020. This is the second year of implementation and through the work implemented in the four provinces of Malampa, Sanma, Tafea and Torba, there is a diversification in product development with a lot of improvement in product quality.



While the quality of products has improved immensely, there is still work that needs to be done around accessing markets, improving business governance, management and administration. The Malampa Handicraft Centre (MHC) has paved a way for the other provinces to follow especially around governance, management improvement and most importantly by becoming the first Community Company under the Vanuatu Financial Services Commission.



While the general overview of the creative industries is improving and progressing positively, the increase in production poses a challenge to the environment especially when the products are produced using local raw materials. There is a huge need for the Vanuatu Skills Partnership (the Partnership) through the SfCI sector and DOI to strengthen their working collaboration with both the Department of Forestry and Department of Environment so the issue of availability and use of raw materials is holistically addressed.

## Key Strengths and Highlights

- SfCI partnership with DOI continues to grow. This is seen through the signing of Partnership Implementation Framework (PIF) 2019 that address commitments from both parties towards implementation of work activities outline in the SfCI/DOI proposals, including a financial contribution of 2 million VUV from the DOI
- The DOI has a new Director which will help strengthen strategic coordination and leadership within the DOI
- The DOI have submitted to the Public Service Commission a proposed new structure for the department which will see a more structured organisation and a provide better opportunities for the Department to work with other sectors such as agriculture, fisheries, livestock and tourism around the area of value additional products and services
- SfCI is supporting and involving the DOI handicraft section to participate in strategic work and decisions in the provinces. The DOI Handicraft Coordinator, Mr. Ian Bani travelled to Malekula to meet with the MHC manager, the Australian volunteer and the SfCI international Adviser to better understand the creative industries and support the development of a best business model which can potentially be used in other provinces
- MHC became the first Community Company under the VFSC company registration and it is anticipated that other provinces will see this as a 'role model' for the development of community companies, not just in the creative industries but other sectors too
- The Sanma Provincial Government, with provincial partners and stakeholders, have approved a concept of partnership presented by the Partnership to build the Creative Industries sector in Sanma and use Headwear as a model for international exports
- Torba Handicraft Centre (THC) has a new fulltime manager and he is already working collaboratively with Torba Skills Centre and the international industry coach to facilitate and coordinate activities with handicraft clients in Motalava and Vetimboso
- There is great exposure of THC product in the domestic market with a lot of potential interested buyers during the Greenwave market in Port Vila as well as industry coach led sales in hotels, resorts and by other buyers in Vila
- Registration of SfCI individual clients took place in four provinces, using the new improved registration questionnaire (that includes Washington Group questions on disability, education and income questions). The data was collected using the Kobo tool on tablets
- A summary of the clients registered during the period January to June 2019

Province	Female	Male	All Clients	% Female
Malampa	82	12	94	87%
Sanma	22	1	23	96%
Tafea	42	5	47	89%
Torba	36	10	46	78%
<b>Grand Total</b>	<b>182</b>	<b>28</b>	<b>210</b>	<b>87%</b>

- Of the clients registered in this period, 52% (63) are new CI clients, and 58% of the women are new CI clients
- A total of 110 women and men participated in at least one CI skills activities during January to June 2019; 90% were female

## Key Challenges/Risks

- The tripartite MOU is currently not effective as the VSTAP project has changed their priorities as of last year 2018. The MOU needs to be reviewed
- There are lack of DOI presence in all the provinces the Partnership works – currently there is only one officer on Tafea but none in Sanma, Malampa and Torba

- SfCI and DOI need to strengthen their working relationship with Department of Cooperative (DOC) and use the existing MSME model that DOC has in its work with producers
- The participation of DOI staff at the national level is not strong as they view the current partnership with them to be only with the handicraft and not supporting other priorities within DOI
- The Tafea work program needs more exposure to market and so SfCI will assist with governance, management and marketing of products
- Renovation work is needed urgently for the THC house now that the manager has already started and the production is increasing

### Key Mitigation Strategies (related to challenges/risks above)

- SfCI and DOI to meet with VSTAP and review their involvement in the creative industries and develop a new MOU
- The change in name from 'SfH' to SfCI is a great strategic move as the DOI officer can now see SfCI not as just handicraft but more a 'DOI'. SfCI will have more bilateral discussion to discuss and understand joint work priorities

## 3. Partnership Status



**IO-1**  
Skills planning  
& coordination



**IO-2**  
Public and private  
resource allocation

- The current tripartite MOU between DOI, VSP and VSTAP will finish at the end of the year and we need to start dialogue on the new MOU now.
- 10 work proposal developed for SfCI and DOI through the 2019 PIF. These are:

#### Malampa Province

- MHC Going Sustainable – Governance and management improvement (funded through Governance for Growth)
- MHC Producers sustainable production and business development (funded through Governance for Growth)

#### Sanma Province

- Handicraft Association Governance/Management/market access
- Santo textile business development – Production increase and business skills development
- Sanma headwear business & marketing development

#### Torba province

- THC Governance management and market access
- Vetimboso handicraft producer and business development

#### Tafea Province

- Tanna drawing and printmaking product and business development & market access
- Tanna jewellery product and business development and market access

#### National

- DOI Provincial and national officers professional development

- A PIF commitment was signed between Director DOI and Director VSP for 2019 to implement the proposal above. The DOI committed VUV 2,000,000 to the SDF and also human resources to assist with the implementation activities outlined in the proposal



#### 4. Co-contributions

- Partners – DOI VUV 2,000,000
- Donors – GfG VUV 2,240,500



#### 5. 2019 Priority areas

##### Malampa Province

##### MHC Going Sustainable – Governance and management improvement

MHC requires commercial acumen and professional governance to achieve the target of being a sustainable business that can support its own business operations in the future.

This priority is supported by 'Women's Economic Empowerment and Rural Economic Growth' Governance for Growth funded project (ending in 2020) and the Vanuatu Skills Partnership through the Malampa Skills Centre.

Workshop	<ul style="list-style-type: none"> <li>•MHC Board Business Planning for MHC</li> </ul>
Coaching	<ul style="list-style-type: none"> <li>•MHC Board Governance &amp; Operation</li> </ul>
Meetings	<ul style="list-style-type: none"> <li>•MHC Board meeting x 4</li> <li>•MHC Board 'team building' retreat</li> </ul>
Event/Launch	<ul style="list-style-type: none"> <li>•Greenwave Market Sale in Port Vila</li> </ul>

MHC Producers sustainable production and business development

MHC has the opportunity to provide businesses in Port Vila, Santo and overseas with wholesale quantities of locally made, quality handicrafts. MHC is still unable to fill some orders due the quantity of product in stock to fulfil this orders. This priority will support the MHC to set up a production program that will support the producers in developing good quality, ready and available products so the flow of business with MHC and buyers is not interrupted with insufficient product in stock.

This priority is also part of the ‘Women’s Economic Empowerment and Rural Economic Growth’ Governance for Growth funded program.

Workshop	<ul style="list-style-type: none"> <li>•Box basket quality production &amp; pricing</li> <li>•MHC production development program</li> <li>•Flasem basket quality production &amp; pricing</li> </ul>
Meeting	<ul style="list-style-type: none"> <li>•MHC handicraft producton initial development program</li> <li>•MHC Staff &amp; Trainers production meeting x 2</li> <li>•MHC Junior coaches production engagement</li> <li>•MHC team meeting: Development of production strategy plan</li> </ul>
Procurement/Budget Support	<ul style="list-style-type: none"> <li>•Production and stock management</li> <li>•Construction of 60 small wooden boxes (mould) materials - box basket frames</li> </ul>

**Sanma Province**

Handicraft Association Governance/Management/market access

The creative industries in Sanma is growing and there is a huge need for proper coordination between producers, retailers and buyers to enable effective customer services and efficient trade facilitation. In order for this to eventuate, their needs to be strengthened governance and management of the existing associations.

There are currently seven handicraft associations and an overarching association acting as a “federation” in Sanma Province which are not operating as effectively as anticipated. This is due to lack of appropriate governance and a lack of management of the associations.

The Partnership, through the Sanma Skills Centre, has been working with government partners and other stakeholders to identify ways to strengthen the business structure of the creative industries in Sanma

An international consultant was engaged to work with DOI to undertake a review of the structure and propose recommendations for the business model that Sanma should adopt for the creative industries. A draft review report was submitted and is yet to be finalised.

### Santo textile business development – Production increase and business skills development

The textile work program has helped producers to improve the quality and diversification of the products they produce. These products ranged from a shopping tote bag, mesh bags, pouches, pencil cases, language tags, key tags, children’s toys and lanyards. The clients are skilled in producing good quality products but the challenge is identifying the market and selling the products. This activity links well with the national plastic bag ban and the promotion of reusable shopping bags.



Sanma Skills Centre organised a workshop with the clients this year to revisit action plans from 2018, continue product design techniques and quality sewing. The Sanma Skills Centre and the industry coach also registered the clients using the new registration form on Kobo, and at the moment there are nine textile clients and they are all women

### Sanma headwear business & marketing development

The Sanma Skills Centre is working with two associations in the headwear program and both associations produce two different and unique products that target different markets. The initial objective of the work program has focused on getting the clients to produce quality headwear and sell to Port Vila and other islands in Vanuatu.

The International Industry Coach engaged by the Partnership to assist the mamas in these two associations is very reputable and well respected in the hat industry both in fashion, entertainment and the hat business. Using her international network and connections, there is currently a high demand from international buyers and the headwear program is now focusing on product quality and standards to meet this international market demand.

A contextualised skills development activity was delivered twice to the headwear association member. 9 women are registered under the Bosahe Association and 11 women under Limabulu Association. Not all clients were able to be registered initially and the Sanma Skills Centre is currently working on registering them all. They will be reported in the next monthly dashboard report in July.

Workshop	•Quality Product refine and basic export protocol
Coaching	•Quality Product specification to meet international market standard, headwear catalogue layout
Scoping /Registration	•Awareness, Scoping and Registration

## Tafea Province

### Tanna drawing and printmaking product and business development & market access

Drawing and printmaking was one of the work streams that the Tafea Skills Centre and Tafea Department of Industry worked together collaboratively with the clients to implement in 2018. There is great potential in this work stream given it is unique and diverse and so the need to incubate clients, nurture them and to help them become entrepreneurs in the future is essential.

It is necessary also to consider business development and sales and marketing skills development to empower the clients to produce their products and generate income. Trading is currently happening at a very low level so further skills development activities will be targeted at supporting clients to access other markets.



According to the completion report submitted by the Industry coach, there were 7 clients and 3 are female and 4 are male.

Workshop

- Quantity and quality production

Scoping /Registration

- Registration of IC to Kobotool

### Tanna Jewellery product and business development and market access

In 2018, the Tafea Skills Centre and the Department of Industry facilitated and delivered skills development activities to individual clients to use local materials and produce jewellery. The clients are confident in producing jewellery and there was improvement in the quality and sales of these jewellery on Tanna. With the motivation and enthusiasm shown by the clients, there is a need to get these jewellery access to a bigger market including Mystery Island Port of Call and Port Vila market. Using the catalogue developed in 2018, targeted skills development was delivered to these producers in quality production, understanding and knowing the wholesale and retail market, pricing establishing good governance and the registration of the clients by Tafea Skills Centre and the industry coach on Kobotool.



Workshop	<ul style="list-style-type: none"> <li>• Understand the wholesale and retail market</li> <li>• Pricing for wholesale and retail</li> </ul>
Coaching	<ul style="list-style-type: none"> <li>• Establishing good governance</li> </ul>
Scoping /Registration	<ul style="list-style-type: none"> <li>• Awareness, Scoping and Registration</li> </ul>

The Tafea Skills Centre also engaged a Junior coach that they recommend to attend ITAC training with APTC to assist the industry coach in this work program. The junior coach who is a woman, is from Tafea province.

Through the establishment of the Tanna Travel Centre retail shop, a new market access point has formed for Tafea-based producers. From January to May 2019 there have been over VUV 350,000 in handicraft sales representing over VUV 270,000 in income for local producers.

### Torba Province

#### THC Governance management and market access

Torba Handicraft Cooperative is a new business entity established in Sola, Torba Province by the Torba Provincial Government with the purpose of having as a Provincial Government handicraft hub to facilitate marketing and sales of all Torba handicraft producers. It's a new business that will be growing due to the very high demand of handicraft products developed. The management and governance of THC will play a vital role to facilitate trade arrangements between the producer and the wholesaler and also manage and govern the sustainability business.

A new THC Manager was employed to manage the hub and facilitate trades between buyers and producers.

Coaching	<ul style="list-style-type: none"> <li>• Business operation and management</li> <li>• Market and sales</li> </ul>
Event/Launch	<ul style="list-style-type: none"> <li>• Tourism: Aviation of the Sea Cruise Ship sales in Vila</li> <li>• Greenwave market sales</li> </ul>
Meeting	<ul style="list-style-type: none"> <li>• THC Manager meeting with Senior Industry Coach</li> <li>• THC Manager meeting with THC Board, PSM and PSDM</li> </ul>

#### Vetimbosos handicraft producer and business development

The initial focus of activities was with the Vetimbosos community but there was a huge demand from the jewellery producers on Motalava that Torba Skills Centre extend the work program to the women on Motalava. The Torba Skills Centre facilitate the engagement of the International Industry Coach travel to Torba and deliver the activities consecutive with the mamas on Vetimbosos (Vanualava) and then the mamas in Motalava.

Updated registration of the existing clients has not yet been done, but according to completion report there are 25 clients on Vetimbosos – 19 female and 6 male. 19 clients on Motalava who are all female

Workshop	<ul style="list-style-type: none"> <li>• Inventory on necklace production (Motalava)</li> <li>• Jewellery quality production (Vetimbos)</li> </ul>
Coaching	<ul style="list-style-type: none"> <li>• Quality product development to meet market standard (Vetimbos)</li> <li>• Quality necklace production</li> </ul>
Meeting	<ul style="list-style-type: none"> <li>• Meeting with SfCI and PSM</li> </ul>

**National**

DOI Provincial and national officer’s professional development

The development of the creative industries in Vanuatu is growing and there is opportunity to encourage rural women to grow the trade of local products and create economic empowerment for them. The Government of Vanuatu has recognised the importance and growth of this sector and entrusts the work of this sector to the Department of Industry to coordinate and facilitate the development for economic return for Vanuatu.

While this sector is closely linked to cultural practice, there is an opportunity to develop and maximise opportunities to grow the trade of local products, creating employment for local people and injecting substantial money into the local economy.

Vanuatu Skills Partnership and Department of Industry will be working together to provide professional development to the Officers to implement work programs that will lead to economic opportunities for producers and strengthen the sector’s priority.

The co-contribution from DOI was to partly fund this activity and it was scheduled to be delivered in June and September 2019. Unfortunately, due to commitment from DOI, the activity was rescheduled to July and a date is yet to be confirmed by DOI and SfCI.

## Work plan progress update



### Headwear in Sanma

Following the high interest from the international market, the Partnership proposed a concept for the Creative Industries in Sanma where a holistic ‘partnership’ approach is required to address better infrastructure and governance in order for the headwear sector to meet the demand of this huge market. The approach was presented to the Sanma Provincial Government and they accepted the concept and later requested the same presentation to be presented to the Sanma Technical Advisory Committee to endorse/approve it.

The presentation by the Partnership’s Deputy Director was approved by the ITAC and they also approved a committee proposed by the Deputy Director comprising:

- Sanma Provincial Government
- Sanma Skills Centre
- Sanma Department of Industry
- Sanma Department of Tourism
- Department of Women’s Affairs
- Sanma Lands Department
- Luganville Municipal Council

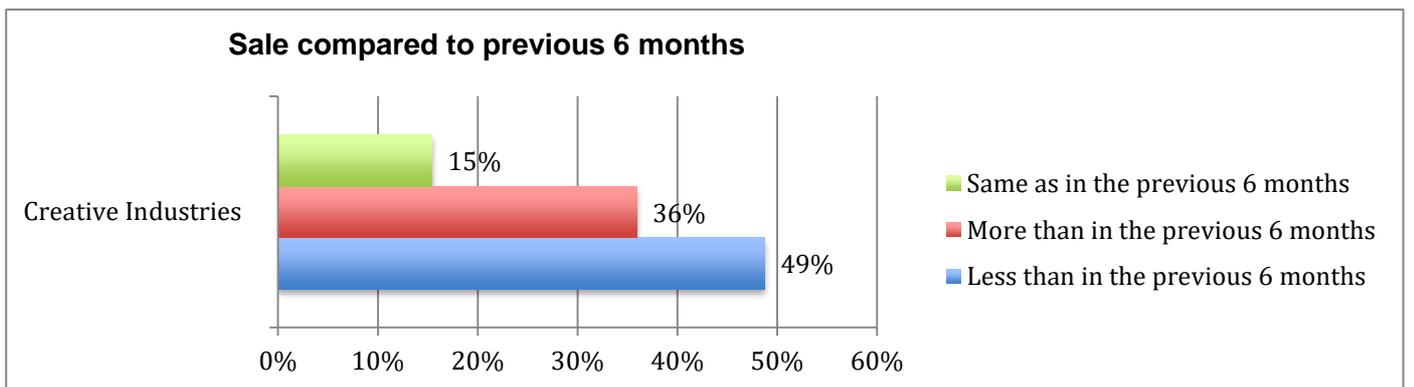
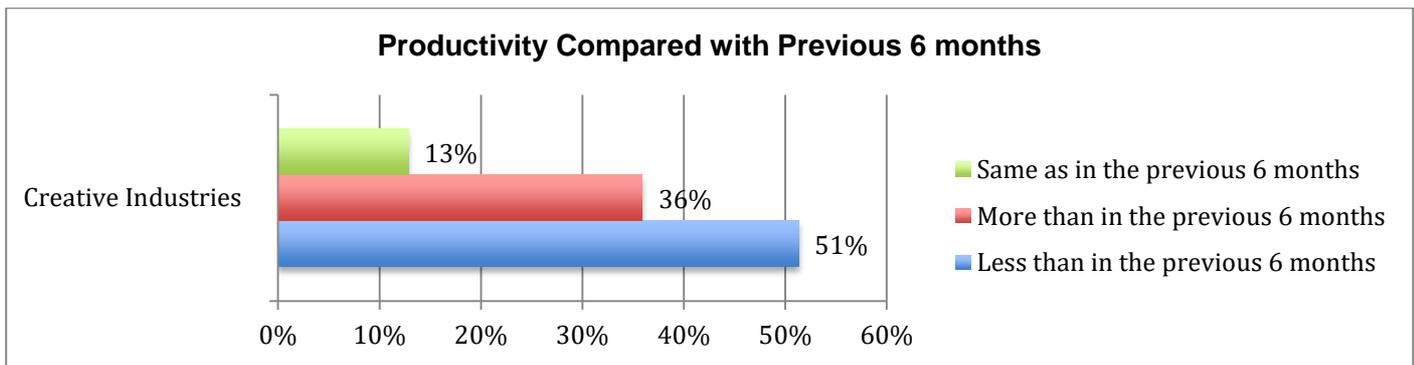
A letter of appointment will be issued by the Secretary General of Sanma Province to the organisations representing the committee and the first meeting will convene to endorse a piece of land requested for the provincial government to give to the Creative Industries to build a hub that will be used for skill development activities, production area, office space and generally a meeting place for women to build their skills on becoming entrepreneurs.

### Prosperity Progress Data

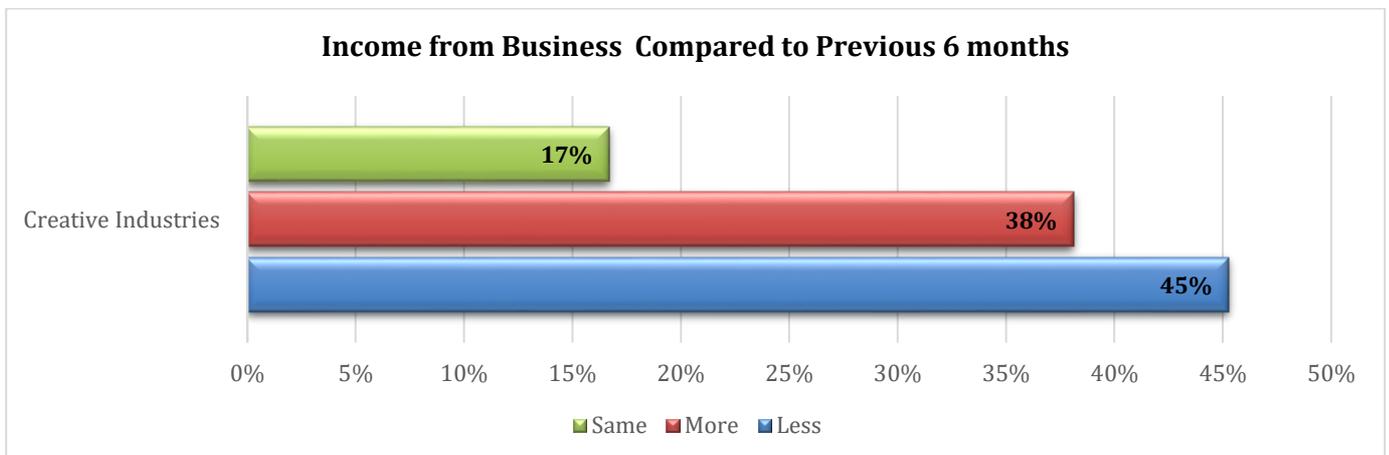
Baseline prosperity data was collected for the first time from CI business clients using a new tool that captures information on a range of indicators related to business progress and quality including productivity, sales, income, expenditure and profit. The data is collected as part of individual coaching activities, and will be collected and analysed every 6 months. This will enable future comparisons to be made over time.

The preliminary findings presented here is baseline information of data collected from 36 business clients – 69 % (25) are producers and vendors and 31% (11) are producers.

The data presented is the change reported by clients compared with the previous 6 months



Productivity and sales are less compared to previous six months - this may relate to the drop in the arrival of tourist to Vanuatu as this reporting period was low season.



The income reported from the businesses is also less which is expected given the lower productivity and sales.

Of the 36 CI business clients (14 from Sanma and 22 Tafea) 59% reported that the income earned from their business in the last 6 months contributed to at least half and up to all (19%) of the total household income; for 41% of the clients it contributed to less than half and 5% reported it had not contributed anything to the household.

Of the 36 clients 28 % (10) had no other source of income beyond their CI business. Of the 26 who had other sources of income 46% (12) had income from at least 2 and up to 4 other sources from employment or livelihoods, and from their husband’s salary or rental of property. This shows that there is a high reliance on other income sources by the CI clients who are predominantly women, and that this is positive as it ensures more regular income to balance out seasonal variations of sales and profit, but also has implications in regard to the time that they can spend on developing their CI business.

## 6. Skills for Creative Industries - Contextual Analysis

Influencing Factors	Key Opportunities	Key Constraints	How are we taking advantage of these opportunities and mitigating any risks?
<b>Policies and legislation, regulation and standards</b> – government, industry, national and international	<ul style="list-style-type: none"> <li>➤ A clear and strategic direction for DOI was outline on the Action Plan 2018 - 2020 and the National Industrial Development Strategy 2018 – 2022. These directions were outlined logically from product development – trade and market – governance – monitoring</li> </ul>	<ul style="list-style-type: none"> <li>➤ No proper data in place to show how many clients we work with in the handicraft and value addition sector. This makes it hard to make strategic decisions and implement the two documents effectively</li> </ul>	<ul style="list-style-type: none"> <li>➤ Professional Development workshop planned by the DOI and SfCI to address project management and aligning work priorities to address policies at national level</li> </ul>
<b>Economic</b> – local, interisland, regional and international economies, investment and markets scope and scale	<ul style="list-style-type: none"> <li>➤ SfCI is providing assistance to provincial producers and there are interisland trades between producers and buyer in the domestic market</li> <li>➤ MHC becoming the first community company and the process of acquiring the certificate from VFSC has given SfCI, Malampa Skills Centre and DOI an understanding of how this can be replicated in other provinces in Vanuatu</li> </ul>	<ul style="list-style-type: none"> <li>➤ The interisland trading process is becoming clearer with the producers but not the buyers as most of the buyers are in Vila and VSP do not work in Vila to assist ‘bridging’ the trade facilitation links</li> </ul>	<ul style="list-style-type: none"> <li>➤ SfCI and DOI to work collaboratively more with other donors who work in area of skills development for handicraft vendors in Port Vila to link the trade facilitation with producers in the province</li> <li>➤ SfCI and DOI to work with MHC and Malampa Skills Centre and develop a clear strategy for development and registration of handicraft/value addition producers to formal economy</li> </ul>
<b>Politics, leadership and relationships</b> – the types and location of different structures, processes and people of influence, power holders and decision makers in the system/sector	<ul style="list-style-type: none"> <li>➤ Handicraft is viewed as women dominant sector and the appointment of VSP deputy director, who is a woman can be perceived as an enabler for these women to venture into formal economy.</li> <li>➤ DOI Principal officer responsible for handicraft and value addition is a female and this is again other enabler for the sector</li> </ul>	<ul style="list-style-type: none"> <li>➤ The coalition between the deputy director and DOI principal officer can be further strengthened</li> </ul>	<ul style="list-style-type: none"> <li>➤ The productive sector team needs to have more internal dialogue with SMT on strategies around the involvement of the Deputy Director with the government partners (productive sector)</li> </ul>
<b>Society and culture</b>	<ul style="list-style-type: none"> <li>➤ New SfCI officer is a female and this compliments the work we do with the</li> </ul>		<ul style="list-style-type: none"> <li>➤ DOI Principal Officer, Deputy Director and SfCI officer are all female and VSP should</li> </ul>

<p>Inclusion (gender or disability) cultural revitalization</p>	<p>‘mamas’ in the creative industries. We anticipate and already have seen open dialogue with the producers and SfCI</p> <ul style="list-style-type: none"> <li>➤ We have recruited a new female industry coach for SfCI who is living with disability and she will be responsible for inclusive sales and marketing. Her husband is her career and very supportive of her.</li> </ul>		<p>consider using them to advocate the ‘better balance’ strategy with PSDM and PSM (male counterpart)</p>
<p><b>Environmental</b> – location, climate change resilience and mitigation, disaster risk prevention and response</p>	<ul style="list-style-type: none"> <li>➤ The replanting of pandanus on Malekula through the Malampa Skills Centre was successful. There was positive participation from the Malampa province, partners and stakeholder. This was planned and organized by MSC and Malampa Department of Forestry.</li> </ul>	<ul style="list-style-type: none"> <li>➤ There are limited synergies of work between DOI, SfCI, Department of Environment, and Department of Forestry to address the issue of handicraft materials use for handicraft products</li> </ul>	<ul style="list-style-type: none"> <li>➤ SfCI and DOI need to establish and strengthen working relationship with Department of Environment and Department of Forestry to address replanting of raw materials</li> </ul>
<p><b>Technology and Infrastructure</b>- roads, shipping/flight schedules, airports etc.</p>	<ul style="list-style-type: none"> <li>➤ New tar seal road in Malekula which will improve transport access of product to MHC</li> <li>➤ Air Vanuatu increase three flights to and from Santo in one day and this will really assist with trade facilitation between Torba, Malampa and Sanma products to Vila</li> </ul>		