

SKILLS FOR CREATIVE INDUSTRIES

6-MONTH PROGRESS REPORT



Image 1: Results of the product development workshop on Futuna, Tafea province, which focused on improving handicraft baskets using Teri Dye.



VANUATU
DEPARTMENT
OF INDUSTRY



JANUARY – JUNE 2025

INTRODUCTION



Image 2: Pandanus leaves dyed with Teri Dye drying in Futuna, Tafea province.

This progress report provides an update on the Skills for Creative Industries (SfCI) workstream over the six-month period from January to June 2025. The primary focus for the first half of 2025 has been centered on strengthening the capacity and sustainability of the four provincial Handicraft Hubs while supporting sustainable product development through the following key actions:

- **Enhancing Governance and Business Management:** Continued efforts, in partnership with the Department of Industry (DOI), to strengthen governance structures, business operations, and economic viability of the four Handicraft Hubs, ensuring they are well-managed, accountable, and financially resilient.
- **Sustainable Resource Supply:** Promoted sustainable harvesting, regeneration, and production practices following the comprehensive pandanus assessments and review of pandanus supply for local handicraft producers on Malo and Paama in 2024 in partnership with the Department of Forestry (DOF).
- **Skills Development and Market Access:** Delivery of targeted skills training, in partnership with DOI, focused on improving product quality, innovation, and value addition for key artisans. Support was also provided to promote and market Vanuatu-made handicrafts both locally and in international markets, increasing visibility and competitiveness.
- **Financial Literacy and Hub Capacity Building:** Organised financial literacy workshops for both producers and hub management to improve budgeting, financial planning, and record-keeping skills critical to business sustainability.
- **Intellectual Property Protection:** Provided support to Vanuatu Intellectual Property Office (VanIPO) in registering locally made products, ensuring the protection of traditional knowledge, designs, and intellectual property rights of producers.

These initiatives are part of a broader commitment to empower local artisans, preserve cultural heritage, and position Vanuatu's handicraft sector as a driver of inclusive economic growth.

CONTEXT

Over the last six months, SfCI has faced several challenges that have affected how activities are delivered. These include economic, social, and political factors:

- **Economic:** The liquation of Air Vanuatu last year still affects our country. While some international routes are now operating through partner airlines, domestic travel is still limited, particularly to outer islands. For example, Air Vanuatu has not yet reestablished regular flights to Futuna, Erromango and Aniwa. This has delayed skills activities that require air travel. The unreliable services to Tanna, Santo and Malekula are still impacting the number of tourists and business visitors, which has led to lower sales across the Handicraft Hubs.
- **Social:** A shortage of skilled workers continues to affect the sector, as many people leave for seasonal work overseas. Some of the producers are also travelling overseas which slowly affects growth of the hubs in terms of the sustainability of the products. On the other hand, the hubs continue to face staffing issues, limiting their ability to support producers effectively. For example, the position of Malampa Handicraft Manager needed to be readvertised a second time after no suitable candidates were identified in the first round.
- **Political:** Frequent changes in government leadership and priorities have led to delays in decisions that affect the creative industries. Focus on national issues such as the airline crisis and disaster response post earthquake has reduced attention and support for sector development. In addition, the Director of DOI was suspended in March along with the Director General of the Ministry. Currently the Manager - Investment, Manufacturing Standards, & Creative Industries is in the acting role. This has led to a delay in discussions on co-investment.



Image 3: Pandanus nursery established in partnership with DOF on Paama Island.

PARTNERSHIP STATUS AND CO-CONTRIBUTIONS

- A **Partnership Implementation Framework (PIF)** was signed with the Department of Industry (DoI) in March 2024 which lapsed in March 2025. As part of this agreement, a direct co-contribution of VUV 2,500,000 was received in April to support 2024 priorities, particularly in product development, quality improvement, and inventory management across the country.
- There is just over VUV 600,000 remaining which will be used to support DOI's participation in the Australia-Vanuatu Creative Industries Learning Exchange as well as upcoming domestic trade festivals. Given the change in leadership in DOI in March and the end of the current phase of VSP in January 2026, there have been no further discussions on additional co-investment in 2025 and there is no PIF in place. Joint activities this year have been informed by regular discussions between SfCI and DOI.
- Currently, there is no formal PIF in place with VanIPO, however, it has been agreed that joint activities will proceed on a case-by-case basis with indirect co-contributions. The possibility of establishing a formal PIF with VanIPO will be revisited in the next phase.

Partner	Amount committed to support for 2025 (VUV)	Amount spent at 30 June 2025 (VUV)
Department of Industry	2,500,000	1,800,00

WORKSTREAM WORK PLAN STATUS

WORK PLAN PRIORITY AREAS &/OR GREEN SHOOTS	MID YEAR STATUS UPDATE (no progress, limited progress, adequate progress, good progress, excellent progress)	ADDITIONAL COMMENTS
Product Development	Adequate Progress	Skills activities related to improving the quality of product development were conducted in Malampa, Tafea and Sanma while a workshop in Torba is planned for August. Financial literacy workshops and coaching were held with clients in Tanna and Malekula. VanIPO were supported to register designs with new clients on Futuna. Sanma headwear clients are currently exploring innovative solar drying technology to support the preparation of their pandanus.
Sustainable Hub Development	Adequate Progress	<p>While work is ongoing there are some notable achievements to celebrate such as the review of the business plan for Sanma Creative Industry Community Company Limited (SCICC) and Tafea Creative Hub. Tafea Creative Hub held its first Annual General Meeting in May.</p> <p>There are also some challenges with governance and business management across the hubs in general, specifically Malampa Handicraft Centre, that need to be addressed, which will be prioritised for the second half of 2025. These include financial literacy for producers ensuring that content is related to the context of their business relationship with the hubs.</p>

WORKSTREAM WORK PLAN STATUS

WORK PLAN PRIORITY AREAS &/OR GREEN SHOOTS	MID YEAR STATUS UPDATE (no progress, limited progress, adequate progress, good progress, excellent progress)	ADDITIONAL COMMENTS
Enhancing the Vanuatu Made Brand Awareness & Promotion	Adequate Progress	<p>SfCI continues to support the DOI in its promotions of Vanuatu handicrafts both locally and overseas. Tafea Creative Hub were showcased in an internationally renowned 'Diva' exhibition in Auckland, New Zealand, highlighting the new dying skills of Futuna weavers in stylish clutch purses, fans and salusalu .</p> <p>The Sanma Creative Industry Community Company (SCICC) is currently exploring a new partnership with a new international buyer for their headwear products, the Six Senses Resort, Mololo Island, Fiji. The resort has placed an order, however discussions on pricing are currently in progress.</p> <p>There have been a breakthrough with the Vanuatu Kaljoral Senta (VKS) Director in recently months. He is now open to the idea of the hubs supplying products to the VKS shop by buying outright based on wholesale prices. The upcoming Art & Culture festival to be held on Tanna in August will provide an opportunity to further discuss this.</p>

QUANTITATIVE DATA (JANUARY - JUNE 2025)

SKILLS PROVIDERS ENGAGED	PARTICIPATION IN PARTNERSHIP SUPPORTED SKILLS TRAINING	BUSINESS CLIENTS SUPPORTED
<ul style="list-style-type: none">13 skills providers engaged including 12 women and one manThis includes nine ni-Vanuatu coaches, two expatriate coaches and two international specialists.	<ul style="list-style-type: none">120 participants including 118 women and 2 men6 participants with disabilities - all women	<ul style="list-style-type: none">4 provincial handicraft hubs supported in Torba, Sanma, Malampa and Tafea35 craft associations supported across Vanuatu

KEY RESULTS ACHIEVED

Quality product development skills support continues for local craft producers

- SfCI continues its support to local craft producers to further strengthen quality and sustainable production in partnership with the Department of Industry. Between January and June, five quality product workshops and coaching activities were delivered with craft clients on Malo, Santo, Paama, Tanna and Futuna. These skills activities reinforce the value of traditional knowledge and materials while modernising their application to meet market trends.
- On Paama in Malampa, a follow up visit was held with 19 women (including one with disabilities) after their first workshop last year, focused on refining techniques, improving product quality, and introducing new design elements to enhance the market readiness of Paama-made handicrafts.
- In Sanma, a Contemporary Bag Product Development Workshop was held in Luganville for 9 female textile clients including 1 with disabilities. The workshop focused on enhancing the skills of local producers in designing and creating contemporary bags.
- Coaching was also held with 20 headwear clients (all women) in Luganville and Malo on how to use new 'finishing' equipment in their pandanus hat production. As a result of the activity, clients recognised the benefits of the equipment in improving their hat finishing and have agreeing to meet once a month at SCICC to access the facilities.



Image 4: Coach Particia (left) helping Marie, a producer with disabilities on Paama, with her designs.

KEY RESULTS ACHIEVED

Quality product development skills support continues for local craft producers cont.

- On Tanna, a follow up Teri Dye workshop was held with 8 producers in addition to 24 new interested participants (all women). This included a review of the process for using Teri Dye after the initial workshop last year, in addition to product development, building on unique local cultural designs.
- On Futuna in Tafea, a total of 40 participants (2 men and 38 women, including one woman with a disability) took part in a three-day Teri Dye product development workshop at Herold Bay, Futuna. This workshop was implemented in partnership with the Tafea Creative Hub, which played a key role in facilitating the training and mobilising community involvement. The hands-on training equipped them with new dyeing techniques that have significantly improved the quality and colour of their woven baskets, allowing them to meet both local and international market demand.
- During the workshop, the Hub Manager introduced the Hub's product catalogue and explained the pricing system for purchasing baskets. This sparked motivation among producers, who are now excited about the opportunity to sell high-quality, locally made products through the Hub's market channels.
- The continuation of regular skills activities is vital in sustaining skill progression, boosting craft producers' confidence and ensuring consistency in quality for broader market access.



Image 5: Two producers from Futuna, Eva and Celestina cooking Teri Dye, following the steps taught by VSP Industry Coach, Chris.

KEY RESULTS ACHIEVED

Strengthening product quality through innovation - Pandanus solar dryer piloting a new way to prepare pandanus.

- An innovative solar dryer initiative was implemented through the Sanma Skills Centre. It is part of a one-year pilot program to assess the potential benefits of solar dryers for pandanus producers, aimed at enhancing pandanus quality and strengthening producer resilience in the face of climate change.
- John Bennett, an experienced operator in passive solar dryer technology based in Fiji, was engaged to supply and install two solar dryers for the Limabulu and Bosahe creative producer associations in Luganville and on Malo.
- Installing solar dryers in regional communities enables year-round processing and mitigates the limitations of sun bleaching, resulting in improvements in fibre quality, specifically whiteness, and yield.
- One of the dryers, a smaller unit, was installed at the VSP Sanma Skills Centre for town-based Lima Bulu members' use. A larger unit, aligning with the Department of Forestry's initiative to plant pandanus on Malo Island, was installed at Bosahe community.
- Early feedback from the producers indicate that they are pleased with the speed of the new dryer and the higher quality of pandanus being processed.

*“The solar dryer makes our work easier; we have good dried pandanus and they can do their weavings anytime no matter if it is raining but we still have enough dried pandanus to weave.”
Noellyn Bwibwi, Limabulu Member.*



Image 6: Technician, John Bennett, explaining how to use the solar dryer to Limabulu weavers.

KEY RESULTS ACHIEVED

Financial Literacy Follow Up held to further support Malekula Producers

- In November 2024, the Malampa Skills Centre facilitated financial literacy training for 17 producers from the Malampa Handicraft Hub on Wala Island. The training was delivered by the Vanuatu Chamber of Commerce and Industry (VCCI) and aimed to strengthen participants' knowledge and skills in managing their finances.
- A follow-up monitoring exercise was carried out in March 2025 by the Malampa Skills Centre and VCCI to assess how the producers were applying the skills and to identify any remaining gaps. 17 producers, including 15 women (one with a disability) and two men, participated in this exercise.
- The follow-up revealed that while producers are attempting to apply their learning, many still struggle to maintain accurate financial records and continue to face difficulties accessing markets to sell their products and generate income. These insights are significant as they highlight ongoing barriers that can limit the producers' ability to sustain and grow their businesses.
- The VCCI have now used the follow-up findings to develop a tailored financial literacy training plan for each client that is specific to their context and needs.



Image 8: Handicraft producer, Mrs. Marian Sipteley, working with Mrs. Poling Nimbwen from VCCI during the financial literacy monitoring exercise.

KEY RESULTS ACHIEVED

Futuna Basket Intellectual Property Registration with VanIPO

- During a recent workshop on Futuna, a representative from VanIPO provided an awareness session on the importance of registering and protecting traditional products.
- As a direct result of this session, 15 unique Futuna-made basket designs were identified and formally registered for cultural protection. This process was carried out with the support and endorsement of local chiefs, ensuring cultural legitimacy and community ownership.
- This initiative is important because it safeguards traditional knowledge and cultural heritage from exploitation. By securing intellectual property rights, it ensures that the creative and cultural expressions of local communities remain under their control. It also enhances opportunities for communities to benefit economically through recognition and legal protection of their traditional products in local and external markets.
- Through ongoing collaboration with VanIPO, including facilitating producer awareness sessions, supporting application processes, and advocating for local intellectual property recognition, we have now worked with producers in multiple provinces across Vanuatu to register their products.
- The involvement of local chiefs was critical in validating the designs and reinforcing community participation and leadership in protecting their cultural assets.
- VanIPO plans to hand over the official certificates of registration to these producers during the National Art & Culture Festival celebrations on Tanna in August.



Image 9: Miss Lavina Donald, VANIPO officer with Futuna Chief.

KEY RESULTS ACHIEVED

Sustainable Hub Management in action - Sanma Creative Industries and Cultural Centre (SCICC) in Santo.

- In May a governance workshop and business plan review session was conducted with the Board of Directors of the SCICC. This session aimed to assess the current governance structure, clarify roles and responsibilities, and review the implementation of the hub's business plan and sustainability.
- It provided an opportunity for board members to reflect on progress, identify gaps, and agree on priority actions to strengthen oversight and strategic direction moving forward.
- Discussions noted that in 2023 and 2024 SCICC achieved around 2M VT in annual revenue. 2025 revenue is on track to exceed 3M VT however this is well below the levels needed for sustainability.
- To be fully sustainable as a business, SCICC needs to aim for total annual revenue of 7M VT per year through product sales. This amount would allow SCICC to pay all its expenses and to pay dividends to the producers with no reliance on the Vanuatu Skills Partnership and other subsidies.
- Industry Coach Rob Macalister recommended the SCICC Board review these findings at the next board meeting and formally adopt them as targets to guide ongoing management.
- It was also recommended that SCICC urgently decide whether to renew the lease at the Pekoia shop (negotiate a new rental fee) or relocate to town given the high costs of operation at this location.



Image 10: Board of Directors on the review of SCICC Business Plan.

KEY RESULTS ACHIEVED

Sustainable Hub Management in action - Tafea Creative Hub in Tanna.

- In May the Tafea Creative Hub held its first ever Annual General Meeting (AGM). A total of 35 participants attended the Board meeting (26 women, 9 men) including hub members, the executive committee, and key stakeholders to review progress made over the past year, present financial and operational updates, and plan activities for the year ahead.
- The AGM was supported in partnership with the Tafea Skills Centre and the Vanuatu Skills Partnership, alongside key stakeholders including the Department of Industry, Tafea Provincial Government, Tafea Municipal Council, and the Nikoletan Council of Chiefs.
- This meeting was important as it reinforced accountability, transparency, and good governance—key pillars for the sustainability of the hub. The AGM also strengthened stakeholder engagement and reaffirmed the hub’s focus on inclusive economic development through the creative industries
- The shareholders reaffirmed their commitment to the Tafea Creative Hub by tasking the Board with regular governance reviews to ensure transparency and community-led decision-making. With GFG funding coming to an end, shareholders also committed to financially support the ongoing operations of the Hub.
- In addition to these events, Hub Managers have been receiving operational coaching support from the SfCI Business Coach including ongoing day to day support in hub processes, tool and operations.



Image 11: Tafea Creative Hub Annual General Meeting

KEY RESULTS ACHIEVED

Sustainable Hub Management –financial system and operations process development

- In early 2024, it was identified that all Hub Managers required urgent support in managing their financial systems and operational processes. Their existing approaches lacked structure and consistency, limiting their ability to track performance and make informed business decisions.
- A trial of the Xero accounting software took place in Torba in 2023–24. While the platform offered advanced features, it was ultimately deemed too complex for the current skill level of the Hub Managers.
- As a result, a simplified, Excel-based financial reporting system was introduced across all hubs. This alternative provided a more practical solution that aligned with the managers’ digital skills. It also enabled files to be uploaded and shared via Google Drive, allowing for ongoing monitoring and remote support.
- A dedicated Business Coach was engaged to support the Hub Managers. Their role included upskilling the managers in core financial and operational tasks, reviewing existing processes, and co-developing a practical, easy-to-use financial reporting tool tailored to each hub’s need. The new spreadsheet was designed with features that streamline data entry and reduce errors. It also includes built-in checks to prevent common mistakes, improving the reliability of reporting.
- The tool has been rolled out and is now actively used by Hub Managers to track daily income, expenses, and stock levels. This has led to cleaner, more consistent financial data and a stronger understanding of financial performance at the local level.
- Ongoing coaching and training sessions are being provided to ensure Hub Managers build confidence using the system and can manage their hub finances independently over time.

ADDITIONAL RESULTS

- **Better Balance** – Creative industries remains a sector dominated by women and is one of high importance to women’s economic empowerment efforts in Vanuatu.
- Of the 120 participants in skills activities so far this year, 98% of these are women, including 6 women with disabilities. This highlights the key role the sector plays in generating income from women in rural areas.
- During the production quality workshop on Futuna, husbands and partners took an active role in parental and home responsibilities to ensure the full participation of female weavers during the activity. This demonstrated a better balance within family dynamics on Futuna and a respect for weaving as an important source of family income.
- In addition, the creative hubs provide a space for women to thrive in leadership roles. Nine of the 13 skills providers used to date in 2025 are women. In addition, all hub managers are currently women, and 11 members of the Board of Directors are women while 14 are male.
- It is worth noting that the current Tafea Creative Hub Board of Directors is male-dominated, however there have been some recent resignations as some members have gone on study leave or taken new positions. This presents an opportunity to improve gender balance in leadership in the recruitment for those positions. This is particularly important given that the creative and handicraft sector in Tafea is largely driven by women producers, who play a central role in the day-to-day production, innovation, and cultural preservation efforts.



Image 13 Pandanus solar dryer installation on Malo to support consistent, quality pandanus fibre processing.

ADDITIONAL RESULTS

- **Disability Inclusion** – Disability inclusion remains a key focus of the SfCI workstream. So far in 2025, five producers with disabilities (all women) have been supported through SfCI activities in Malampa, Sanma and Tafea. Their active participation underscores the importance of designing inclusive skills activities that create space for all to contribute and lead. SfCI is committed to removing barriers, increasing representation, and ensuring equal access to training and opportunities across the creative industries.
- On Paama, reasonable accommodations were provided to Marie, a client with disabilities to pay her transportation to and from the workshop each day to enable her to fully participate.
- **Climate resilience** - Building on insights from the recent Pandanus Market System Analysis, SfCI is prioritising strategies that enhance the climate resilience of producers and hubs. Efforts include improving sustainable harvesting methods, ensuring proper storage of pandanus, and advancing research into species that are both high in craft quality and resistant to environmental stressors.

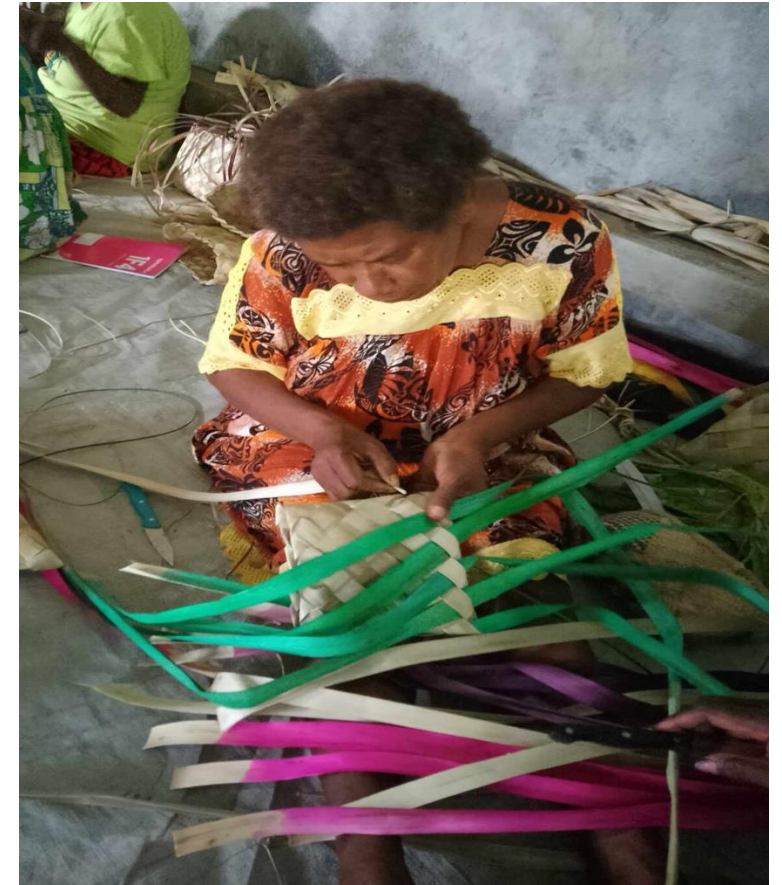


Image 13: Paama producer with disability, Marie, adding colored pandanus to her product.

LESSONS LEARNED IN 2025

Lesson 1: The availability of head coaches is impacting on work plan progress. This is partly due to the lack of regular flights to Tafea and Torba's outer islands. We need more provincially based product quality coaches to keep activities running in remote areas.

Actions:

- Continue to bring in more local industry coaches to give hands-on help, mentoring, and support to producers. This is working well with Janet in Sanma, Clera in Tanna and Patricia in Malampa.
- Use local knowledge to make initiatives work better and respond faster.

Lesson 2: Some members of the Handicraft Hub Boards are still unclear about their roles and how these relate to the responsibilities of the Hub Managers. This was clear in the recent AGM on Tanna and in the SCICC business review.

Actions:

- Support Boards to collaboratively develop targets with the Hub Managers to support them to work towards to enable sustainability.
- Ensure that during Board meetings key responsibilities and next steps for each Board member are identified and noted in the minutes.

Lesson 3: Community engagement and trust are essential for the success of Hubs but are not always prioritised or maintained. This has become clear in Malekula where there is a distrust of MHC within local producers due to historic unpaid payments.

Actions:

- Encourage regular community updates and consultations led by Hub Managers and Boards to strengthen local ownership.
- Prioritise communication and payments to producers in a timely fashion.
- Recognise and celebrate community contributions to Hub success.

PRIORITIES FOR THE SECOND HALF OF 2025

Product Development:

- Deliver in demand skills training to key clients including: financial literacy skills activities to producers in Sanma, Torba and product development skills activities in Sanma and Tafea province. SfCI will proactively identify and involve more producers with a disability in skills development activities and ensure reasonable accommodations are in place to help them fully participate.
- Renew discussions with partners such as ORCBDS to support strengthening producer group association governance and financial literacy in the future [Penama producers].
- Support copyright, patent, design inclusive awareness, and registration of products through continued collaboration with VanIPO [SCICC in progress].

PRIORITIES FOR THE SECOND HALF OF 2025

Sustainable Hub Development:

- Facilitate coaching for Managers and members of Handicraft Hub Boards to enable them to take more responsibility in supporting the hubs to thrive. This includes targeted ongoing business coaching for the Managers to ensure operations, reporting and financial procedures are being followed. One of the main SfCI focus areas for the remaining months is to support Malampa Handicraft Centre to get back to full operation.
- Support the Handicraft Hubs to establish new links with domestic and international wholesale customers.

Brand and Market Access:

- Support client and hub attendance at major trade shows including National Art & Culture Festival, Torba Mini Vanuatu Made, National Vanuatu Made Event, Penama Island Basket Festival as well as the Darwin Aboriginal Arts Fair and the Gapuwiyak Culture and Arts Centre.
- Support DOI to promote the Vanuatu Made brand at home and overseas and explore new opportunities to showcase and sell local handicrafts, such as with the Australia Museum and Rise Beyond the Reef in Fiji as opportunities arise.

KEY RISKS AND MITIGATION STRATEGIES

RISKS	MITIGATION STRATEGIES
<p>Not enough quality coaches available to support our activities.</p>	<ul style="list-style-type: none"> Continue to work with the new provincial based coaches (Patricia, Clera and Janet) in their roles. Continue to support them in their business management (report writing, invoicing and possible computer training).
<p>Shortage of pandanus (raw material) for weaving, including through lower production (supply) or quality.</p>	<ul style="list-style-type: none"> Continue to work with the Department of Forestry to continue to deliver Pandanus assessments and action key activities within the Pandanus Market Action Plan, including replanting.
<p>Disruptions to current market channels or breakdowns with major buyers lead to a reduction in sales.</p>	<ul style="list-style-type: none"> Continue to work with the Hubs to look for opportunities to diversify markets - locally and internationally.
<p>Ineffective business management and operational systems hinder the Hubs' capacity to deliver orders and compensate producers reliably, resulting in weakened trust and disrupted relationships between the Hubs, producers, and their local and international clients.</p>	<ul style="list-style-type: none"> Building on the new tools and systems in development, engage the Partnership's lead business coach to improve business management practices of the Hubs. SfCI Manager to continue to provide management oversight and support for the Hub Managers on a day-to-day basis. Ensure reviews of business plans and AGMs are held.
<p>MHC is currently recruiting a new manager. The hub continues to operate but needs to rebuild trust with the community, producers and buyers. If this does not happen the hub is in danger of failing.</p>	<ul style="list-style-type: none"> Hold a ways of working meeting between the MHC Board and VSP to clarify the roles and responsibilities The Board has held interviews and identified a potential candidate. Ready for induction and onboarding. Support the MHC Board to rebuild the trust between the hub and the producers.