Independent Evaluation of the Vanuatu Technical and Vocational Education and Training Sector Strengthening Program

Final Report (Revised)

22 July 2015

Disclaimer: The views contained in this report do not necessarily represent those of the Australian Government, the Government of Vanuatu, Provincial Governments or of any stakeholders consulted.
Contents

Glossary 3
Acknowledgements 4

Executive Summary 5

1. Introduction 1
   1.1. Evaluation Background 1
   1.2. Objectives of the independent evaluation 2
   1.3. Target audiences 2
   1.4. Primary evaluation questions 2
   1.5. Methodology 2
   1.6. Activities 2
   1.7. Limitations 3

2. Country & Program Context 3
   2.1. Country Context 3
   2.2. Government Priorities 4
   2.3. The Vanuatu Labour Market 4
   2.4. The Education Sector in Vanuatu 5
   2.5. Tertiary education in Vanuatu 5
   2.6. The Program 6

3. The TVET Sector then and now 7
   3.1. Introduction 7
   3.3. Changing roles of Government 9

4. Program Impact 10
   4.1. Introduction 10
   4.2. Determining impact of the Program 10
   4.3. What impacts has the Program achieved since its commencement in June 2008? 11
   4.4. To what extent would the impacts have been achieved in the absence of Australian support? 14
   4.5. Are there any intended impacts that have not been achieved, and why not? 14
   4.6. Have there been any unintended impacts – positive or negative? 14
   4.7. Implications for Monitoring and Evaluation 16

5. Value for money 18
   5.1. Introduction 18
   5.2. Has the Program delivered value for money? 18
   5.3. What have been the direct and indirect benefits and costs of the Program? 20
   5.4. How could Program value for money be increased? 22
   5.5. Could funds have been spent differently to deliver greater taxpayer ‘value’? 22

6. Success factors 23
   6.1. Introduction 23
   6.2. Value chain approach 23
   6.3. Decentralised service delivery 24
   6.4. The M&E System 24
   6.5. Communications and relationships 24
6.6. Sustainability Framework 25
6.7. Graduate Outcomes 25
6.8. Links with other aid programs 26
6.9. Local Leadership 26
6.10. Ethical, values-based leadership 27
6.11. Lessons Learned 27

7. Moving forward: conclusions and recommendations 28
7.1. Introduction 28
7.2. Continuing system reform 28
7.3. Sector-based strategies 30
7.4. Engaging with the private sector 30
7.5. Take the M&E system to the next level 31
7.6. Intersects with other development programs 34

Annexes 35
Annex 1: Evaluation Plan 36
Annex 2: List of people / organisations consulted 48
Annex 3: Tertiary Enrolments, Trainers and Funding 52
Annex 4: Analysis of the changes in the functional dimensions of the Vanuatu TVET context between 2005 and 2015 54
Annex 5: Technical Notes on Program Impact 60
Annex 6: Program Benefit and Costs Calculations 62
Annex 7: Costs of program support to TVET sector in Vanuatu, 1996-2016 65
Annex 8: Analysis of success factors 67
Annex 9: Summary diagram of TVET financing flows in Vanuatu 74

References 75

List of Tables
Table A.1: Total enrolment and trainers in Vanuatu Post-Secondary institutions by institution and sex, 2013 52
Table A.2: Funding of TVET provision in Vanuatu 2012 53

List of Figures
Figure 1: TVET Centre Participants by Year and Sector 2009-2014 13
Figure 2: % of Participants Reporting Increased Income by Sector in 2014 15
# Glossary

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>ACER</td>
<td>Australian Council for Educational Research</td>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<td>APTC</td>
<td>Australia Pacific Technical College</td>
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<td>AT</td>
<td>Accredited Training</td>
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<td>BDS</td>
<td>Business Development Services</td>
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<td>CBA</td>
<td>Cost Benefit Analysis</td>
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<td>DANIDA</td>
<td>Danish International Development Agency</td>
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<td>DFAT</td>
<td>Department of Foreign Affairs and Trade</td>
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<td>EoPO</td>
<td>End-of-Program Outcome</td>
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<td>ETF</td>
<td>Employment and Training Fund</td>
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<td>GoA</td>
<td>Government of Australia</td>
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<td>GoV</td>
<td>Government of Vanuatu</td>
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<td>HIES</td>
<td>Household Income and Expenditure Survey</td>
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<td>INTV</td>
<td>Institut National de Technologie de Vanuatu (see Vanuatu Institute of Technology)</td>
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<td>ISP</td>
<td>Institutional Strengthening Program</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>KRA</td>
<td>Key Result Area</td>
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<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MoE</td>
<td>Ministry of Education</td>
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<td>MoET</td>
<td>Ministry of Education and Training</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>MYDST</td>
<td>Ministry of Youth Development Sports and Training</td>
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<td>NGO</td>
<td>Non-Government Organisation</td>
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<td>ODE</td>
<td>Office of Development Effectiveness (within DFAT)</td>
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<td>PAA</td>
<td>Priorities for Action Agenda</td>
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<td>PDD</td>
<td>Program Design Document</td>
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<td>Provincial Government Training Board (formerly PTB)</td>
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<td>Post School Education and Training</td>
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<td>Provincial Training Coordinator</td>
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<td>Quality at Implementation</td>
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<td>SABER</td>
<td>Systems Approach for Better Education Results</td>
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<td>SAG</td>
<td>Strategic Advisory Group</td>
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SKILLS FOR ECONOMIC GROWTH

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<tr>
<th>Acronym</th>
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<tr>
<td>TtT</td>
<td>TVET for Tourism</td>
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<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
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<td>USP</td>
<td>University of the South Pacific</td>
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<td>VFM</td>
<td>Value for Money</td>
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<td>VIT</td>
<td>Vanuatu Institute of Technology</td>
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<td>VNSO</td>
<td>Vanuatu National Statistics Office</td>
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<td>VNTC</td>
<td>Vanuatu National Training Council</td>
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<td>VQA</td>
<td>Vanuatu Qualifications Authority</td>
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<td>VTSSP</td>
<td>Vanuatu TVET Sector Strengthening Program</td>
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<td>WfD</td>
<td>Workforce Development</td>
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This report was commissioned by the Port Vila Post of the Australian Government Department of Foreign Affairs and Trade (DFAT).

The evaluation was conducted by three independent international consultants: Kaye Schofield (TVET Specialist & Team Leader), Mark Minford (Economist), & Dr Andrew Epstein (Evaluation Specialist). In the aftermath of tropical cyclone Pam, the Government of Vanuatu was unable to accept the invitation from DFAT to nominate a representative to the evaluation team.

The evaluation team wishes to acknowledge the support provided throughout by the Australian High Commission in Port Vila and all the staff of the Vanuatu TVET System Strengthening Program in both Port Vila and in Provincial TVET Centres. The team also wishes to thank national and provincial government officials and other program partners consulted for their time and input to the evaluation, and to thank the many farmers, fishers, tourism and hospitality operators and villagers who generously shared with the team their thoughts about the Program now and in the future.
Executive Summary

An independent evaluation was undertaken of the Vanuatu Technical and Vocational Education and Training (TVET) Sector Strengthening Program (VTSSP). The goal of the Program is to support the Government of Vanuatu (GoV) to develop a coordinated and quality assured TVET system that will provide nationally and regionally recognised training through flexible delivery mechanisms and will lead to maximum employment and social development opportunities for all. The Program works to three inter-connected key results areas: (i) National TVET System; (ii) Provincial Skills Development Coordination; and (iii) Training, Business Development, and Employment. The Program is managed by a Managing Contractor and implemented through an in-country Program team. All long term staff, including the Team Leader are ni-Vanuatu.

The Program is funded under the Australian Aid Program. It has been implemented in its current form since June 2008 with a budget over the period 2008-2016 of AUD 22 million. It builds on previous programs of Australian support to the TVET sector in Vanuatu dating back to 1996. In nominal (unadjusted) terms, total Australian investment in the Vanuatu TVET sector over the past 18 years has been AUD 38.1 million.

This evaluation was commissioned by the Port Vila Post of the Australian Department of Foreign Affairs and Trade (DFAT). DFAT has assessed the Program as successful, based on Program reports and internal monitoring and quality assessment processes and has approved a Phase 4 investment. Therefore, a performance evaluation of the Program was not required.

The purpose of the evaluation was to support innovation and development effectiveness by identifying the factors driving success of the VTSSP and how these might be applied to future DFAT investments in Vanuatu and in other evolving, complex and uncertain environments. Specifically, the evaluation was asked to consider Program impacts and value for money (VFM) since 2008 (over Phases 2 and 3) and to consider lessons learned in the decade since the start of Phase 1 in 2005 that could inform the design of Phase 4.

The evaluation was conducted between May and June 2015 and included a two-week fieldwork component. Mixed methods were used, including respondent interviews with DFAT, GoV and Provincial Government officials, non-government and private sector representatives, Program beneficiaries and Program staff; and analysis of data collected through the Program’s Monitoring and Evaluation (M&E) system or by national surveys.

Changes in the TVET System 2005-2015

The Vanuatu TVET sector has become demonstrably stronger in the past decade. While faster progress seems to have been made in improving the strategic framework for TVET and to improving TVET system oversight than in relation to TVET service delivery, the Program has made a substantial contribution to the strengthening of the TVET sector across all three dimensions, especially building national understanding and consensus about the scope and nature of a TVET system that is likely to work for Vanuatu.

The evaluation concluded that it is highly unlikely that the progress that has been made in developing the Vanuatu TVET system would have been as visible or significant without the VTSSP; and that it is highly likely that without the VTSSP, improvements would have been far slower and less focussed and consistent in their direction.
SKILLS FOR ECONOMIC GROWTH

GoV has assumed more active roles in the TVET sector over the past decade, but there are some key roles for government that are under-developed, particularly in relation to ensuring efficient and equitable use of public funding, mobilising private resources, ensuring equitable access, and tracking and reporting on system performance.

The evaluation cannot specify with any rigour why some of these government roles have become stronger, while others appear to be changing more slowly or not at all. However, the Program has been active in relation to those roles where GoV has become more active, and it is reasonable to conclude that the Program has contributed to the strengthened government roles that are evident in those areas. Slower progress by GoV in relation to some other roles over the decade could reasonably be attributed to a range of external factors including political instability, substantial turnover of senior government officials in key government departments, politicisation of parts of the civil service, and capacity constraints as well as the absence of substantial Program contributions

Program outcomes and impact

A major challenge for the evaluation was to answer the question: What impact has the Program had since the commencement of Phase 2 in June 2008?

The VTSSP under Phases 2 and 3 has attempted to build into its M&E system a way to measure the impact on its variety of beneficiaries, and the data that is currently being collected through the M&E system is sound, structured in a creative way and provides interesting and useful information which is generally well-presented and used. However, it is not yet able to establish causation or prove that the impacts would not be present absent of the Program. Therefore, impact, in its strictest sense, cannot be established at this time. In addition, the program logic does not effectively distinguish between outputs, outcomes and impacts, details that are essential in designing M&E systems.

On the evidence available from a range of sources, the evaluation concluded that the Program is making good progress against all its end-of-program outcomes. However, there are limitations in the M&E system that prevents the evaluation concluding with complete confidence that the participant impacts are being achieved. In relation to the impacts of increased income and of improved businesses, collectives and/or associations, the Program has reported initial data on positive changes on both, most especially for tourism sector participants. However, the data limitations are significant. Moreover, the Program does not yet have data on three of its end-of-program outcomes. This too jeopardises the Program’s ability to report reliably on its expected outcomes. These limitations are in no way a reflection on the performance of Program staff; the evaluation found no short-comings in the competencies of the M&E team.

The evaluation also found that important Program outcomes identified in the Program’s theory of change are not well accounted for by the Program as well as outcomes which are not currently measured by the Program, but which have been identified as important.

The positive outcomes identified in the TVET for Tourism sub-program serve to highlight the lower outcomes in other sectors, especially in self-reported income changes. The decrease in number of participants in 2014 was mostly felt in the non-tourism sectors. Participant outcomes in these sectors can, as a result, be seen as yet to be achieved.
Despite these limitations, the evaluation readily acknowledges that data that have been collected by the Program so far suggests that the Program is producing positive outcomes, but found they should be measured more thoroughly.

**Program Value for Money (VFM)**

The evaluation found that it was not possible to undertake a formal VFM assessment or a cost benefit analysis of the whole Program at this time. M&E information collected to date by the Program does not provide sufficiently detailed data on direct benefits, and very little data on indirect benefits and costs, to enable a quantified measure of Program VFM to be derived.

However, based on a detailed analysis of available data, the evaluation believes that the Program is **economical** in terms of staff costs and seems **relatively efficient** in converting its funding or ‘inputs’ into training ‘outputs.’ It is not yet possible to assess Program **impact**, since currently Program M&E does not allow a quantification of outcomes.

A formal VFM analysis of the Program is not yet feasible. However, for illustrative purposes only, the evaluation suggests that the direct benefits due to beneficiary income and employment increases alone may be in the order of AUD 30 million. This level of benefits is only a very approximate estimate of likely direct income gains, and takes no account at all of the likely substantial indirect benefits from Program activities e.g. on improved community health and education, or the flow-on benefits to the community and province from the training provided in tourism, business and agriculture.

It is the evaluation’s view that the M&E data collected so far and discussions in-country strongly suggest that the Program has delivered ‘value’ to the Australian taxpayer through both increased participant, family and community incomes, and indirect benefits of such incomes, including increased schooling, access to health care and gift giving.

**Success Factors**

Many factors drive the success of this Program, but some stand-out. Based on an analysis of the six success factors specified in the Evaluation Plan, the evaluation concluded that all of them have contributed to the widely-acknowledged success of the Program: the value chain approach; decentralised service delivery; the M&E System (notwithstanding some limitations); communications and relationships; the Program’s sustainability framework; and the Program’s links with other aid programs. Arguably the most important of these was the decision to move to decentralised service delivery in the Provinces, although other factors were in play that facilitated this successful change. The M&E system and the value chain approach to sectoral development have also been important drivers. The evaluation also identified two further success factors, not specified in the Evaluation Plan - local leadership and ethical, values-based leadership – that are likely to be contributing to the emergence of developmental leadership and coalitions for change in the Vanuatu TVET system.

**Key lessons**

The evaluation identified eight key lessons.

1. In decentralised contexts with relatively large rural populations, a simultaneous bottom-up and top-down implementation strategy is more likely to support the
development of a ‘joined-up’ TVET system in which the three TVET dimensions of strategy, oversight and service delivery are carefully aligned and mutually reinforcing.

2. Cross-sector cooperation amongst a diverse range of public and private stakeholders is essential to the development of an effective TVET system; where this cooperation does not yet exist, it can be facilitated by programs that are sufficiently nimble to work at national, provincial and sectoral levels simultaneously to create critical breakthroughs.

3. A value-chain approach which links the formal and informal economies but which is grounded in the existing customary order of informality can be a powerful means of transforming sectoral skills development while also facilitating changed behaviour in both economies and fostering private-sector engagement in skills agendas.

4. Programs that focus on long-term transformations but persistently work day-to-day with the grain of local custom and culture rather than from an externally devised blueprint are more likely to achieve their outcomes and be sustainable.

5. An incremental, iterative, participatory and adaptive approach to both system and organisational change in Vanuatu is more likely to ensure those changes are locally sustainable.

6. Consistent, regular, relevant and respectful two-way communication between development programs and country partners helps build consensus and facilitates the emergence of resilient local coalitions and leadership genuinely committed to better development outcomes.

7. Long-term continuity of both program personnel and DFAT personnel in program design, management, implementation and review allows for the growth of deep local knowledge and skills and the development of mutual trust between the Program and its implementation partners.

8. The wider relationship between Australia and partner governments can be strengthened through actions that demonstrate a very long-term commitment to supporting a mutually agreed priority development agenda and in doing so opens up new opportunities to work cross-sectorally both in the country and regionally and enhances Australia’s reputation as a trusted, committed, and knowledgeable development partner.

Key issues

The evaluation identified five issues that should be addressed in the design of Phase 4.

Continuing system reform is needed. (Recommendations 1 & 2)

Long-standing Program support for the quality assurance dimension of Vanuatu’s TVET sector should continue in Phase 4. However, continuing improvements in the Vanuatu TVET sector will necessarily involve reform to the TVET financing system which Gov recognises as not being fit for purpose and a constraint on the sector’s development. For TVET participation and relevance to grow from its low current base, and with government revenues constrained, the inefficiencies and inequities in the current system will need to be addressed, funding sources will need to diversify and more private resources applied. The Phase 4 design will need to identify further opportunities to make continuing Program contributions conditional upon measurable contributions to system reform from the GoV.
For many years, the Strategic Advisory Group has played an important part in steering the Program and achieving a more coordinated TVET system. As Vanuatu’s TVET system matures, it is timely to look for more institutionalized mechanisms for coordination across public and private stakeholders and to clarify roles and responsibilities of the different stakeholders in system coordination.

**Sector-based strategies work and additional sectoral strategies should be developed. (Recommendation 3)**

The effectiveness of the TVET for Tourism sub-program serves to highlight the less positive outcomes evident in other sectors. In Phase 4, more attention needs to be given to stimulating and achieving equally positive outcomes in other sectors, using the value chain approach that has proven itself in tourism.

There are many reasons for the apparent gap between outcomes for the tourism sector and outcomes for other sectors, including the nature of the different value chains in the different sectors, level of Program investment, bureaucratic impediments and the availability of suitable and sufficient providers, trainers and coaches. The evaluation acknowledges that the Program has made genuine efforts to establish sectoral partnerships in other sectors such as agriculture, with varying levels of success. Nevertheless, sectoral differentials pose a risk to the achievement of the Program’s outcomes.

**Deepen and broaden Program engagement with the private sector. (Recommendation 4 & 5)**

Private sector engagement in a TVET system is essential, not simply as source of additional funds but also as a way to create jobs, make training more relevant and overcome skills blockages in value chains. The Program’s direct engagement with the private sector (from large firms to microenterprises) is impressive and in Phase 4 should be strengthened in ways that not only leverage additional resources to achieve Program objectives but demonstrate how effective private sector engagement can help improve a national TVET system.

**Take the M&E system to the next level. (Recommendations 6, 7, 8, 9, 10, 11, 12)**

The evaluation identifies a range of technical improvements that should be made in the existing M&E system to help it measure its outcomes more reliably. More importantly, the evaluation concluded that the burden on the Program itself of measuring Program impact, especially in relation to participant income and employment should be lifted and an impact evaluation should be done by an independent external entity. Relieved of the burden of collecting impact data, the Program could focus its resources on outcomes that are directly attributable to Project outputs, thus improving value and efficiency. The evaluation also identified an opportunity for research collaboration in Phase 4 which explores the question of developmental leadership in and by the Program.

**Intersects with other development programs (Recommendation 13)**

The evaluation concluded that the current strategic and practical links that the Program has established with Australian-funded regional programs, especially the APTC and the Pacific Women program, and with New Zealand aid programs have been of mutually-reinforcing benefit to those programs as well as the VTSSP. Further opportunities to link other bilateral programs such as Governance for Growth, Roads, and Law and Justice to the Program should be pursued by DFAT.
**Recommendations**

Thirteen recommendations have been made to address these issues in Phase 4.

1. The MoET and DFAT should task the design team for Phase 4 of the Program to explore in depth if and how the Program could support a strengthening of Vanuatu’s system for financing TVET during Phase 4 in ways that will help the Government of Vanuatu achieve its TVET policy objectives.

2. The Strategic Advisory Group, with Program support, should review the current roles and responsibilities of the Group and provide advice to the MoET and DFAT on what changes (if any) may be needed to establish a more institutionalised national mechanism for the coordination of the TVET system.

3. The Government of Vanuatu should commit to developing a second sector strategy based on the value-chain approach used in the Program’s tourism strategy, for implementation from the start of Phase 4 of the Program.

4. Building on its existing efforts, the Program should assist the MoET in Phase 4 to implement its private sector policy objectives by facilitating a deeper and broader engagement of private sector businesses in the Vanuatu TVET system in order to maintain training relevance and achieve a more sustainable funding base for TVET. In support, DFAT should consider ways in which its Governance for Growth program could work more closely with the Program to accelerate private sector economic growth.

5. The MoET and the VQA, with Program support, should consider the constraints to the growth of for-profit private TVET providers in Vanuatu and, where feasible, identify opportunities to address them in Phase 4.

6. The Program should assign unique identifiers to all participants who complete baseline or participant outcomes surveys to assist the Program to track and analyse trends, and do all that it can to reduce blank and non-response issues in both surveys. This should be done for the remainder of Phase 3 as well as throughout Phase 4.

7. DFAT should ensure that the design of Phase 4 is based on a program logic that clearly distinguishes between outcomes and impacts.

8. DFAT should consider contracting an independent specialist firm to conduct an impact evaluation before the commencement of Phase 4 (baseline), possibly again at midline, and finally at the end of the Phase.

9. DFAT should consider commissioning a formal VFM assessment at the end of Phase 3, based on improved data on the Program’s financial impact on training participants.

10. For Phase 4, the Program should modify the Participant Outcomes Survey to collect data from participants in all sectors during the follow-up and coaching process in relation to both accredited and BDS training, and focus on the extent to which participants are applying the skills and competencies learned in training, and identifying the barriers to doing so.

11. DFAT should review the current performance benchmark for the Program within the Australian aid investment plan for Vanuatu and either: (a) ensure that the Program’s...
M&E system is able to provide an accurate assessment of it; or (b) revise the performance benchmark to allow accurate Program assessment of it.

12. The MoET and DFAT should task the design team for Phase 4 of the Program to consider the value of initiating a collaborative research program in Phase 4 which explores the role that local, ethical and values-based leadership is playing in improving governance and developmental outcomes in the TVET sector.

13. Over the next year, and throughout Phase 4, DFAT and the Program should identify further opportunities for cross-program and cross-donor collaboration at the intersection between the Program and other Australian-funded programs, especially infrastructure programs.
SKILLS FOR ECONOMIC GROWTH

1. Introduction

1.1. Evaluation Background

Phase 1 of the Vanuatu Technical and Vocational Education and Training (TVET) Sector Strengthening Program (VTSSP) commenced in November 2005 and ended in May 2008. It was substantially re-designed for Phase 2 and implemented from June 2008 to February 2013. Phase 3 commenced in March 2013 and is expected to end in June 2016. At the end of 2014, the Program’s title was formally changed to ‘Skills for Economic Growth’.\(^1\) The Australian Government has decided to fund a Phase 4 of the Program and the design for that Phase will commence later in 2015. The estimated value of the Program over the ten years since commencement is AUD 27.1 million.\(^2\)

In nominal (unadjusted) terms, total Australian investment in the Vanuatu TVET sector over the past 18 years has been AUD 38.1 million.\(^3\)

The goal of the Program is: \textit{A coordinated and quality assured TVET system that will provide nationally and regionally recognised training through flexible delivery mechanisms and will lead to maximum employment and social development opportunities for all.}\(^4\)

The purpose of the Program is: \textit{A coordinated, flexible, and quality assured TVET system delivering training that contributes to individual, community and national economic growth and livelihoods.}

The Program design specifies outcomes and impacts in three Key Result Areas (KRAs).

- KRA 1: National TVET System
- KRA 2: Provincial Skills Development Coordination
- KRA 3: Training, Business Development, and Employment

All three phases of the Program have been delivered by an Australia-based managing contractor. In Phase 3, the managing contractor is Box Hill Institute.\(^5\)

The Australian Department of Foreign Affairs and Trade (DFAT) has already assessed the Program as successful, based on program reports and internal monitoring and quality assessment processes. Therefore, a performance evaluation of the Program was not required.

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\(^1\) The program name was changed by a contract amendment in December 2014. The evaluation team has chosen to use the former name to avoid confusion amongst stakeholders.

\(^2\) This program was preceded by a nine-year program (Institut National de Technologie de Vanuatu -INTV) Institutional Strengthening Program) designed to strengthen the Vanuatu Institute of Technology (VIT). It was implemented between November 1996 and October 2005.

\(^3\) See Annex 6 for details on Program costs. Actual expenditure in Phase 1 was AUD 5.111m and AUD 10.626m in Phase 2. Expenditure in Phase 3 is projected to be AUD 11.408m, although additional funds are expected to flow as part of Australia’s response to tropical cyclone Pam in March 2015.

\(^4\) The Program goal mirrors precisely the vision for the National TVET policy

\(^5\) In 2013 Box Hill Institute assumed management responsibility for Phase 3 of the Program in an association with the Australian Council for Education Research (ACER) which is providing statistical support services to the Program.
The evaluation was asked to consider impacts and value for money of the Program since 2008 (over Phases 2 and 3) and to consider lessons learned in the decade since the start of Phase 1 in November 2005 that could inform the design of Phase 4.

1.2. Objectives of the independent evaluation

The stated purpose of this independent evaluation is to support innovation and development effectiveness by identifying the factors driving success of the TVET Strengthening Program in Vanuatu and how these might be applied to future DFAT investments in Vanuatu and in other evolving, complex and uncertain environments.

1.3. Target audiences

The primary users of the evaluation are DFAT staff (in Port Vila and Canberra); the Government of Vanuatu (GoV), particularly the Ministry of Education and Training (MoET) and the Vanuatu Qualifications Authority (VQA) and its Provincial Government Training Boards (PGTBs); VTSSP staff and management; and the Strategic Advisory Group for TVET.

1.4. Primary evaluation questions

The evaluation was focused on answering three primary and 15 secondary evaluation questions posed in the Evaluation Plan (at Annex 1). The primary questions are:

1. What impact has the Program had since the commencement of Phase 2 in June 2008?
2. What can be learned about the factors driving the success of the Program?
3. Has the Program delivered value for money since it commenced in June 2008?

1.5. Methodology

To address these questions, data collection methods and sources were as follows.

- Document review, including of Program documentation dating back to 2005 and published research, reports and documents relevant to the Program.
- Semi-structured interviews with relevant DFAT, GoV and Provincial Government officials, non-government and private sector representatives, Program beneficiaries and Program staff.
- Group consultations with Provincial officials and participants from the productive sectors and small groups of local villagers in the three provinces visited.
- Selection and analysis of existing data collected through the Program’s Monitoring and Evaluation (M&E) system or provided by the Program at the request of the evaluators or through national and provincial household and economic surveys.
- On-site observation of Program planning and management during provincial visits.

The Evaluation Plan provides additional detail on methodology.

1.6. Activities

The evaluation team undertook a two-week field visit 11-25 May 2015. Members conducted consultations in Port Vila and in three provinces: Sanma, Malampa and Torba.

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6 The Evaluation Plan supersedes the Evaluation Terms of Reference. The attachment to the Evaluation Plan outlining the details for answering the evaluation questions has been omitted for length reasons.
A total of 103 people were consulted. A Stakeholder Feedback session was conducted at the end of the field visit. An Aide Memoire was presented to DFAT at the conclusion of the field visit. Annex 2 lists the people and organisations consulted.

1.7. Limitations

Major limitations of the evaluation relate to data availability and include the following.

- The Vanuatu National Household Income and Expenditure Survey (HIES) scheduled for 2014 has yet to be conducted, limiting analysis of Program impact since 2010.
- No conclusive evidence on Value-for-money (VFM) could be identified because Program impacts (notably income and employment) are not mapped to participants across time or yet fully quantified through the Program’s M&E system.
- The evaluation sample being collected through the Program’s M&E system is not yet large enough to constitute a representative sample, and there is a high non-response rate in some key impact areas such as income.
- The Program does not yet have quantitative data on three of its end-of-program outcomes (the pursuit of further education and training, access to more employment opportunities, and employment creation).
- No quantitative data on what drives graduate outcomes.

2. Country & Program Context

2.1. Country Context

The Republic of Vanuatu is a low-income South Pacific Island nation. The largely indigenous (ni-Vanuatu) population of some 265,000 (2013) is widely dispersed across 70 of its 83 islands. Approximately 75% of the total population lives in rural areas at great distances from economic centres, limiting their ability to participate in the formal economy and to access government services. Vanuatu has been hit hard by repeated natural disasters which take a heavy toll on communities and the economy.

In 2014, the Vanuatu economy grew at its fastest rate in several years, driven largely by commercial construction and projects funded by development partners. Expenditure on major projects is projected to quadruple from 2014 to 2016. However the economy is expected to contract in 2015 following the severe tropical cyclone in March before rebounding in 2016. Government estimates show that economic growth and output have languished below potential for the past 5 years. The Asian Development Bank (ADB) observes that a medium-term development challenge is to find new revenue sources and control growth in government spending to free up fiscal resources for infrastructure projects and maintain fiscal sustainability.

The country’s service and agricultural sectors are major contributors to Vanuatu’s GDP, making up 67.9% and 22.4% respectively. Reliance on subsistence farming and fishing for rural livelihoods is high, with the productive sector (agriculture, fisheries and forests) contributing significantly to both incomes and food security. Productive sector output stagnated in 2014 and smallholder agriculture has been in long-term decline.

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7  This section draws on data and analysis in ADB (2015), pp.265-268
8  ADB (2015) op.cit.
Vanuatu’s economy is among the most dependent on tourism in the Pacific. Tourism accounts for around 25% of GDP and is the principal source of foreign exchange and formal sector employment. Over the past decade, tourist arrivals, particularly cruise ship arrivals, have grown at the rate of 15% per year. Tourism is concentrated around the capital Port Vila on Efate Island, and only 10% - 18% of tourists travel to the other islands.

Intense factional rivalries continue to fragment politics in Vanuatu, generating political instability which, in turn, impacts on Vanuatu’s economic growth and national development. Between 1992 and 2004 there were 13 changes of government. Between 2004 and 2008, the political situation became more stable. However, since September 2008 there have been 5 individuals serving 11 different Prime Ministerial terms. In recent years, few governments have been able to govern for much beyond 12 months and no government has lasted for a full term of four years. Such instability encourages extensive short-termism. Corruption is widely considered a serious problem and allegations of bribery of both voters and parliament members are common. In this difficult political climate, the ability of the civil service to implement consistent and evidence-based reform is highly constrained. All these factors impact on Program implementation.

2.2. Government Priorities

The Government of Vanuatu has set the goal of diversifying the economy by promoting low-carbon development in the productive sectors and liberalizing international trade. The Priorities for Action Agenda (PAA) 2006-2015 is the Government’s multi-sectoral action plan for development. Its objectives are to diversify the economy to decrease dependence on commodity exports and tourism, improve governance and public service delivery, foster rural development by expanding market access, increase private investment, enable greater stakeholder participation in policy development and improve equity in access to income and economic opportunities.

2.3. The Vanuatu Labour Market

Vanuatu has a dual labour market: the formal comprising paid employees in the public and private sectors which is largely urban based; and the informal labour market comprising subsistence farmers, and market and roadside vendors which is largely rural based.

Formal sector employment in Vanuatu is among the lowest in the Pacific, engaging 20% of the workforce. The low level has been attributed to, among other things, the insufficient development of human resources, and a widespread lack of adequate and relevant skills. The formal economy is growing at around 1,500 jobs per year, insufficient to accommodate some 4,000 new entrants per year. Tourism and travel services are the major source of private sector formal employment and this sector’s share of formal employment is expected to grow from the current 18% (12,500 persons) to 25% in 2024.

Reported unemployment is 4.1% overall, but 35% for urban youth. Some labour market information is available, but there are many gaps and it is not easy for the GoV or donors to access and use it for decision making.

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9 The PAA was updated in 2012
10 ILO (2014)
2.4. The Education Sector in Vanuatu

Following a decline in the 1990s, considerable progress has been made towards achieving universal primary education. However, Net Enrolment Rates and survival rates to the last primary grade are at the lower end of regional norms.11

In 2013, the Gross Enrolment Rate in secondary education (for students aged 13 to 18 years) was 48.1%. Of those who enter secondary education, there is a sharp drop-off in enrolments with each year of secondary schooling. In 2013, the survival rate to Year 13 was just 9.5%.12 As a result, the pool of students with entry requirements needed for post-secondary studies, including scholarships, represents only a small proportion of those who commenced secondary education. Access to secondary and post-secondary education is more favourable for the relevant age groups residing in urban areas.

Vanuatu is close to gender parity in school education but women’s economic participation is low. In the 2009 census, self-reported adult literacy rates (15 years and over) were 86% for women and 89% for men, up significantly from 1990.13 This is likely to be a significant over-estimate. A study of literacy levels of ni-Vanuatu aged 15 - 60 years in rural Shefa Province found that despite 85% of respondents self-declaring they were literate, only 27.6% were actually classified as literate once they took the test.14

The total budget appropriation for the Ministry of Education has increased in recent years, and has not fallen below 20% of total Government recurrent expenditure since 1997.15

2.5. Tertiary education in Vanuatu

Tertiary participation is a small part of Vanuatu’s education sector with only about 5% of the corresponding age-group population making the transition to tertiary study. In 2009, of the population 15 years and older, 3.8% (5,000 persons) held a tertiary level qualification and 1.2% (1,580 persons) held a vocational qualification as their highest level.16

Post-secondary education and training is provided through public and private training institutions, non-government organisations (NGOs), firms, line Ministries, state-owned enterprises and private entities such as the Vanuatu Chamber of Commerce and Industry (VCCI). The Vanuatu Education Management Information System (VEMIS) managed by the Ministry of Education and Training (MoET) is not designed to collect or analyse data on post-secondary education and training. However, data that are available from MoET and other sources indicate that:

- Total head-count enrolments in the main tertiary institutions in 2013 were 3,587 (40% female).17 With the exception of teacher and nurse training, enrolments in both the TVET and higher education sub-sectors of tertiary education are dominated by males, and program enrolments follow traditional gender-defined occupational roles.

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11 GoV (2012b) p.71
12 MoET (2014a) p.16
13 Vanuatu National Statistics Office (2012e)
14 ASPBAE & VEPAC (2011)
15 GoV (2010)
16 ACER (2014), p.30
17 MoET (2014) op.cit; see also Table A.1 in Annex 3
• In 2013 there were 138 trainers working in the main tertiary institutions (excluding the University of the South Pacific -USP), of whom 35% were women.18

• Formal training by firms in Vanuatu is common, with 47.5% of firms offering formal training in 2009.19

Breakdowns of tertiary education expenditure by its constituent sub-sectors of TVET and Higher Education were not available from the MoET at the time of the evaluation. However, the MoET reports that post-secondary education absorbed over 16% of the recurrent budget of the Ministry in 2013. An additional 15% of total recurrent expenditure available for education was spent on tertiary scholarships for studies in other countries.20

For three years in a row, Vanuatu saw its scholarship spending more than triple without any explicit change in policy. The ADB suggests careful monitoring is needed to keep scholarship spending in line.21

A study of financing TVET in Vanuatu found that public spending on TVET in Vanuatu was around 0.6% of GDP in 2012, compared with 2.0-2.5% in Samoa and 1.5-1.6% in Fiji and 1.3% in Solomon Islands.22 It also found that TVET in Vanuatu has one of the least diversified funding bases in the Pacific, with 85% of all TVET funding coming from government and donors and only around 6% from private resources.23

Annex 3 provides additional data on tertiary enrolments, trainers and funding.

2.6. The Program

To achieve its goal of a coordinated and quality assured TVET system, the Program is being implemented along three closely inter-connected activity streams.

• Activities at the provincial level to facilitate the delivery of nationally accredited training (AT) and business development support services (BDS) aligned to provincial economic development priorities. The delivery of these services is coordinated through TVET Centres in Sanma, Malampa and Torba provinces and financed through the Employment and Training Fund (ETF). A fourth TVET Centre in Tafea is in its start-up phase

• Activities which focus on strengthening the national TVET system through support to the MoET and the VQA in the implementation of the national TVET policy

• Activities which facilitate stakeholder engagement, monitoring, learning and advocacy to achieve increased convergence between provincial TVET and national TVET in order to achieve a more ‘joined-up’ and coherent TVET system that serves both the formal and the informal economies and benefits both rural and urban communities.

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18 MoET (2014) ibid
19 See: http://www.enterprisesurveys.org/
20 MoET (2014a), p.58
21 ADB (2015) op. cit., p.268 which notes that in 2014, a supplemental appropriation was needed to increase spending on government-funded scholarships to more than Vt345 million, more than double the initial budget of Vt163 million. More modest expenditure of Vt154 million is proposed in the 2015 budget
22 Palmer, R. (2015a)
23 Ibid. See also Table A.2 in Annex 3
The program logic identifies nine end-of-program outcomes (EoPOs) which is included in the Evaluation Plan in Annex 1.24 Section 4 on program impact considers progress against these EoPOs in detail.

3. The TVET Sector then and now

3.1. Introduction

This section responds to the following two evaluation sub-questions.

2(a) What is the TVET Sector context that DFAT is operating in today and how has it changed since the commencement of Phase 1 in November 2005? To what extent have Program efforts contributed to those changes? To what extent would the changes have taken place in the absence of Australian support?

2(b) How has the Vanuatu Government’s role changed over the years? Why?


To answer these questions, the evaluation used the World Bank’s Systems Approach for Better Education Results (SABER) analytical framework for Workforce Development (WfD).25 This framework is based on three functional dimensions of a workforce development system: (i) strategic framework (ii) system oversight (iii) service delivery. While a true benchmarking exercise was not possible (or required) in the evaluation, nevertheless the SABER-WfD framework offered a useful template for responding to the evaluation questions.26 Annex 4 provides an admittedly loose application of this framework to consider the changes in the TVET system over the period 2005-2015.

The evaluation found that over the past decade, Vanuatu has made steady progress and achieved significant improvements in its TVET system at both national and provincial levels and these are evident across the three functional dimensions of its system.

**Strategic Framework for TVET**

In relation to the alignment between the TVET system and Vanuatu’s national goals for economic and social development, the evaluation found that many of the building blocks essential for an effective workforce development system are emerging.27 Government and non-government advocacy for TVET has grown substantially in the past few years and the Government is now able to articulate its strategic direction for TVET via a National TVET Policy endorsed in 2011 by the Council of Ministers. More coherent (and hopefully now stable) national and provincial coordination arrangements for TVET have been established within MoET and through the VQA. The GoV has taken very early steps towards

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24 Two of the EoPOs in the Phase 3 Program Design Document were not incorporated in the program logic diagram. These are: (i) MoET is restructured; and (ii) Ministry of Finance & Economic Management (MFEM) and Ministry for Youth Development, Sports & Training (MYDST) allocate recurrent budget to financially support implementation of national TVET policy. The evaluation has worked from the nine EoPOs in the program logic which was developed subsequent to the original design.


26 Both Solomon Islands and Timor-Leste have used the SABER-WfD diagnostic, suggesting its applicability to small Pacific island states.

27 Under the SABER-WfD framework, the level of development of a workforce development system is assessed as (i) Latent (ii) Emerging (iii) Established (iv) Advanced.
implementing a demand-driven approach to TVET, although labour market information remains weak.

The evaluation found that areas for continuous improvement include: (i) ongoing structures and processes to support stakeholder engagement and cooperation; (ii) a stronger culture of delivery on policy goals; and (iii) closer alignment between skills in demand from business and industry stakeholders (including the productive sector) and supply by Vanuatu’s major public TVET institutions.

**TVET System Oversight**

In relation to the governance arrangements that shape the behaviours of key stakeholders involved (individuals, employers, and training providers), the evaluation found that significant steps have been taken to establish and quality assure relevant and reliable standards for TVET, especially through the establishment of the VQA and a restructure of MoET that now gives TVET a unitary home. Other than through the Program and the Australia-Pacific Technical College (APTC), progress in diversifying pathways for skills acquisition has been slow, but is generally heading in the right direction.

The evaluation found that the primary area for continuous improvement is ensuring greater efficiency and equity in tertiary funding. GoV in the national TVET policy already recognises the need to formulate an affordable funding strategy for TVET (and tertiary education more broadly) which diversifies the sources of funding and moves away from ad hoc funding of institutions to performance-based allocation of funds tied to achieving national social and economic objectives.

**TVET Service Delivery**

In relation to Government arrangements for managing the provision of training services in order to achieve results on the ground, some progress is evident and the system could be described as emerging. Diversity and quality in general training provision have improved over the past decade, albeit off a low base, and the move to competency based training is very slowly improving the labour market relevance of training. The capabilities of national TVET institutions, Rural Training Centres (RTCs) and other TVET providers to deliver flexible modular training are slowly improving with VQA leadership.

The evaluation found three priority areas for continuous improvement: (i) Government consideration of how non-state provision in the TVET system could be expanded (through financial or non-financial incentives) in order to increase skills development opportunities at national and provincial levels; (ii) how targets and incentives could be used to improve the performance of public TVET institutions; and (iii) the need for a more focused effort to enhance accountability for results by expanding the availability and use of data that will focus providers’ attention on training outcomes, efficiency and innovation.

**Conclusions**

The evaluation has drawn three main conclusions, based on the analysis undertaken and the professional judgement of team members.

- Faster progress seems to have been made in improving the strategic framework for TVET and to improving TVET system oversight than in relation to TVET service delivery. While the Program itself has implemented a new and highly responsive model for the delivery of short-form continuing TVET in rural areas, the TVET system
as a whole and the major TVET institutions upon which it relies remain focused on long-form initial TVET for a relatively small number of school leavers. Notwithstanding the transition to competency based training and up-skilling of trainers by the APTC and by the Program itself, employers continue to express dissatisfaction with the quality and particularly the relevance of the training provided by the key TVET institutions and the associated competencies of their recently trained new employees.28

- The Program has made a substantial contribution to the development of the TVET system over the decade across all three dimensions. Its contributions are most visible in terms of targeted service delivery at the provincial level supported by BDS activities, and this highly focused effort has produced genuine champions for TVET – an essential characteristic of an effective TVET system. The Program has also made tangible contributions to the strategic framework for TVET and to TVET system oversight, and especially in the areas of building national consensus about the scope and nature of a TVET system that works for Vanuatu. Yet such system contributions can sometimes be over-looked by the stakeholders because they necessarily work on improvements in back-office structures and processes which are less amenable to media and political interest than the more visible activities of the TVET Centres.

- The evaluation found that it is highly unlikely that the progress that has been made in building the Vanuatu TVET system would have been as visible or significant without the VTSSP and that it is highly likely that without the VTSSP, improvements would have been far slower and less focussed and consistent in their direction.

### 3.3. Changing roles of Government

Over the past decade, the GoV has assumed more active roles within the national TVET system as convergence between the Program and the national TVET system continues. Its role in policy, planning and coordination for the TVET sector at national and provincial levels has become more coherent and focused, as evidenced by the development of the national TVET policy, the restructuring of MoET and the establishment of the VQA. Its role in providing quality assurance has strengthened, evidenced in the transition from VNTC to VQA. It has made some progress in its role of ensuring relevance in publicly funded training by moving more systematically to a competency-based system and has assumed a more active role in regulating private provision (by non-government organisations – NGOs – and by firms) through establishing the VQA and developing and applying standards for Government recognition of providers, trainers and courses.

Changes are less readily identifiable in relation to other key roles usually expected of government in a TVET sector: ensuring efficient use of public funding (public scholarship funding looks inefficiently high compared to the likely social returns); mobilising private resources (excluding the APTC, the private sector contributes not much more than 6% of TVET resources); providing public information about labour market requirements and the training system; providing services to all training providers, public and private including RTCs; ensuring equitable access; and tracking and

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28 Palmer, R. (2015b)
reporting on system performance, as evidenced by an under-developed statistical information base for tertiary education.29

The evaluation cannot specify with any rigour why some of these government roles have become stronger, while others appear to be changing more slowly or not at all. However, the Program has been active in relation to policy, planning, and coordination, quality assurance, training relevance and regulating private provision and it is reasonable to conclude that the Program has contributed to the strengthened government roles that are evident in those areas. Slower progress in relation to some other roles over the decade could reasonably be attributed to a range of external factors including political instability, substantial turnover of senior government officials in key government departments, politicisation of parts of the civil service, and capacity constraints as well as the absence of substantial Program contributions.

4. Program Impact

4.1. Introduction

This section responds to key evaluation question 1: What impact has the Program had since the commencement of Phase 2 in June 2008? This question is further sub-divided into four sub-questions:

a) What impacts has the Program achieved since its commencement in June 2008?

b) To what extent would the impacts have been achieved in the absence of Australian support?

c) Are there any intended impacts that have not been achieved, and why not?

d) Have there been any unintended impacts – positive or negative?

4.2. Determining impact of the Program

While the VTSSP under Phase 3 has attempted to build into its M&E system a way to measure the impact on its variety of beneficiaries, it is not yet able to establish causation or prove that the impacts would not be present absent of the project.30 Additionally, the scope of this evaluation is not designed to conduct an independent impact evaluation, and so impact, in its strictest sense, cannot be established at this time. 31

It should be noted that the original bid for Phase 3 included provision for a research component to be undertaken by the Australian Council for Educational Research (ACER), possibly through a longitudinal study. However this component is now largely confined to the provision of statistical support services to the Program’s M&E system.

For the purpose of this evaluation, the term “outcomes” is used instead and is defined in two ways: first, by the Program’s end-of-program outcomes (EoPOs) and second, by the degree to which the assumptions of the program logic were realized.32

29 A number of these roles for government are suggested in ADB (2009)
30 See Technical Note 1 in Annex 5
31 See Technical Note 2, Annex 5
32 The program logic containing the nine EoPOs is included in the Evaluation Plan in Annex 1
4.3. What impacts has the Program achieved since its commencement in June 2008?

**Outcomes at the National Level**

Program activities are expected to result in **MoET and VQA more effectively managing and coordinating the TVET sector (EoPO 1)**. There is ample evidence that aspects of the Program are starting to be integrated into regular national government operations. For instance, the training portfolio was transferred from the Ministry for Youth Development, Sports and Training (MYDST) to the restructured MoET, with a new Directorate of Tertiary Education.  

The passage of the VQA Act in April 2014 was another significant milestone and positive outcomes are emerging in the areas of provider quality management and in the development of new national qualifications. However VQA’s decision in December 2013 to de-register all training providers has had a negative effect on the ability of the Program to deliver accredited training on demand. There are also bottlenecks in VQA’s re-registration process.  

Three Provincial Training Coordinator (PTC) positions in the TVET Centres were transferred into the Public Services Commission and these PTCs began to receive Government of Vanuatu salary payments instead of Program salaries in December 2014. This is a major achievement in terms of both sustainability and Government commitment to the Program and also to the implementation of the national TVET policy which includes a long-term vision for a network of six TVET Centres.

The Program faces a number of challenges at the national level. The funding envelope for TVET within the new Tertiary Directorate is not yet confirmed and staffing of the Directorate has been significantly delayed. The evaluation anticipates that the ongoing shortage of registered providers and affiliated trainers, exacerbated but not caused solely by the slow process of VQA re-registration, will become more consequential as the Torba Centre grows and the Tafea Centre becomes fully operational.

Finally, although the Program has engaged successfully with a number of institutions and businesses in the private sector such as the VCCI, cruise ship companies and many micro-enterprises, there is currently no data characterizing the extent of private sector engagement at either national or provincial level.

**Outcomes at the Provincial Level**

Program activities are expected to lead to **improved provincial skills development planning and coordination (EoPO 2)**, **increased participation of government (national and provincial), private sector and civil society in TVET in provinces (EoPO 3)** and **PTBs implementing national TVET Policy in program Provinces (EoPO 4)**.

The development of skills plans for all provinces was an important milestone. TVET Centres and their staff are highly flexible in responding to local needs and conditions, especially through BDS training activities, an aspect of the Program that the evaluation

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33 See also Section 3 and Annex 8 in relation to this EoPO

34 Of the 26 de-registered providers, just six had been granted registration status as of February 2015. It is expected that another five providers’ application for re-registration will be approved by mid-year.
found has contributed to its strong performance. This flexibility is in large part responsible for nurturing support for TVET from provincial government and private sector leaders.

The Program faces a number of challenges at the provincial level. While Provincial Government Training Boards (PGTBs) demonstrated very positive commitment at the outset of the opening of a TVET Centre in the province, particularly because of the coordination required in the bidding process, variability in the productivity, ownership and participation of PGTBs is beginning to appear over time.

**Outcomes at the Participant Level**

A total of 8,082 participants undertook training or follow-up support through the Program from 2009 through 2014, 42% of whom were female and approximately 7% were persons with a disability. More than three-quarters of total participants each year live in rural but accessible areas of the provinces as distinct from urban or remote locations. In 2013 and 2014, years for which age data is available, just over a quarter of participants reported being between the ages of 25 and 39 and 15% being between 15 and 24 years old.

The Program has maintained a gender ratio of approximately 40% female each year except for 2013, where 28% of participants were female. This drop was likely due to the shift to a quality- and demand-driven approach, rebounding in 2014 as the Program redoubled its efforts to support accredited training and BDS for women as well as developing and implementing its Gender Equality Strategy for the TVET Centres.

Five of the Program’s EoPOs are focused on impacts on participants. In relation to EoPO 5 (Participants have increased income) and EoPO 9 (Participants improve their businesses, collectives and/or associations), the Program has reported initial data on changes in income as well as on changes in business income. For example, of 150 participants who responded to the income question in the Participant Outcomes Survey, 61% report that their income increased after participating in Program activities. Most of these gains were reported by those who describe themselves as self-employed, subsistence farmers, or students. 92% of the 47 participants who described themselves as business owners report increased business income after participating in Program activities. Those who participated in business and tourism sector activities account for the largest proportion of those reporting increased incomes.

As a result of the TVET for Tourism (TfT) focus of the Program, there is both quantitative and qualitative evidence which shows very strong growth in the provincial tourism sector. This success could be attributed in large part to its follow-up and coaching aspects, as well as to its focus on preserving the cultural and environmental attributes of the islands.

While the TfT Program supports 106 businesses directly, there have also been positive outcomes on the community through the participation of 300 client employees in skill development activities. An indirect impact on over 500 people in the three provinces has occurred through skills transfer in the workplace between TfT participants and other employees within the businesses. The performance of TfT clients overall has been

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35 This figure does not express the number of unique participants as data on those who have taken multiple or repeat training and/or multiple follow-up activities are not currently available. Thus the number of unique participants is likely lower.

36 This figure is approximate as there is no data available for 2009, and likely does not account for participants who repeat or take multiple courses.
positive with the majority of participating businesses showing improvement in terms of product development, financial growth and transition from the informal to the formal economy. 64% of clients have reached or exceeded the Department of Tourism Minimum Standards in 2014. Through regular coaching and participation in skills development activities, 38% of TfT clients have progressed from the informal to the semi-formal economy in the last twelve months.37

Figure 1 shows that agriculture, business, and forestry dominated the activities in the early years, with those in the tourism sector increasing each year until they constituted most Program activities in 2014.

Figure 1: TVET Centre Participants by Year and Sector 2009-2014

While the data so far reported in these areas show that positive outcomes are likely to have resulted from Program activities, the evaluation stresses that this data is self-reported and from a very small sample. It does not account for other social, economic, environmental or political factors that may have contributed to the increase, decrease or stagnation of incomes, business activity or most of the other outcomes. Furthermore, the accurate collection of data on individual and family well-being is time-consuming and complex, requiring an accounting not only of changes in income and expenses, but also in other important factors such as family size, assets, consumption, health and environmental shocks, and the general performance of the local, regional, and national economies. The evaluation found that neither the Program’s M&E system nor the 2006/2010 HIES analysis take these variables into account sufficiently.

37 Data drawn from the TVET for Tourism End-of-Year Report April 2014 to March 2015.
The Program does not yet have data on the pursuit of further education and training (EoPO 6), access to more employment opportunities (EoPO 7), and employment creation (EoPO 8). This is a significant limitation on the evaluation.

4.4. To what extent would the impacts have been achieved in the absence of Australian support?

An analysis was undertaken at the end of Phase 2 comparing the 2006 HIES to the one conducted in 2010 in order to contribute data to answer this question, namely by establishing some counterfactual data. Though suggestive of positive outcomes attributable to the Program, limitations in the analysis mean that the results obtained have limited value as counterfactual data. When the next HIES survey is completed, this data could be used to inform arguments about impact and causation but challenges may still remain depending on how a new analysis is conducted as well as the inherent limitations of the survey itself as currently designed.

The evaluation has however concluded that the major changes in the institutional structure of TVET at both provincial and national levels, reported in previous sections, would likely not have been achieved without Australian support. This is because of the capacity development and policy and planning support provided by the Program would have been absent without the Program. Additionally, national and provincial government officials report that both the Program design and Program staff were responsible for nurturing the conditions under which PGTBs, cross-sector communication, the restructuring of the MoET and the VQA legislation were either initiated or made more effective.

4.5. Are there any intended impacts that have not been achieved, and why not?

The evaluation has identified a number of current and potential barriers to continued progress toward all its outcomes. In summary, these are:

- Limits to the current M&E system in reporting on outcomes and impact.
- The severe shortage of registered training providers and affiliated trainers.
- Lack of participant access to market supply chains and financial capital.
- Variable participation in and productivity of PGTBs.
- Pressure to expand geographically and sectorally with limited funds.
- Socio-economic, institutional, and environmental factors such as cyclones, livestock and crop ailments, transportation costs and infrastructure deficits.
- The unstable political context and continuing allegations of corruption.

The evaluation also notes that Program planning and implementation in 2015 has been disrupted by tropical cyclone Pam.

4.6. Have there been any unintended impacts – positive or negative?

Unintended outcomes that the evaluation considered positive include the eco-adventure and cultural preservation orientation of the TfT inputs and the expansion of the quantity and variety BDS training offerings. Program involvement in public-private discussions about increasing cruise ship traffic is also a positive outcome, suggesting the Program could further increase its engagement with the private sector in Phase 4.

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38 Tan (2012)
39 See Technical Note 3, Annex 5
The evaluation also detected that the Program may be having a positive effect on numbers of children in school and on nutrition, especially communities associated with tilapia fisheries training. Most participants interviewed reported using cash earned from income generating activities supported by the Program on school fees, while the fisheries are reported to decrease the cost of food while improving nutrition. These positive outcomes should be monitored as part of the Phase 4 M&E system.

Unintended consequences that the evaluation considered to be negative are the wholesale de-registration of training providers by VQA placing an unnecessary burden on the program and the significant drop in the annual number of participants as a result of the Program’s shift to a quality- and demand-driven approach. The evaluation anticipates that both actions have resulted in or may result in positive outcomes over the longer term, but the manner in which these were implemented could have been less disruptive.

The TtT strategy has been prominent in 2014 Centre activities. The positive outcomes identified in this part of the Program serve to highlight the lower outcomes in other sectors, especially in self-reported income changes. The decrease in number of participants in 2014 was mostly felt in the non-tourism sectors, particularly agriculture, forestry, fisheries, and livestock. Participant outcomes in these sectors can, as a result, be seen as yet to be achieved. Figure 2 below shows the percentage of participants reporting increased income by sector in 2014.

Figure 2: % of Participants Reporting Increased Income by Sector in 2014

40 The “Business” sector in this graph constitutes courses in business management and accounting. The Program does not have data to determine which participants took multiple courses nor in which other sectors the business training participants operated their businesses. It is likely given the trends in this graph and the TtT approach that tourism business owners are the largest group.
Consultations in Malampa with vegetable farmers suggested there are risks associated with a relatively narrow range of Program offerings in the agriculture sector. Participants reported that more training and BDS in vegetable farming has increased their production but led to market competition between farmer participants and a now-saturated market.

Finally, the evaluation suggests that Governments’ perception that the Program is highly successful has produced some unintended consequences, especially increasing political pressure to fast-track the establishment of TVET Centres to all Provinces. This consequence could very well turn out either positive or negative, depending on whether the Government is willing and able to increase its financial support for the Program in the future or whether additional public or private resources can be leveraged.

4.7. Implications for Monitoring and Evaluation

The evaluation found that the data that is currently being collected through the M&E system is sound, structured in a creative way and provides interesting and useful information which is generally well-presented. However, it is not yet able to allow definitive conclusions to be drawn about the extent to which participant impacts (EoPOs 5-9) are being met. Nor is it designed to measure impact, strictly defined.

Perhaps more importantly, the evaluation identified a need to reconsider the way in which the Program defines outcomes and impacts, something which is not trivial and can have a profound effect on both programmatic and M&E strategies. Of the Program’s nine EoPOs, four are outcomes, a result of the Program’s activities with national and provincial government officials and institutions, 41 while five are impacts because they have multiple influencers, most of which are not under the control of the Program (an increase in skills and competencies and/or an increase in the effectiveness and efficiency of government systems cannot be expected to raise incomes alone but are, all else being equal, essential ingredients).42 The Program should not be considered unsuccessful if an airport closes or an outbreak of crop-eating snails reduces participant incomes or business growth.

41 EoPOs 1-4
42 EoPO 5-9
The evaluation has identified three other limitations in the M&E system: (i) the current system measures the five impact EoPOs through participant self-reporting, which particularly in these categories, is generally considered an unreliable method; (ii) reliance on the Vanuatu HIES has proven to be both unreliable and insufficient in serving as a source for counterfactual data, leaving the Program without evidence that impacts on its beneficiaries would not have come to pass absent of the Program outputs; and (iii) there are very large non-response rates to some key questions in the Participant Outcomes Survey which will jeopardise the Program’s ability to report reliably on some of its EoPOs. These limitations are in no way a reflection on the performance of Program staff, as the evaluation found no short-comings in the competencies of the M&E team.

Despite these limitations, the evaluation acknowledges that data that have been collected by the Program so far suggests that the Program is producing positive outcomes, but found they should be measured more thoroughly.

There are a set of outcomes, however, that are not well accounted for by the Program, but which are considered more essential to measuring Program success. These would be measures that account for the degree to which participants: (i) apply skills and competencies learned in training; (ii) have market access; and (iii) are able to access financing. These outcomes are identified in the Program’s theory of change as those which will subsequently lead to impacts such as increased incomes and business growth, but which are currently under-examined by the Program’s M&E system. Conversely, there are important impacts which are currently not measured by the Program, but which have been identified by Program staff and participants as important, such as: (i) an increase in numbers of children from beneficiary families in school; (ii) increased family health and nutrition; and (iii) cultural and environmental preservation.

Finally, in examining the program logic, the evaluation identified two issues, one with its visual representation, and another, as a result of the former, with an unexamined assumption indicated by the logic. While the visual representation expresses most of the Program components and their intended outcomes, it does not effectively distinguish between outputs, outcomes and impacts, details that are essential in designing M&E systems. For Phase 4, the logic must be more explicit about what outputs each Program input is intended to lead to (such as numbers of people trained), what outcomes each output is supposed to lead to (such as the application of skills and competencies by trained participants), and the impacts each outcome is intended to contribute to (such as increased income). The conflation of outcomes and impacts in the program logic must be avoided for Phase 4.

The evaluation also notes that the performance benchmark for the Program within the Australian aid investment plan for Vanuatu is 90 per cent of self-employed TVET trainees report higher profits following training by 2017-18. Preliminary data suggest that the Program is making progress toward this benchmark, but the evaluation does not have enough data to confirm progress accurately against it.

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43 DFAT (2014c)
44 See Technical Note 4, Annex 5
5. Value for money

5.1. Introduction

This section responds to key evaluation question 3: **Has the Program delivered value for money since it commenced in June 2008?** This question is further sub-divided into four sub-questions:

a) Has the Program delivered value for money?
b) What have been the direct and indirect costs and benefits of the Program over short, medium and long timeframes?
c) How could Program value for money be increased?
d) Could Australian Program spending between November 2006 and 2015 have been spent differently so as to deliver greater ‘value’ to the Australian taxpayer?

The section is based on the evaluation team’s review of VTSSP documentation and other commentaries, and numerous discussions with a wide range of local stakeholders regarding the VFM of the operation of the Program since 2008.

5.2. Has the Program delivered value for money?

VFM is traditionally discussed in terms of the “3 E’s” - Economy, Efficiency and Effectiveness. The analysis below encompasses all three elements of VFM.

The evaluation team reviewed the VFM analysis conducted in the Phase 3 Program Design Document (PDD). This analysis noted that, in terms of program cost efficiency, “the design includes an activity budget … which is clearly justified and aligned to achieve the desired development outcomes effectively and economically.” In support of this statement it noted the following factors as leading to cost-efficiency: (i) use of the Australian Adviser Remuneration Framework for short and long term international adviser fees; (ii) use of local technical consultants where possible; (iii) use of province-based trainers in training delivery; and (iv) increased GoV contributions to program outcomes. It further notes that VFM is sought through providing training in provinces at a lower cost compared to groups of trainees travelling to Port Vila for training. The evaluation found that these cost-efficiency factors have been delivered in practice during Phase 3 operation.

The evaluation found a generally positive view of the Program in terms of its impact on beneficiaries, their families, and wider communities. Staff working on the TVET Program stated that they believe that the Program delivers value for money, due to the employment of ni-Vanuatu staff (leading to high levels of economy), the use of high-quality, locally-based trainers (high economy and efficiency) and generation of new and stronger businesses and better trained tourism operators and farmers in provinces.

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45 Key documents consulted related to VFM include: the VTSSP Phase 3 PDD, the Vanuatu Country Report of the TVET Financing Study (ACER, 2014), the Phase 2 Final Evaluation Report (2012), the QAI Final Report on VTSSP Phase 2, together with data provided on a number of websites including World Bank, DFAT and Vanuatu Ministry of Finance websites.

46 Economy is defined as the ratio of program inputs (staff time, premises, vehicles etc.) to funds provided; Efficiency as the ratio of program outputs (training, mentoring etc. provided) to inputs; and Effectiveness as the ratio of program outcomes (businesses developed, learning acquired etc.) to outputs.


48 Meeting between Evaluation Team and TVET Program Team Leader and staff, 13 May 2015
effectiveness). Other stakeholders noted that the strategy of delivering the Program at a decentralised (community and provincial) level has generated substantial benefits, and appears to have increased VFM.

A detailed discussion of Program benefits and costs is provided in Section 5.3. Program staff noted that since M&E information collected by the Program does not as yet provide quantified measures of benefits, it is hard to say if training activities are worth the cost. As Section 4 indicates, the Program has found it difficult to derive impacts on economic variables such as income and employment. ‘Income’ has been measured in the Program’s M&E system in terms of the perception of financial changes, as it is extremely difficult to derive accurate measures of income in the communities where Program activities have taken place. ‘Employment’ is also problematic given the fact that only 20% of the population is in formal employment in Vanuatu (ILO, 2014), and over three-quarters of the workforce are employed only in the informal economy.

The Phase 3 PDD noted that it was not possible to undertake a cost benefit analysis of the whole program, and reported a number of challenges to carrying out a VFM analysis of it.\(^49\) The evaluation agreed with the Program’s technical M&E staff consulted during the fieldwork that M&E information collected to date by the Program does not provide sufficiently detailed data on direct benefits - and very little data on indirect benefits and costs - to enable a quantified measure of Program VFM (defined as the excess of benefits over costs) to be derived. The evaluation considered whether it was worth attempting an initial Cost Benefit Analysis (CBA) based on the M&E data collected so far. However, it decided that, at this point, the available data is not sufficient to enable reliable assumptions about likely benefits to be made, and hence reliable CBA estimates to be derived.

In assessing VFM in terms of the 3 “E’s”, the evaluation believes that the Program is economical in terms of staff costs, given the fact all long-term staff (including the Team Leader) are ni-Vanuatu. The Program also seems relatively efficient in converting its funding or ‘inputs’ into training ‘outputs.’ An initial review (based on 2011-12 data) suggests that VTSSP average costs were around 25,500 Vt per trainee. This compares very favourably to both the Vanuatu Institute of Technology (139,000 Vt) and APTC per student training costs in Vanuatu, excluding management and regional overheads (295,000 Vt).\(^50\)

As previously described, it is not possible to assess Program impact, since currently Program M&E does not allow a quantification of outcomes. The evaluation recommends that this shortcoming be remedied, and the assessment of program impact and VFM be contracted out (see Recommendations 8 and 9). Though suggestive of Program impact, limitations in the analysis of the 2006 and 2010 HIESs mean that the results obtained have limited value as a guide to the program’s VFM over the period 2008-2015. However, use of the next HIES will allow a more substantial examination of Program impact on income in areas where the Program has worked, given the existence of a pre-Phase 2 baseline

\(^{49}\) VTSSP Phase 3: Final Design Document, June 2012, p23
\(^{50}\) ACER (2014). Average costs per trainee is an imperfect measure of the relative costs of the different programs, since the programs have significantly different modalities, course durations and training constituencies, but the team feels that it is nevertheless indicative of the relative efficiency of the Program’s training model.
(2006 HIES) and a significant period of time (2008 – 2016) to demonstrate potential program impact and VFM.

5.3. What have been the direct and indirect benefits and costs of the Program?

This section examines the likely short, medium and longer-term benefits and costs – both direct and indirect - of the Program.

Program Benefits

Direct and indirect program benefits as a result of training, coaching and mentoring activities conducted, can be conceptualised at three levels.

a) Direct and indirect benefits as a result of Program training and allied activities, which include: increased skills of training participants; increased formalisation of business activities; additional provincial and national economic activity and VAT tax revenues resulting from additional tourism activities or enhanced agricultural production; benefits to the community from additional activity e.g. classroom construction associated with the Millennium Caves tour business; improved business understanding and knowledge sharing; and intangibly – but importantly – the greater confidence of people trained in their own abilities.

b) ‘Flow-on’ benefits (and costs) to families and communities, as a result of Program activities impacting on activities further downstream in the value chain including: greater food production and nutrition standards; higher school attendance through the ability to pay school fees and the consequential downstream economic and social benefits due to increased levels of education in the population; improved access to health care as a result of extra income, leading to downstream economic benefits as a result of increased population health; and the greater ability to make gifts to community members.

c) Broader economic, social and cultural benefits, such as on enhanced: environmental protection for example through training on aquaculture activities leading to the diminution on the pressure on reef fisheries; cultural and social welfare, for example through the use of local construction materials and food by tourism providers; and the mentoring of young people by Program participants, leading to a greater sense of village and community strength and solidarity.

In terms of direct benefits, detailed data is collected by the Program’s M&E system through baseline and 6-8 months Participant Outcome Surveys on benefits for training recipients on the direction and broad magnitude (described in terms of ‘some’, ‘large’ impact) of income and employment change for participants. Program M&E data report significant income and employment change as a result of Program activities.51

As previously mentioned, a formal VFM analysis of the Program is not yet feasible. However, for illustrative purposes, using M&E data on the number of self-employed and

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51 For example, the Phase 2 Final Evaluation Report (covering July 2009 – April 2012) included the following findings: 48% (300/628) of program beneficiaries had either started or improved an existing business; 70% of those who reported a change, reported an increase in income; the median estimated monthly income of participants rose from 10,000Vt/month to 20,000 Vt/month; 12 months after training, the median number of employees in training participant businesses rose from 0 to 2 people.
employed VTSSP training beneficiaries, estimates of numbers reporting additional income, and the approximate median income increases, the direct benefits due to beneficiary income and employment increases alone may be in the order of AUD 30 million.\(^{52}\) This level of benefits is only a very approximate estimate of likely direct income gains from ETF activities alone, and takes no account at all of the likely substantial **indirect benefits** from Program activities e.g. on improved community health and education, or the **flow-on benefits** to the community and province from the training provided in tourism, business and agriculture.

In terms of **indirect benefits**, there is evidence of additional business registrations, for example in the tourism sector. However, since the Program does not operate in a vacuum, and there are broader government efforts to promote tourism, it is difficult to isolate and ascribe such impacts to the VTSSP alone, though some of the benefits are due to program activities and advocacy (e.g. the setting up of the Santo Tourism Call Centre). The evaluation concluded that sufficient numbers of participants and village-level discussions mentioned additional school fees, medical payments and gift giving activities, for there to be a reasonable belief that the Program is generating the indirect benefits described, though these are (as yet) unable to be quantified.

**Program Costs**

The Evaluation Plan explicitly requests an analysis of VFM since Phase 2 commenced in June 2008, so costs from this period are considered. VTSSP Phases 2 and 3 have incurred a total cost of AUD 22.0 million over 8 years (2008-2016) for the Australian taxpayer – an average of AUD 2.75 million a year.\(^{53}\) Program cost data are summarised in Annex 7.

On top of direct Program expenditure should be added the staff costs incurred in supporting the program by the Government of Australia (GoA) and the GoV, as well as indirect costs incurred by both governments. Analysis of DFAT’s Quality at Implementation (QAI) reports and Program planning documents and actual spending suggest that VTSSP Phases 1 and 2 GoA (DFAT) costs\(^{54}\) might be around AUD 0.9 million,\(^{55}\) or around 5.5% of total estimated program costs. A similar proportion of total costs is likely to be incurred by GoA for Phase 3, or around another AUD 0.6 million.

GoV spending on TVET has not risen markedly since 2008, suggesting that direct GoV financial costs attributable to the Program have been small. In late 2014, the Government agreed to fund 3 Provincial Training Co-ordinator positions, with total GoV additional staff costs estimated to be around AUD 120,000 – 150,000.

In addition to these direct GoV costs, the indirect costs include participants’ costs in attending training and income foregone while attending training. In addition there are the costs of GoV Program oversight and participation in Strategic Advisory Group and other Program-related meetings, including official DFAT visits and routine Program reviews and

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52 This assumes that 80% of self-employed participants received a median 10,000 Vt monthly income increase. See also Annex 6
53 The analysis of benefits relates to the ETF, while costs cited are of total costs for all activities.
54 DFAT staff time and other costs borne by the Department to support the program, such as additional travel to monitor and support the Program
55 The difference between a DFAT Final March 2013 QAI figure of AUD 16.656 million and combined Program Completion Report totals (AUD 5.111 million for Phase 1 and AUD 10.626 million for Phase 2)
evaluations. These indirect costs are difficult to quantify in financial terms, but are likely to be relatively small (though significant in terms of working time absorbed) compared to overall Program costs.

5.4. How could Program value for money be increased?

The Phase 3 PDD notes that the Program’s intended development outcomes are “closely aligned and contributing to current Vanuatu national needs and priorities and to the Vanuatu-Australia Partnership for Development.” The evaluation concurs with this view and notes that the Program has delivered against its key targets of: supporting the development and implementation of a national TVET policy, setting up of a national qualifications agency and providing high quality training, support and mentoring services in a growing number of provinces.

The evaluation believes that the following actions could potentially enhance Program VFM.

- Further concentrate resources (training provided) on program activities that M&E reports and market analysis suggest lead to the most sustainable business growth and the largest benefits in financial and community terms e.g. tourism, cash crops.
- Ensure that training follow-up is done on a fully consistent basis, in order to improve longevity of outcomes and sustainability.
- Given the strong provincial focus of support, very small populations and limited availability of equipment, consider facilitating the procurement by trainees of tools and equipment for use in implementing their post-training plans.
- Benchmarking Program activities and achievements, so that incremental improvements could be mapped and lessons learned for Program development. The SABER-WfD diagnostic tool used in Annex 4 is just one possibility.

5.5. Could funds have been spent differently to deliver greater taxpayer ‘value’?

Phase 2 and Phase 3 Program costs amount to AUD 22.0 million between 2008 and mid-2015. A tentative analysis of Program benefits suggests that direct benefits are likely to be at least as large as direct DFAT and Contractor program costs. This view is similar to the VFM findings in the Phase 3 PDD VFM analysis, which suggested a Program Internal Rate of Return of 20% and a Benefit: Cost ratio of 1.1 over the 7 years of Phase 2 due to ETF activities alone. The evaluation supports the PDD recommendation that the VFM of Phase 3 be analysed more thoroughly and be confirmed in a formal VFM assessment – based on improved data on the Program’s financial impact on training participants – which should take place before the commencement of a Phase 4.

The evaluation was unable to assess within the time constraints whether DFAT funds could have better been invested in other Programs in Vanuatu or elsewhere in DFAT’s development assistance portfolio. At the time investment choices were being made on Phase 3 (2011-12), Australian support for Education in the Pacific had four objectives: (i) Ensuring that all Pacific children have access to a basic education; (ii) making sure that education is of acceptable quality (especially in establishing literacy and numeracy and providing a basis for learning beyond primary school); (iii) Enabling young people to have opportunities to gain the skills needed to connect to pathways to further education, training
and employment; (iv) ensuring that increased numbers of young people gain valued professional, technical or vocational qualifications in post-secondary education and training. At that time, the Australian aid program in Vanuatu invested as a pool partner in the Vanuatu Education Road Map to support GoV to improve access, literacy and numeracy of primary school students (AUD 6m in 2012),\textsuperscript{56} in Australian Development Scholarships (AUD 2.2m in 2012) and in Pacific Regional Development Scholarships (AUD 2.3m in 2012).\textsuperscript{57}

However, it is unlikely that the VTSSP funds could have delivered better value if invested in one of these programs or another Vanuatu-based program (e.g. Governance for Growth). It is the evaluation’s view that the M&E data collected by the VTSSP so far and discussions in-country by the evaluation team strongly suggest that the Program has delivered ‘value’ to the Australian taxpayer through both increased participant, family and community incomes, and indirect benefits of such incomes, including increased schooling, access to health care and gift giving.

6. Success factors

6.1. Introduction

This section responds to key evaluation question 2: \textbf{What can be learned about the factors driving the success of the Program?} This question is further sub-divided into nine sub-questions. Responses to two of the sub-questions are provided in Section 3.

A full analysis of each of the remaining seven sub-questions is provided in Annex 8. This section provides an overview of that analysis.

6.2. Value chain approach

Many of the key elements of a value chain approach have been evident over many years in the Program’s sectoral work, especially around improving the quality of relationships within and between sectors. But it was not until the development of the TVET for Tourism sub-program that all these elements came together to form what is referred to in the Evaluation Plan as a value chain approach; an approach that focuses on economic development for poverty reduction by identifying and building vertical and horizontal relationships within industries and between buyers and sellers, using skills development and business support services as the point of entry.

The evaluation found that the application of the value chain approach in the tourism and hospitality sector has been a key factor in the success of that sub-program and benefits have flowed across to other sectors to differing degrees. The Program has made many efforts to contribute to the same level of dynamism and economic growth in the other sectors, and has made some progress in some. But each sector’s value chain has its own characteristics and constraints. What works, for example, for microenterprises in the tourism industry might not work for a self-employed person in the agriculture industry. Not all Government Departments have embraced the value chain concept to the same degree and with the same consistency as the Department of Tourism, noting that different Departments have adopted different forms of decentralisation. However, the evaluation

\textsuperscript{56} Now the Vanuatu Education Support Program with investment of AUD 39.5 million in 2012-2016
\textsuperscript{57} ACER (2014), Table 7.15, p.76
considered that the GoV needs to actively encourage other Departments to partner with the Program to accelerate the development of sector strategies for other sectors using a value chain approach, tailored appropriately to the Vanuatu context.

There would be also merit in the application by other Australian aid-funded programs of a value chain approach to enterprise development. While different programs would use a different point of entry to the value chain, they all should be asked to systematically integrate skills development in order to eliminate skills bottlenecks along the chain.

### 6.3. Decentralised service delivery

Arguably, the most important decision made about the Program in the period 2005-2015 was to transition from the Phase 1 emphasis on the strengthening the TVET system by strengthening TVET institutions at the central level (with varying degrees of success) to the emphasis in Phases 2 and 3 on strengthening the TVET system by demonstrating at a provincial level and through service delivery what an effective TVET system looks like and can do (with considerable success). The demonstration effect has been powerful.

However, this transition is unlikely of itself to have been sufficient to ensure program success. The evaluation found that three other critical factors have contributed.

- A wide-spread desire for the decentralisation system to be improved and a widespread interest in how best to do this.
- Adopting a competitive approach to selecting Provinces to host the TVET Centres.
- Building on and out from the existing national structures in the Provinces (primarily the Provincial Government Training Boards and in the productive sector) and the existing Provincial Government systems and processes.

### 6.4. The M&E System

The current M&E system is producing interesting and useful data and information relevant to a wide range of stakeholders and the Program is sharing it with multiple stakeholders in interesting and creative ways. The Program is using the available material effectively to encourage and facilitate stakeholder reflection and learning as well as accountability. The effective communication of this data to the national and provincial governments and donors has contributed to widespread support for the Program as well as the positive Program outcomes that have been achieved to date.

The evaluation considers that current resourcing of the M&E system is adequate to meet Program goals as currently structured. However, the Program is not resourced to conduct an impact evaluation strictly defined, and the M&E system could be repurposed to collect more outcome data more efficiently.

### 6.5. Communications and relationships

The Program has an effective and innovative communications strategy. The evaluation found that the wide range of multi-channel communication activities have built strong support for the Program, for the TVET system and for the Australian Aid Program at national and provincial levels and also within the business community. At the same time,

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58 See Section 4 for detailed coverage of this sub-question; see also section 6.5 for additional responses.
the communications strategy has been used strategically to acknowledge and promote the achievements of program partners, build local understanding of and commitment to social inclusion for women and people with disabilities and increase program transparency.

While the evaluation confirms the assumption in the evaluation question that the Program’s sustained approach to communications has been a factor in its success, it has also identified a potential risk that the advocacy, marketing and promotional dimensions could begin to influence program reporting and other non-media communications. A clear distinction between communications for advocacy/promotion and objective reporting of Program results needs to be maintained.

6.6. Sustainability Framework

The Program’s Sustainability Framework is taken to be the combination of the Program’s core principles of sustainability and the Program’s Sustainability Index.

Core principles of sustainability running through the Program activities over many years are: (i) minimal additional recurrent costs to be imposed upon the GoV as a result of this Program; (ii) strong emphasis on institutional, organisational and individual capacity development through co-learning, knowledge-sharing and shared review and reflection as well as some formal learning; (iii) deep and genuine commitment to fostering national leadership and ownership (combined with progressive localisation of the Program); (iv) requirements for co-contributions to Program implementation at all levels, in cash or kind, from all beneficiaries; and (v) continuously closing any gaps between the policies, practices and processes of the Program and those of the Government of Vanuatu.

This broad approach to sustainability is strengthened by the Sustainability Index comprising 11 largely qualitative indicators of sustainability for the TVET sector. Annual review by the Strategic Advisory Group (SAG) of progress against these indicators has been more than an accountability device. It has also been a risk management mechanism and has helped to build an appreciation and consensus amongst the key stakeholders (including the Program) of what needs to be done to increase Program sustainability and the constraints to it.

6.7. Graduate Outcomes

A specialist study would be needed to determine precisely what drives the outcomes for Program participants, where they are less than optimal, why and how they could be improved. From a more generalised perspective, and besides the state of the Vanuatu economy and macroeconomic factors affecting growth and employment in Vanuatu, these outcomes are driven by a number of factors, including: (i) learning relevant skills, including language, literacy and numeracy that help participants earn some or more income; (ii) delivery of accredited training and BDS that takes into account learning preferences and the ways in which participants will engage in monetised activity; (iii) support to leverage these skills into income earning activities; (iv) the ability to easily register and develop business activities; and (v) affordable access to further vocational and higher education opportunities.

Factors frustrating the realisation of graduate outcomes include the remote location of some communities, barriers to formalising businesses (taxes, licences etc.); lack of access to finance, tools and equipment; fees charged by educational providers and the lack of practical commitment from some sectors.
Graduate outcomes could likely be improved by targeting training based on a stronger economic analysis of business development opportunities in the end market, improving the quality of a wider pool of trainers and coaches, more intensive follow-up and coaching post-training, removing any obstacles to business formalisation, facilitating formal or informal business networks with the potential to open up new opportunities for participants, and providing access in remoter locations to finance and tools needed to implement action plans.

6.8. Links with other aid programs

The Program has established practical and effective links with a range of bilateral, regional and global programs funded through the Australian Aid Program. These have yielded benefits both for the Program and for its partner programs.

The Program has also collaborated with New Zealand’s aid program in developing improved market access opportunity at the provincial level through the Malampa Call Centre, improving training provider quality through collaborative support provided to the RTCs, and shared planning with regard to Tourism sector development.

Most obviously, these links can supplement the funding available within the ETF, managing the risk that ETF funds will be insufficient to service four (or more) provinces. Three other benefits stand out. First, they leverage off other programs to diversify opportunities and promote innovation within the Program while also offering other programs new opportunities to leverage off VTSSP networks of dialogue, relationships and Centres. Second, they model in a very practical way the multi-sectoral collaboration that is essential to all effective TVET systems. Third, they help the Australian aid program present one face to the market.

The evaluation found that these cross-program and cross-donor linkages have contributed in both tangible and intangible ways to the success of the Program, and are contributing to the success of partner programs bilaterally and regionally as well as enhancing the reputation of the Australian (and New Zealand) aid program in Vanuatu.

6.9. Local Leadership

The Program is a strong example of a locally led initiative, and of how innovations can be achieved when programs are locally led. Following Booth & Unsworth (2014), locally led is used here to mean both:

- Locally owned – that is, focused on issues and problems that have local salience, both for potential beneficiaries and for at least some individuals and groups with the power to support, influence or block change....

- Locally negotiated and delivered – this means giving priority to local leadership and local capacity in the search for solutions to contextually identified problems....

In the context of this Program, the concept of locally led goes beyond the issue of ni-Vanuatu being appointed to all long-term positions within the Program team, important as that is. It also involves two other dimensions. First, the systematic and inclusive engagement of many local actors in the Program, and the Program success in actively brokering relationships of trust between users of training and BDS, service providers and

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59 Booth & Unsworth (2014) pp.3-4
policymakers and building public and private and community coalitions around common interests. Second, it has involved the funding agency (DFAT /AusAID) having the courage to take a back seat in determining what to do and how to do it, and not allowing its own vision to dominate the Program. This does not mean that the Australian aid program has relinquished its responsibilities, but rather that it has avoided crowding out pre-existing local capabilities and has created the space needed for local actors to assume leadership roles and explore and devise feasible change strategies that can address the challenge of building skills for economic growth;

6.10. Ethical, values-based leadership

Many ethical and governance challenges arise in international development processes. Good governance is the cumulative consequence of a long, slow incremental process, and it requires, amongst other things, ethical leadership and institutional integrity.

The Program team is not seen by other local actors simply as a team assembled to implement a project. Throughout the evaluation’s consultations many different stakeholders emphasised that they see the Program team as one of the core TVET institutions in Vanuatu, playing its part alongside MoET, VQA, PGTBs, VCCI, training providers etc. In that sense, how the Program team conducts its work, the rules it follows, the values it promotes and its ethical standard are all central to the TVET system and to the relationship between the team and other TVET institutions. One stakeholder observed that: *We see the seriousness of the staff and the staff recruitment processes... The way the office works shows us good management and administrative practices... It respects and honours who we are, our culture and re-affirms us.*

This evaluation did not have the time, specialist expertise or resources necessary to undertake a deep analysis of the leadership model or code of behaviour adopted by the whole Program team. Nevertheless, the evaluation did conclude that the Program team - individually and collectively - model to the other TVET institutions integrity and ethical values-based leadership for development and, therefore, ethical, values-based leadership is a factor in the Program’s success. This aspect of the Program warrants closer analysis in Phase 4.

6.11. Lessons Learned

In the previous section (and in Annex 8), a range of success factors are explored, each of which offers strategic and operational lessons for design and management of development programs in Vanuatu. Thoughtful and thorough Program documentation over many years provides the necessary evidence that reflection and lesson-learning for continuous improvement are built into the DNA of the Program. Over the years, consistent with the Programs ‘process approach’, these lessons have evolved, been sharpened and systematically applied to program implementation. The Program sets a high standard for lesson-learning.

Rather than provide a long list that simply repeats lessons that are already well-documented by the Program and previous reviews, the evaluation identified what it considered to be the central strategic lessons to be learned from the VTSSP.

1. In decentralised contexts with relatively large rural populations, a simultaneous bottom-up and top-down implementation strategy is more likely to support the development of a ‘joined-up’ TVET system in which the three TVET dimensions of strategy, oversight and service delivery are carefully aligned and mutually reinforcing.
2. Cross-sector cooperation amongst a diverse range of public and private stakeholders is essential to the development of an effective TVET system; where this cooperation does not yet exist, it can be facilitated by programs that are sufficiently nimble to work at national, provincial and sectoral levels simultaneously to create critical breakthroughs.

3. A value-chain approach which links the formal and informal economies but which is grounded in the existing customary order of informality can be a powerful means of transforming sectoral skills development while also facilitating changed behaviour in both economies and fostering private-sector engagement in skills agendas.

4. Programs that focus on long-term transformations but persistently work day-to-day with the grain of local custom and culture rather than from an externally devised blueprint are more likely to achieve their outcomes and be sustainable.

5. An incremental, iterative, participatory and adaptive approach to both system and organisational change in Vanuatu is more likely to ensure those changes are locally sustainable.

6. Consistent, regular, relevant and respectful two-way communication between development programs and country partners helps build consensus and facilitates the emergence of resilient local coalitions and leadership genuinely committed to better development outcomes.

7. Long-term continuity of both program personnel and DFAT personnel in program design, management, implementation and review allows for the growth of deep local knowledge and skills and the development of mutual trust between the Program and its implementation partners.

8. The wider relationship between Australia and partner governments can be strengthened through actions that demonstrate a very long-term commitment to supporting a mutually agreed priority development agenda and in doing so opens up new opportunities to work cross-sectorally both in the country and regionally and enhances Australia’s reputation as a trusted, committed, and knowledgeable development partner.

7. Moving forward: conclusions and recommendations

7.1. Introduction
This section draws together the preceding analysis and findings to inform future design and implementation of Australian support to the TVET sector in Vanuatu. It is organised around the key issues identified by the evaluation.

7.2. Continuing system reform
The balance to be struck at any particular time between focusing externally-funded programs directly on system wide reform and on service delivery is a matter of context, judgement and timing. The very limited success of the Program in Phase 1 in strengthening TVET institutions and achieving strategic policy or system wide reform stands in sharp contrast to its demonstrated success in Phases 2 and 3 in achieving positive changes in these aspects as well as enhancing delivery of training and associated services.
The TVET Centre concept is an innovative service delivery mechanism that can be scaled up by the GoV. It has also provided the Program with leverage into wider policy and system reform including financial allocations. There is however a risk that TVET Centres are being seen as the core of Vanuatu’s TVET system, obscuring the need for continuing systemic reform by the GoV. The Phase 4 design will need to identify further opportunities to make continuing Program contributions conditional upon measurable contributions to reform from the GoV.

The evaluation has concluded that Vanuatu has made steady progress and achieved significant improvements in its TVET system at both national and provincial levels over the past decade and these are evident across many different dimensions of it. However, some fundamental dimensions are lagging. Strategically, the most important of these is the system for financing the TVET system (as distinct from Government co-investment in the Program). Reforming finance is at the crux of how to reform TVET systems.60

The strengths and shortcomings of Vanuatu’s current system for financing TVET are recognised by government officials in and beyond the education sector and are identified in Vanuatu’s national TVET policy. The current TVET system is over-reliant on government and donor funding; its share of GDP is below regional norms; private resources applied to it are low; funding is not aligned to policy priorities; current scholarship spending distorts the development of a balanced tertiary system; and allocation mechanisms are historical and do not provide incentives for improved provider performance, make TVET more relevant to the labour market or drive for gender equality in all forms of TVET. Despite substantial support for the VIT in past years from both Australia and the EU, the main public provider has yet to transition into a modern and competitive tertiary institution. Existing financing flows for the TVET system are complex, as shown in Annex 9.

While Program long-term support for the quality assurance dimension of Vanuatu’s TVET system should continue in Phase 4, the evaluation concluded that, after quality, the dimension of the TVET system most in need of focused support from the Program in Phase 4 is the TVET financing system

**RECOMMENDATION 1**

The MoET and DFAT should task the design team for Phase 4 of the Program to explore in depth if and how the Program could support a strengthening of Vanuatu’s system for financing TVET during Phase 4 in ways that will help the Government of Vanuatu achieve its TVET policy objectives.

The Strategic Advisory Group (SAG) has evolved from a traditional program advisory committee at the start of Phase 2 to what is now described as the key governance/national coordination mechanism of the Program and also the TVET system.61 This evolution has been positive in many respects and the SAG is playing an important part in steering the success of the program and achieving a more coordinated TVET system.

However, in-country consultations undertaken by the evaluation team revealed concerns amongst some SAG participants that their role on the SAG was not evident, and that it was

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60 ADB (2009) pp.24-25
61 Program Annual Plan 2015-2016
not clear what contribution they were expected to make in the meetings. At the same time, the evaluation notes that in a maturing TVET system, progressively more institutionalized mechanisms should be established for coordination across public and private stakeholders and roles and responsibilities of the different stakeholders clarified.

**RECOMMENDATION 2**

The Strategic Advisory Group, with Program support, should review the current roles and responsibilities of the Group and provide advice to the MoET and DFAT on what changes (if any) may be needed to establish a more institutionalised national mechanism for the coordination of the TVET system.

**7.3. Sector-based strategies**

The Provincial skills plans focus on both the productive sector (agriculture, horticulture, forestry, livestock, fisheries, aquaculture) and the services sector (tourism & hospitality, construction & property services and transport & logistics).

The evaluation concluded that the sectoral approach reflected in the TVET for Tourism sub-program has been particularly successful in achieving its outcomes and is having a positive effect both on the sector and the TVET system more broadly. Other sectors have benefited too from the Program’s support to tourism in the provinces. But as Section 4.3 showed, activities in the tourism sector now dominate the Program and outcomes are lower in other sectors, especially in self-reported income changes.

There are many reasons for the apparent gap between outcomes for the tourism sector and outcomes for other sectors, including the nature of the different value chains in the different sectors, level of Program investment, lack of continuity and commitment by some other Government Departments and the availability of suitable and sufficient providers, trainers and coaches. The evaluation acknowledges that the Program has made genuine efforts to establish sectoral partnerships in other sectors such as agriculture, with varying levels of success. Nevertheless, sectoral differentials pose a risk to the achievement of the Program’s outcomes.

The evaluation concluded that the sectoral approach applied by the Program to the tourism sector should be applied to other sectors. The most obvious candidate is the agriculture sector or parts of it, but if that is not yet feasible, another sector should be identified. In the post-cyclone environment, the construction sector may prove viable as might the transport and logistics sector, possibly in association with other Australian aid programs. However, another successful sectoral strategy will only be possible if the GoV holds the relevant Department/s to account for offering the necessary level of active support and for collaborating with the Program to achieve mutually beneficial outcomes.

**RECOMMENDATION 3**

The Government of Vanuatu should commit to developing a second sector strategy based on the value-chain approach used in the Program’s tourism strategy, for implementation from the start of Phase 4 of the Program.

**7.4. Engaging with the private sector**

The Vanuatu National TVET Policy (and therefore the Program) identifies engagement of the private sector in training as a priority and seeks sustainable partnership between Government, private sector and civil society to resource the provision of TVET.
Australia’s aid policy framework reflects an increasing focus on the private sector: as the source of economic growth, incomes and jobs; and as a partner with whom the aid program can work to achieve faster and more sustainable development outcomes. This evaluation follows DFAT’s definition of the private sector:

‘The private sector’ refers to all commercial enterprises (businesses) and includes individual farmers and street traders, small and medium enterprises, large locally-owned firms and multinational corporations. In the context of DFAT’s development program the focus is on businesses operating in developing countries, which includes local firms, Australian businesses with operations or supply chains in developing countries and multinationals.

The Program has systematically and directly engaged with private sector businesses ranging from large international companies such as Carnival to micro-enterprises, with a focus on partnerships that can create jobs, make training more relevant, overcome skills blockages in value chains and leverage additional resources for achieving Program objectives.

At the same time, and in the context of a holistic TVET system, input and feedback from the private sector helps ensure the continued relevance of training services against changing labour market conditions. Where the relationship between training providers and employers is weak, the risk of mismatches in both the quantity and quality skills is present.

RECOMMENDATION 4

Building on its existing efforts, the Program should assist the MoET in Phase 4 to implement its private sector policy objectives by facilitating a deeper and broader engagement of private sector businesses in the Vanuatu TVET system in order to maintain training relevance and achieve a more sustainable funding base for TVET. In support, DFAT should consider ways in which its Governance for Growth program could work more closely with the Program to accelerate private sector economic growth.

There is another aspect of engagement with the private sector that should also be considered. Government provision alone is unlikely to satisfy the increasing demand of learners for vocational skills, especially in a resource-constrained budget environment. Private providers of training, under certain circumstances, can play a valuable role in expanding training provision and giving both youth and adults a wider range of training options beyond public TVET institutions. As indicated in Section 2.5, structured training by firms in Vanuatu is common, but few (if any) such firms are registered providers. While for-profit private TVET providers are common in many countries, there are few in Vanuatu, so the burden of expanding provision in response to growing demand currently falls to the GoV and donors such as Australia.

RECOMMENDATION 5

The MoET and the VQA, with Program support, should consider the constraints to the growth of for-profit private TVET providers in Vanuatu and, where feasible, identify opportunities to address them in Phase 4.

7.5. Take the M&E system to the next level

Based on an examination of qualitative and quantitative data from the Program’s M&E system as well as that collected by the evaluation during fieldwork, there is ample evidence that the Program is making progress toward its end-of-program outcomes at the
national and provincial levels, as well as for individual participants. The existing M&E system is user-friendly and provides useful and interesting data, but it is not yet able to allow definitive conclusions to be drawn about the extent to which participant impacts are being met. Nor is it designed to measure impact strictly defined. The following recommendations are made to allow better evaluation of both outcomes and impacts (and therefore value for money) in the future and to better inform training delivery and program planning.

**RECOMMENDATION 6**

The Program should assign unique identifiers to all participants who complete baseline or participant outcomes surveys to assist the Program to track and analyse trends, and do all that it can to reduce blank and non-response issues in both surveys. This should be done for the remainder of Phase 3 as well as throughout Phase 4.

The evaluation has concluded that the way in which the Program defines outcomes and impacts needs to be reconsidered and that the design of Phase 4 should ensure that the conflation of outcomes and impacts in the current program logic is not repeated.

**RECOMMENDATION 7**

DFAT should ensure that the design of Phase 4 is based on a program logic that clearly distinguishes between outcomes and impacts.

While the Program has attempted to build into its M&E system a way to measure Program impact on its variety of beneficiaries, it has not yet able to establish causation or prove that the impacts would not be present absent of the project. The evaluation concluded that the requirement that the Program collect impact data directs Program resources away from a more useful focus on program outcomes, and toward the considerably more complex and difficult task of measuring impact. Program staff should not shoulder alone the burden of measuring impacts such as income or employment.

This evaluation was not an impact evaluation in the strict technical sense. DFAT will need to consider whether the considerable resources that would be needed to conduct an impact evaluation of the Program can be justified. There are two reasons why the evaluation has concluded that such an impact evaluation should be conducted for Phase 4. The first is that Australia has invested more than AUD 38 million in the Vanuatu TVET sector over the past 18 years. Notwithstanding the relatively small annual investment, it is reasonable to seek a greater level of precision on the impacts of cumulative investment. Second, DFAT is also investing in the TVET sector in other Pacific countries, and an impact evaluation of this Program could be structured in ways to inform these other investments. Advice from the Office of Development Effectiveness in DFAT supports this view.

*Rigorous assessments of end-of-program outcomes and of impact remain a high priority to inform learning and account for the results of public spending on aid. Special arrangements for commissioning and resourcing evaluations specifically designed to look at the long-term impact of aid initiatives should be considered, particularly for high-value investments and/or those that offer broader learning opportunities.*

Impact evaluations are complex and time-consuming, requiring highly specialist technical resources, a point recognised in the original role envisaged for ACER in Phase 3. For

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62 DFAT (2014e)
these reasons, other donors such as DFID and USAID tend to contract them out to independent firms. A well-designed and executed impact evaluation could use a number of approaches to account for the different phases and start-up dates of the TVET Centres, such as difference-in-differences approach, and other quasi-experimental models. However, it would also be important that the GoV conducts the delayed HIES as soon as possible and DFAT could usefully discuss with the Vanuatu National Statistical Office its current plans for to conduct this survey.

RECOMMENDATION 8
DFAT should consider contracting an independent specialist firm to conduct an impact evaluation before the commencement of Phase 4 (baseline), possibly again at midline, and finally at the end of the Phase.

While there is a reasonable belief amongst stakeholders and Program staff that the Program is delivering value for money to the Australian taxpayer, that belief cannot be verified because the program does not provide sufficiently detailed data on direct benefits and very little data on indirect benefits and costs.

With the changes proposed in this evaluation, it should be possible to conduct a credible VFM assessment at the end of Phase 3.

RECOMMENDATION 9
DFAT should consider commissioning a formal VFM assessment at the end of Phase 3, based on improved data on the Program’s financial impact on training participants.

Relieved of the burden of collecting impact data, the Program could focus its resources on outcomes directly attributable to Project outputs, thus improving value and efficiency. By making some targeted changes to the Participant Outcomes Survey, to allow the collection of data from participants during the coaching and follow-up process, a considerably larger sample would be collected for outcomes data, and the system would be more likely to yield real-time and more useful data, allowing for an analysis of Program performance at any given time and an ability to directly address factors contributing to the broader impact of the Program. The TfT process is a model from which this can be designed.

RECOMMENDATION 10
For Phase 4, the Program should modify the Participant Outcomes Survey to collect data from participants in all sectors during the follow-up and coaching process in relation to both accredited and BDS training, and focus on the extent to which participants are applying the skills and competencies learned in training, and identifying the barriers to doing so.

As discussed in Section 4 and Annex 5, preliminary data suggest that the Program is making progress toward the performance benchmark for the Program within the Australian aid investment plan for Vanuatu, but there is not enough data currently to confirm progress accurately against this it.
RECOMMENDATION 11

DFAT should review the current performance benchmark for the Program within the Australian aid investment plan for Vanuatu and either: (a) ensure that the Program’s M&E system is able to provide an accurate assessment of it; or (b) revise the performance benchmark to allow accurate Program assessment of it.

As outlined in Sections 6.9 and 6.10, local leadership and ethical, values-based leadership are considered to be important factors in the success of the Program. This aspect has not yet been analysed in any depth and there would be merit in doing so in Phase 4. There may be an opportunity to do this in a research partnership between the TVET Program, the regional Developmental Leadership Program (which is supported by Australian Aid) and the bilateral Governance for Growth Program.

RECOMMENDATION 12

The MoET and DFAT should task the design team for Phase 4 of the Program to consider the value of initiating a collaborative research program in Phase 4 which explores the role that local, ethical and values-based leadership is playing in improving governance and developmental outcomes in the TVT sector.

7.6. Intersects with other development programs

The evaluation concluded that the current strategic and practical links that the Program has established with Australian-funded bilateral programs (e.g. Law and Justice, Governance for Growth) and regional programs, (APTC, and the Pacific Women program), and with New Zealand aid have been of mutual benefit to those programs as well as the VTSSP. While unable to examine in depth the scope and nature of other bilateral programs in Vanuatu, there may be opportunities to connect the Program into the value chain of the Vanuatu Transport Sector Support Program Phase II, at least in Malekula & Tanna, as initially outlined in the Program Design Document for that Program. Other opportunities are likely to arise as Australian support for cyclone recovery-related construction and the implementation of infrastructure projects is rolled out.

RECOMMENDATION 13

Over the next year, and throughout Phase 4, DFAT and the Program should identify further opportunities for cross-program and cross-donor collaboration at the intersection between the Program and other Australian-funded programs, especially infrastructure programs.

Systems for effectively coordinating donor support in the post-secondary system have not yet been established within the MoET, but it is to be hoped that this will be a function of the new Directorate of Tertiary Education. In the meantime, there may be opportunities for the Program to link with the European Union’s planned support for the Pacific TVET on Sustainable Energy and Climate Change Adaptation project which will be supporting curriculum development and trainer quality, and/or the World Bank Forest Carbon Partnership Facility Readiness Fund in Vanuatu which will be supporting, amongst other things, forest and agriculture extension officers.
SKILLS FOR ECONOMIC GROWTH

Annexes
Annex 1: Evaluation Plan

1. Introduction

1.1. The Vanuatu TVET Sector Strengthening Program

Australia’s support for the technical and vocational education and training (TVET) sector in Vanuatu began in 1997 with a nine-year institutional strengthening project supporting the Vanuatu Institution of Technology and the establishment of the Vanuatu National Training Council (VNTC).

Phase 1 of the Vanuatu TVET Sector Strengthening Program (VTSSP) began in November 2005, focusing on competency based curriculum development and trainer training and rural outreach. The program was substantially redesigned and recommenced as Phase 2 in June 2008.

Phase 2 focused on facilitating decentralised TVET service delivery by local registered training providers within a national quality assurance system, linked directly to provincial economic outcomes. This Phase concluded in February 2013. The Program was the first Australian Aid program in Vanuatu to be fully managed out of Port Vila.

Phase 3 of the Vanuatu VTSSP is designed to operate over a four year period from 2013 to 2016. It focuses on three Key Result Areas:

a) National TVET System;
b) Provincial Skills Development Coordination; and
c) Training, Business Development and Employment.

This evaluation plan is intended to provide a detailed methodology the evaluation team will undertake to establish if and why Phase 3 of the VTSSP has been successful, especially in a context that is often described as hostile to change.

For the purpose of this evaluation, “success” is defined in two ways.

First, by the VTSSP’s end-of-program outcome which are as follows.

1. Ministry of Education and Training (MOET) is restructured
2. MOET & the Vanuatu Qualifications Authority (VQA) more effectively manage and coordinate TVET Sector
3. Improved provincial skills development planning & coordination
4. Increased participation of government (national and provincial), private sector & civil society in TVET in Provinces
5. Provincial Training Boards (PTBs) implement national TVET Policy in program provinces
6. Ministry of Finance and Economic Management (MFEM) and Ministry for Youth Development, Sports and Training (MYDST) allocate recurrent budget to financially support implementation of national TVET policy
7. Participants create employment
8. Participants have increased incomes
9. Participants pursue further education and training
10. Participants access more employment opportunities
11. Participants improve their businesses, collectives and/or associations

Second, program “success” is also defined by the degree to which the assumptions of the program logic have been realized. The program logic is below, where the assumptions are indicated by arrows.

1.2 Collaborative Design Approach

The evaluation plan was designed by the evaluation team in collaboration with the DFAT officers responsible for managing the program on behalf of the Australian Aid Program (AAP). The Evaluation Team Leader has been in ongoing discussions with DFAT Post in Vanuatu and DFAT Canberra since July 2014 regarding various aspects of this evaluation. Over that period, discussions have focused on arriving at Terms of Reference for the Evaluation that would best reflect DFAT’s current and future needs and be also useful to both the Government of Vanuatu (GoV) and VTSSP staff.

DFAT officers at Post worked collaboratively with local, national, and international staff of the VTSSP to develop the Terms of Reference and the Evaluation schedule to ensure the evaluation would contribute to program implementation and address program concerns.

DFAT staff at Post have kept the Government of Vanuatu and the Strategic Advisory Group (SAG) informed on the intent to conduct an evaluation, and on its purpose and scope.
1.3 Intended users of the evaluation

The Australian Aid Program. As the major funder of the VTSSP, the Australian Aid Program has a direct and strong interest in the evaluation. The integration of DFAT and AusAID in late 2013 and the changing education and training sector context in Vanuatu presents an opportunity to evaluate Australia’s investments in the sector since the beginning of the TVET Sector Strengthening Program (November 2006) with a view to informing how Australia could best contribute to the sector beyond June 2016. Australia needs to adjust its programming to respond to changing priorities within its own aid portfolio, the shifting Vanuatu education structural context and the increasing demand for skills development in different economic and social sectors in Vanuatu. The evaluation will also inform the design of the next program of Australian support to the TVET Sector in Vanuatu to be undertaken in the third quarter of 2015. The implications of the tropical cyclone of March 2015 also need to be considered in planning for the next Phase of the program.

This program evaluation coincides with related processes, notably the development of Australia’s Aid Investment Plan for Vanuatu and the negotiation of a new Partnership for Development between Vanuatu and Australia. The Vanuatu Aid Investment Plan will set the broad parameters for sectoral investments, but a review is required to help determine the priorities for investments within those broad parameters, as well as the best modalities for Australian support.

National Government of Vanuatu. The VTSSP facilitates and provides important support for the implementation of the National TVET policy. The direction of its future development is likely to have a significant impact on future national policy implementation. In particular, the Ministry of Education and Training (MoET) and the Vanuatu Qualification Authority are direct beneficiaries of the capacity development efforts of the current program and have a direct interest in its future evolution.

Provincial Governments in Sanma, Malampa and Torba provinces. These three Provinces are direct beneficiaries of the current program, and have a direct interest in how the VTSSP could improve its contribution to provincial economic development through integrated skill development and business development services. These include the Provincial Training Boards which advise the Provincial Governments.

The Strategic Advisory Group (SAG) is the key governance/national coordination mechanism of the Program and, by default, the TVET system as a whole and has a direct interest in the evaluation findings and in advising both the Government of Vanuatu and the Australian Aid Program on responses to those findings.

Current and future program participants who want to maximise the value derived from their participation through increased income and employment opportunities.

Communities / villages served by the Program who may be affected by the findings and subsequent decision-making.

Provincial governments not currently involved in the Program who may have an interest in participating in the future should an opportunity arise, or may have an interest in establishing a similar TVET program within the province. These are Penama Province and Shefa (Rural) Province.
Providers who deliver skills development and business development services into the program include formal Government funded national TVET providers, non-Government providers offering both formal and non-formal skills training and Government ministries and departments who deliver non-formal skills training. All have an interest in the evaluation findings.

Program staff working at national and provincial level who will need to be actively involved in the evaluation to ensure its credibility and who should be able to use the evaluation results to improve the effectiveness and efficiency of the program.

1.4 Summary of evaluation approach

A participatory approach will characterize the evaluation. It will involve direct participants and stakeholders in data collection in order to ensure the findings are sound and the presentation of those findings are contextually relevant, and also strengthen local capacity for engaging in future evaluations and deepen national capacity for evaluative thinking.

The evaluation will use mixed methods (quantitative and qualitative) and multiple data sources in order to discern how impacts (positive, negative, or indifferent) are achieved, how any such impacts vary over time and space (context), and to make recommendations on how the Program could support the future development of the TVET sector in Vanuatu (way forward).

2. Evaluation Design

2.1 Evaluation Objective and Purpose

The objective of this evaluation is to support innovation and development effectiveness by identifying the factors driving success of the TVET Sector Strengthening Program in Vanuatu and how these success factors could apply to future DFAT investments in Vanuatu in and beyond TVET, and in other evolving, complex, and uncertain environments.

The intent is for the evaluation to offer pragmatic, contextually grounded, and do-able recommendations, based on the findings of the evaluation. In turn, these recommendations will inform the design of Phase 4 of Australian support for the TVET sector by providing advice on how Australia could focus its investment in the TVET sector over the coming 4 to 5 years.

2.2 The Key Evaluation Questions

The evaluation will focus on three key evaluation questions.

1. What impact has the Program had since the commencement of Phase 2 in June 2008?
2. Has the Program delivered value for money since it commenced in June 2008?
3. What can be learned about the factors driving the success of the Program?

While the evaluation design is intended to answer each of the three research questions thoroughly and efficiently, the latter two questions are of highest priority in terms of allocation of evaluation time and resources. This is because the existence of prior evaluations, a comprehensive program M&E system, and the limited time frame necessitates that the evaluation team relies largely on existing data to establish program impact rather than
collecting substantial new impact data; and because existing data that addresses the latter two research questions is limited.\(^{63}\)

Each evaluation question is addressed in more detail below:

**Evaluation Question 1: What impact has the Program had since the commencement of Phase 2 in June 2008?**

*Sub questions:*

1 (a) What impacts has the Program achieved since its commencement in June 2008?
1 (b) To what extent would the impacts have been achieved in the absence of Australian support?
1 (c) Are there any intended impacts that have not been achieved, and why not?
1 (d) Have there been any unintended impacts – positive or negative?

For the purpose of this evaluation, “**impacts**” are defined as the degree to which the VTSSP has met its end-of-program outcomes and the degree to which the assumptions behind the program logic were realized.

The evaluation will consider in particular the impacts at national and provincial levels on economies, the private sector and the business environment, and the economic and social impacts on intended beneficiaries: program participants, women, youth and people with disabilities.

In this evaluation, “impact” does not refer to the conduct of an experimental or quasi-experimental methodology whereby the use of a control or comparison group is used to establish causation, or to quantitatively prove if the program inputs “caused” the end-of-program outcomes independent of other variables. The evaluation team will, however, examine all available data from the program M&E and other household and economic data sources to interrogate other variables that may have contributed to program outcomes and support conclusions on the impact of the project.

**Data Collection Methods**

*Semi-structured interviews*, containing a mix of qualitative and quantifiable questions, will be conducted with relevant government, private sector, and program staff and beneficiaries, including members of the SAG. These questions will be focused around establishing the degree to which end-of-project outcomes were met and assumptions behind the program logic were realized.

*Focus groups* of program beneficiaries will focus on establishing the degree to which end-of-program outcomes numbers 7 through 11 were met, as well as establishing how, from the beneficiaries’ point of view, the program can be improved and reach more people with better effect.

*Archival research* will include the selection and analysis of existing reports and data from the program M&E, current and past national and provincial household and economic surveys, DFAT, the SAG, and other relevant sources. The archival research will also include relevant

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\(^{63}\) Meets Standard 5.7 of the DFAT M&E Standards
academic papers, evaluations, and other reports from the education and economic development sectors in the region, including other donors.

**Data Sources:**

- Vanuatu Economic/household surveys (most recent and past)
- Relevant government/ministry bodies including productive sector Ministries
- Strategic Advisory Group (SAG)
- Relevant business and private sector bodies
- Program reports and M&E data
- Program administration, staff, and participants

**Evaluation Question 2: What can be learned about the factors driving the success of the Program?**

**Sub questions:**

**External drivers of change, 2005-2015**

2 (a) What is the TVET Sector context that DFAT is operating in today and how has it changed since the commencement of Phase 1 in November 2005? To what extent have Program efforts contributed to those changes? To what extent would the changes have taken place in the absence of Australian support?

2 (b) How has the Vanuatu Government's role changed over the years? Why?

2 (c) What factors (positive and negative) drive outcomes for graduates of the Program’s vocational education and the employment/enterprise activities? How could graduate outcomes be improved?

**Internal drivers of change, 2005-2015**

2 (d) To what extent and in what ways has the Program’s approach to communication and relationships played a role in the success of the Program and the awareness of its outcomes?

2 (e) To what extent have the links built with other Australian aid programs (e.g. Australia Award Scholarships, Australia-Pacific Technical College, and Governance for Growth business enabling program) contributed to the success of the Program?

2 (f) How and to what extent is the Program’s M&E system contributing to Program performance and improvement? Are data requirements for impact evaluation built into the M&E systems in a way that ensures that high quality data is collected and organized in the format required for evaluation analysis? Is resourcing of the M&E system adequate? To what extent are its findings utilised by decision-makers and stakeholders?

2 (g) How has the decentralisation of service delivery to the provincial level contributed to the success of the Program?

2 (h) To what extent has the Program’s approach of whole of economy thinking (value-chain thinking) been a factor of success?

2 (i) To what extent and in what ways has the Program’s sustainability framework and its approach to sustainability at the national level contributed to the Program’s success?

Building on the analysis by Cox et al (2007) in *The Unfinished State: Drivers of Change in Vanuatu*, this question will be examined through a non-normative approach, considering how things are at present, how they came to be as they are, and what processes of change can be observed. From a political economy perspective, it will assess the interaction among structural features (economic, social and cultural systems), institutions (formal and informal rules and incentives) and actors (individuals and organisations). It will seek to distinguish between external drivers of change (those factors outside the control of the VTSSP) and
internal drivers of change (those factors within the control of the VTSSP) while understanding that the two may not be easily separated.

Data Collection Methods

Semi-structured interviews, containing a mix of qualitative and quantifiable questions will be conducted with relevant government, private sector, and program staff and beneficiaries. These questions will be focused around establishing how contextual (political, economic, social), leadership, communication, cultural, strategic, managerial, relationship, monitoring, and conceptual issues have contributed to end-of-project outcomes.

Focus groups of program beneficiaries will focus on establishing the degree to which end-of-project outcomes numbers 1 through 6 were met, as well as establish how, from the beneficiaries’ point of view, contextual, leadership, communication, cultural, managerial, relationship, monitoring, and conceptual issues contributed to end-of-project outcomes and can contribute to program improvement and expansion in the future.

Archival research will include the selection and analysis of existing reports and data from the program M&E system, current and past national and provincial household and economic surveys, DFAT, the SAG, and other relevant sources. The archival research will also include relevant academic papers, evaluations, and other reports from the education and economic development sectors in the region, as well as information.

Observation of training quality, planning, management and the application of competencies acquired through participation in VTSSP may be possible during provincial visits.

Case Studies will be used to derive lessons as well as explore impact. Three short (2-3 pages) case studies will be prepared as follows

1. Village impact and lessons: This study will examine the social and economic impact of the program on the whole village. It will use site visits, observation and interviews with villagers (male and female groupings) in Sanma (Port Olry), Malampa and Torba. In addition, supplementary interviews in will be conducted by Post and the Program in Tanna during a scheduled visit immediately following the in-country mission.

2. Strategic Advisory Group: To what extent and in what ways has this group contributed to the success of the program? What role has it played in (a) steering the program (b) generating stakeholder engagement at national, provincial and cross-sectoral levels (c) supporting the development of a more ‘joined up’ TVET sector (d) supporting an increased GoV support for TVET?

3. Torba – the first year. Torba is the third TVET centre to be established, with the first two now well-established. This case study will examine impacts and lessons in an attempt to identify the provincial variables influencing its evolution. Based on site visits and interrogation of provincial data where available, it may prove possible to draw some conclusions about similarities and differences between how the program operates in Sanma and Malampa.

Data Sources

- SAG Minutes
- Internal program documents (Program Design Documents, Program Logic, M&E, Annual Plans)
SKILLS FOR ECONOMIC GROWTH

Documents produced independently of the program by GoV, donors (e.g. ADB studies) & others
Key informants (politicians, villagers, students – graduates & current, teachers, administrators, productive sector ministries, employers, others)
GoV policy, planning & budget information re TVET
Program data on graduate outcomes
Existing employer surveys & other labour market information
DFAT data and information on Pacific TVET (e.g. ACER studies of TVET financing)
Program marketing & communication material
Program case studies
Program sustainability framework & strategy

Evaluation Question 3: Has the Program delivered value for money since it commenced in June 2008?
Sub questions:
3 (a) What have been the direct and indirect costs and benefits of the Program over short, medium and long timeframes? Has the Program delivered value for money?
3 (b) How could the value for money of the Program be increased?
3 (c) Could the Australian spending on the Program between November 2006 and 2015 have been spent differently so as to deliver greater ‘value’ to the Australian taxpayer?

A key aim of this element of the evaluation will be to investigate the broader economic and social impact of the program. The evaluation team will examine household survey data, as well as national and provincial-level economic data to ascertain whether the program has led to measurable beneficial outcomes.

Data Collection Methods

Semi-structured interviews, containing a mix of qualitative and quantifiable questions focused around establishing the costs and benefits and hence value for money of the program interventions, will be conducted with relevant government officials, private sector organisations, as well as program staff and beneficiaries.

Archival research will include the selection and analysis of existing financial reports and data from the program M&E, current and past country and provincial household and economic surveys, DFAT, GAD, and other relevant sources. The archival research will also include relevant academic papers, evaluations, and other reports from the education and economic development sectors in the region.

Data sources
Vanuatu Economic/household surveys (most recent and past),
Relevant government/ministry bodies,
Relevant business and private sector bodies
SAG, Program reports and M&E data, financial reports and records
Program administration, staff, students, and graduates
DFAT ODE reports
GoA data from other PESDA-linked evaluations
Other donor programs
2.3 Limitations and constraints of the evaluation

Time frame

Despite very early planning for this evaluation, circumstances beyond the control of DFAT or team members made it impossible to confirm the full team until two weeks prior to the in-country mission. In addition, tropical cyclone Pam put considerable pressure on both GoV and DFAT in the lead-in to the evaluation. As a result, elapsed time did not permit a final Evaluation Plan to be agreed between Post and the team prior to the start of the in-country mission. A draft Evaluation Plan was presented to Post immediately prior to the start of the mission and a final draft submitted to Post at the end of the first week of the mission.

Resources

Despite the intention to have a Government of Vanuatu representative on the Evaluation Team, other demands on national government resources following Cyclone Pam meant that the Evaluation proceeded with a team of three independent international consultants.

Availability of data and research subjects

The effects of Tropical Cyclone Pam may limit the availability of key GoV personnel involved in or responsible for the Program. Because of some uncertainty about the state of the national communications system, the team was unable to assess the availability of key informants until the in-country mission commenced.

The program’s M&E system, together with national statistical data and other data are likely to be sufficient to undertake the evaluation effectively and efficiently.

Political sensitivities

The Government of Vanuatu is strongly supportive of the program and the program has a high level of visibility with Ministers and Members of Parliament and at the provincial level where it operates. There is some sensitivity that the program now has TVET Centres in four of the six provinces and some political pressure to establish centres in all provinces.

Geographic and environmental constraints

On March 13-14, category 5 Tropical Cyclone Pam hit Vanuatu. It was one of the worst disasters to ever hit the Pacific region. Shefa and Tafea provinces were particularly hard hit while other parts of Vanuatu were relatively unaffected. The evaluation proceeded in this context.

The VTSSP operates TVET centres at various stages of maturity across four provinces Malampa, Sanma, Torba and Tafea with its central coordination based in a fifth: Shefa. In the 15 days available for fieldwork, all team members will visit Shefa (Port Vila) and Sanma (Santo). The team will split to allow for visits to both Torba (Sola) and Malampa (Malekula). Time does not permit visits to the very recently established Centre in Tafea.

2.4 Flexibility and Emerging Evaluation Issues

Because the primary research methodologies include semi-structured interviews and focus groups, the research design is inherently able to integrate and address issues as they emerge from research subjects as well as from other archival sources under examination. The
evaluation team will have the flexibility to “go off script” and modify or expand data collection instruments should new issues and subjects emerge in the course of planned data collection.

2.5 Triangulation

Triangulation of data collection methods will be achieved through multiple data collection methods—where similar questions will be asked in semi-structured interviews and focus groups—and multiple informants—where different stakeholders are asked similar questions—so as to strengthen the confidence in the evaluation findings.

2.6 Sampling

The evaluation team will visit a non-random sample of representatives from program beneficiaries and stakeholders in the three locations of the program as well as in the capital, Port Vila. In the case of interviews and focus groups with program beneficiaries, representation in terms of gender, geography, age, disability, and vocational sector (i.e. agriculture, fishing, tourism, etc.) will be sought.

2.7 Data Analysis

Qualitative data from semi-structured interviews, focus groups, and observations will be analysed using a coding and tally sheet method. Detailed notes will first be open-coded from which a set of focused codes or primary themes, will be identified for each question or topic. Each of the detailed notes will be coded using the focused codes. These will then be combined and counted on a tally sheet to determine the dominant responses, themes, beliefs, and attitudes expressed by participants for each of the questions. The tally sheet will facilitate the aggregation of results by position (government official, program staff, instructor, program beneficiary, etc.) gender, age group, geography, and productive sector to determine similarities and differences between these groups. The results will then be reported as findings and conclusions.

Quantitative data collected from the semi-structured interviews, as well as any economic and household data from existing surveys if deemed necessary, will be entered into a spreadsheet or other database program whereupon frequencies and cross tabulations based on position (government official, program staff, instructor, program beneficiary, etc.) gender, age group, geography, and productive sector will be run and reported as findings and conclusions.

Economic and financial data will be analysed using cost-benefit analysis.

2.8 Ethical Issues

The Development Economist and the Evaluation Specialist have no prior engagement with the VTSSP and are fully independent. By way of a declaration of interest, the Team Leader has had prior involvement in the VTSSP through (a) undertaking a strategic review of the program in June 2010 (b) undertaking a short in-country mission in June 2011 to meet with the SAG and provide Post with advice on options for future Australian support of skill development in Vanuatu (c) advice and support to Post on a paper and presentation about the program to an AusAID symposium at the Education and Development Forum (UKFIET) in 2013. However she has had no engagement with the program since June 2013 and no conflict of interest in leading the team.
In the recording and reporting of data and information obtained from the program’s M&E system or from interviews and focus groups, anonymity will be honoured as necessary and data stored and reported in ways that do not inadvertently attribute controversial views to individual informants.

Should other relevant ethical issues arise in the course of the evaluation, then the team leader will determine the appropriate process for dealing with and reporting on them in consultation with DFAT’s Senior Program Manager.

2.9 The process for making judgments

The evaluation team will make professional judgement based on the quantitative and qualitative evidence available or gathered. In relation to the value for money analysis, this judgement will be based on international norms and professional standards for such technical analysis, data permitting. In relation to judgements on program impact, an international standard impact evaluation is not possible given existing data but best efforts will be made to identify proxies and draw plausible conclusions on cause and effect. In relation to lessons, the team will draw on its own professional experience to make a judgment.

2.10 Utilization of findings

Based on the existing evidence, the Australian Aid program has already decided to continue to support TVET through a Phase 4 program. The findings of this evaluation will be used to (a) inform the design of Phase 4 scheduled for the latter half of 2015 and (b) draw out lessons and provide insights that can be used to improve Phase 3 of the program in its final year. The evaluation process will engage widely with decision-makers, managers and beneficiaries throughout. At the end of the in-country fieldwork, the team will present its findings to a broad-based stakeholder group and use feedback to draft the evaluation report.

2.11 Evaluation schedule and work plan

By virtue of unforeseen circumstance rather than the absence of forward planning, the whole-of-team preparation for the Evaluation formally commenced on 28 April, just two weeks before mission commencement. This short lead-in time, while not ideal, is not expected to be an impediment to the efficient and effective conduct of the evaluation. Interaction between the Post, Team Leader and team Members over this two-week period has been ongoing. The work plan has evolved over that period and will be finalised in the first week of the in-country mission when all team members and the DFAT Senior Program Manager will have an opportunity for extended discussions.

2.12 Evaluation team

The evaluation team was originally to consist of four members: three international consultants and a representative of the Government of Vanuatu. However, because tropical cyclone Pam caused such damage across the country, and GoV resources were needed elsewhere, the evaluation proceeded without a GoV representative.

The team composition is:

- Team Leader / TVET Systems Specialist
- Evaluation Specialist
• Development Economist

The M&E technical adviser for the Vanuatu TVET Sector Strengthening Program will serve as an adviser to the evaluation team providing advice on planning the evaluation, providing data and information for the evaluation from within the existing M&E system, and discussing and commenting on preliminary evaluation findings.

Vanuatu Post staff will accompany the team for selected meetings and field visits, at the discretion of the Team leader so that the evaluation’s independence is not compromised.

The following Attachment sets out the team’s initial approach to identifying the most appropriate evaluation design and methods for answering the evaluation questions specified in the Terms of Reference for the Evaluation. This approach will be progressively refined during the first week during which the team will be together before splitting into two groups for the second week.
## Annex 2: List of people / organisations consulted

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Port Vila</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Government of Vanuatu</strong></td>
<td></td>
</tr>
<tr>
<td>Hon. Bob Loughman</td>
<td>Minister for Education &amp; Training</td>
</tr>
<tr>
<td>Jesse Dick *</td>
<td>Director-General, Ministry of Education &amp; Training</td>
</tr>
<tr>
<td>Dick Hopkins *</td>
<td>Ministry of Education &amp; Training; former PEO Torba</td>
</tr>
<tr>
<td>David Lambukly *</td>
<td>Chief Executive Officer, Vanuatu Qualifications Authority</td>
</tr>
<tr>
<td>Sam Sheldon *</td>
<td>Quality Assurance Officer, Vanuatu Qualifications Authority</td>
</tr>
<tr>
<td>Dorosday Kenneth *</td>
<td>Director, Department of Women’s Affairs</td>
</tr>
<tr>
<td>Joe Iutim</td>
<td>Director, Ministry of Youth and Sports</td>
</tr>
<tr>
<td>Georges Borugu *</td>
<td>Director, Department of Tourism &amp; Trade</td>
</tr>
<tr>
<td>Ben Tokal</td>
<td>Statistician (Economic Section), National Statistics Office</td>
</tr>
<tr>
<td><strong>Australian High Commission, Port Vila</strong></td>
<td></td>
</tr>
<tr>
<td>Simon Flores *</td>
<td>Counsellor</td>
</tr>
<tr>
<td>Alison George *</td>
<td>First Secretary</td>
</tr>
<tr>
<td>Christelle Thieffry *</td>
<td>Senior Program Officer – Education</td>
</tr>
<tr>
<td>Yvette Andrews *</td>
<td>Assistant Program Manager - Education &amp; Volunteers</td>
</tr>
<tr>
<td>Jennifer Kalpokas</td>
<td>Senior Program Manager, Governance for Growth Program</td>
</tr>
<tr>
<td>Helen Corrigan</td>
<td>Senior Program Officer</td>
</tr>
<tr>
<td><strong>VTSSP staff</strong></td>
<td></td>
</tr>
<tr>
<td>Fremden Yanhampath *</td>
<td>Team Leader</td>
</tr>
<tr>
<td>May Garae *</td>
<td>Operations Manager</td>
</tr>
<tr>
<td>Kalowie Robert *</td>
<td>TVET Systems Specialist; Gender Equality Officer</td>
</tr>
<tr>
<td>Collin Tavi *</td>
<td>M&amp;E Manager</td>
</tr>
<tr>
<td>Marian Loughman *</td>
<td>TVET System Specialist</td>
</tr>
<tr>
<td>Jamine Makikon *</td>
<td>M&amp;E Officer</td>
</tr>
<tr>
<td>Elton Barley</td>
<td>National Communications Officer</td>
</tr>
<tr>
<td>Lucy Battaglene *</td>
<td>TVET for Tourism Coordinator</td>
</tr>
<tr>
<td>Warren Gama *</td>
<td>TVET for Tourism Coordinator -</td>
</tr>
<tr>
<td>Jenny Dick</td>
<td>Administration Officer</td>
</tr>
<tr>
<td>Libby Lani</td>
<td>Office Support Officer</td>
</tr>
<tr>
<td>Tom Nako</td>
<td>IT Officer</td>
</tr>
<tr>
<td>Peter Morris</td>
<td>Technical Director</td>
</tr>
<tr>
<td>Anna Gibert</td>
<td>Implementation Adviser</td>
</tr>
<tr>
<td>Sara Webb</td>
<td>M&amp;E Specialist</td>
</tr>
<tr>
<td>Sally Baker</td>
<td>Disability Inclusion Adviser</td>
</tr>
</tbody>
</table>
### Name | Position/Organisation
--- | ---
Pascal Gavotto | Tourism & Hospitality Adviser

### Other Stakeholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astrid Boulestone *</td>
<td>General Manager, Vanuatu Chamber of Commerce &amp; Industry</td>
</tr>
<tr>
<td>Arthur Edgel Brookers</td>
<td>Manager, Training Unit, Vanuatu Chamber of Commerce &amp; Industry</td>
</tr>
<tr>
<td>Kath Gray *</td>
<td>Campus Manager, APTC Vanuatu</td>
</tr>
</tbody>
</table>

### Sanma Province

#### Government Officials

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zachariah Daniel</td>
<td>Secretary General, Sanma Province; Chair of the Sanma PTB</td>
</tr>
<tr>
<td>Dr Israel Wore</td>
<td>Department of Livestock</td>
</tr>
<tr>
<td>Dick Tomker</td>
<td>Department of Forestry</td>
</tr>
<tr>
<td>Glen Alo</td>
<td>Department of Fisheries</td>
</tr>
<tr>
<td>Barton Bisiwei</td>
<td>Department of Agriculture</td>
</tr>
<tr>
<td>Ian Baniuri</td>
<td>Department of Tourism</td>
</tr>
<tr>
<td>Gehana Andrews</td>
<td>Santo Information Centre</td>
</tr>
<tr>
<td>Almonique Seule</td>
<td>Santo Information Centre</td>
</tr>
</tbody>
</table>

#### VTSSP Staff

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moulin Tabouti</td>
<td>TVET Centre Manager</td>
</tr>
<tr>
<td>Simeon Bage</td>
<td>Provincial Training Coordinator</td>
</tr>
<tr>
<td>Ruth Seketa</td>
<td>Finance &amp; Administration Manager</td>
</tr>
<tr>
<td>Gloria Stanley</td>
<td>Asst. Finance &amp; Administration Manager</td>
</tr>
<tr>
<td>Sheryl Tamata</td>
<td>Finance Officer</td>
</tr>
<tr>
<td>Pelina Tagaro</td>
<td>Administration Officer</td>
</tr>
</tbody>
</table>

#### Port Olry Villagers

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suzanne &amp; Colin</td>
<td>Farmers; Sylvain (local Restaurant owner); Louisa (local restaurant cook)</td>
</tr>
</tbody>
</table>

#### Other Stakeholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tony Sanle</td>
<td>Lead Farmer &amp; Agriculture Instructor</td>
</tr>
<tr>
<td>Peter Dick</td>
<td>President, Vanuatu Disabled People's Association (DPA)</td>
</tr>
<tr>
<td>Anna Blessing Dolasa</td>
<td>Women's Handicraft Representative, Provincial Training Board</td>
</tr>
<tr>
<td>Jonas Bule Masovish</td>
<td>UN Women in Trades Project officer</td>
</tr>
<tr>
<td>Joel Daniel</td>
<td>Manager, Matahi RTC; member Vanuatu Rural Development Training Centres' Association (VRDTCA) Board</td>
</tr>
</tbody>
</table>

### Malampa Province

#### Government Officials

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Organisation</th>
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</thead>
<tbody>
<tr>
<td>Palen Arthur</td>
<td>Acting Secretary General</td>
</tr>
<tr>
<td>Ben Asmus</td>
<td>Malampa PGTB Vice Chairman and Cooperative Officer</td>
</tr>
<tr>
<td>Name</td>
<td>Position/Organisation</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------------------------------------------------------</td>
</tr>
<tr>
<td>Nicholas Lingtamat</td>
<td>Department of Agriculture</td>
</tr>
<tr>
<td>Tofau Kolsakau</td>
<td>Department of Forestry</td>
</tr>
<tr>
<td>Job Havo</td>
<td>Department of Forestry</td>
</tr>
<tr>
<td>Kevin Morris</td>
<td>Department of Fisheries</td>
</tr>
<tr>
<td>Charles Tari</td>
<td>Department of Livestock</td>
</tr>
<tr>
<td>Malili Malisa</td>
<td>Manager, Malampa Fish and Meat market</td>
</tr>
<tr>
<td>Ednah Paolo</td>
<td>Manager, Malampa Tourism Office</td>
</tr>
<tr>
<td><strong>VTSSP Staff</strong></td>
<td></td>
</tr>
<tr>
<td>Ellis Silas</td>
<td>Malampa TVET Centre Manager</td>
</tr>
<tr>
<td>Dorah Willie</td>
<td>Provincial Training Coordinator</td>
</tr>
<tr>
<td>Tom Ollie</td>
<td>Finance Officer</td>
</tr>
<tr>
<td>Sani Bebe</td>
<td>Administration Officer</td>
</tr>
<tr>
<td><strong>Kona Point Village</strong></td>
<td></td>
</tr>
<tr>
<td>Focus Group 1</td>
<td>8 male farmers</td>
</tr>
<tr>
<td>Focus Group 2</td>
<td>5 female farmers</td>
</tr>
<tr>
<td><strong>Other Stakeholders</strong></td>
<td></td>
</tr>
<tr>
<td>Naomi Malau</td>
<td>Malampa Handicraft Centre</td>
</tr>
<tr>
<td>Assunda Roy</td>
<td>Owner, Lokotoro Palm Lodge</td>
</tr>
<tr>
<td><strong>Torba Province</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Government Officials</strong></td>
<td></td>
</tr>
<tr>
<td>Ketty Napwatt</td>
<td>Secretary General, Torba Provincial Government</td>
</tr>
<tr>
<td>Michael Silona</td>
<td>Chairman PGTB; Torba Provincial Government Planner</td>
</tr>
<tr>
<td>John Antas</td>
<td>Torba Agriculture Extension Officer; PGTB member</td>
</tr>
<tr>
<td>Julia Sagler</td>
<td>Administration Officer, Department of Cooperatives</td>
</tr>
<tr>
<td><strong>VTSSP Staff</strong></td>
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</tr>
<tr>
<td>Albert Ruddle</td>
<td>Centre Manager</td>
</tr>
<tr>
<td>Jimmy Kelvin</td>
<td>Provincial Training / Business Development Services Coordinator</td>
</tr>
<tr>
<td>Monic Silas</td>
<td>Finance &amp; Administration Officer</td>
</tr>
<tr>
<td><strong>Other Stakeholders</strong></td>
<td></td>
</tr>
<tr>
<td>Abraham Balas</td>
<td>Farmer; program participant</td>
</tr>
<tr>
<td>Young Dini</td>
<td>Manager, Rah Paradise Bungalow; program participant</td>
</tr>
<tr>
<td>Robert Isaka</td>
<td>Manager, Leumerus Guest House, Vanua Lava; program participant</td>
</tr>
<tr>
<td>Solomon Dini</td>
<td>Program participant</td>
</tr>
</tbody>
</table>

Note: * Also attended the Stakeholder Feedback Session on 25 May 2015
**Additional Attendees at the Stakeholder Feedback Session 25 May 2015**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Becky Last</td>
<td>Department of Tourism</td>
</tr>
<tr>
<td>Janet Aru Tambeuru</td>
<td>Department of Tourism</td>
</tr>
<tr>
<td>Jerry Spooner</td>
<td>Department of Tourism (Accreditation Division)</td>
</tr>
<tr>
<td>Adela Aru</td>
<td>National coordinator, Vanuatu Tourism Ambassador Programme</td>
</tr>
<tr>
<td>John Gideon</td>
<td>Director Budget - MOET</td>
</tr>
<tr>
<td>Roy Obed</td>
<td>Director Education services - MOET</td>
</tr>
<tr>
<td>Johnson Toa</td>
<td>Acting Director for Tertiary Education - MOET</td>
</tr>
<tr>
<td>Agnes David- Joes</td>
<td>MOET</td>
</tr>
<tr>
<td>Jack Takalo Graham</td>
<td>Acting Principal, Vanuatu Institute of Technology</td>
</tr>
<tr>
<td>Olsen Tma</td>
<td>Vanuatu Institute of Technology Hospitality School</td>
</tr>
<tr>
<td>Michael Busai Naparau</td>
<td>Senior Economist- Treasury Department (MFEM)</td>
</tr>
<tr>
<td>Jonas Arugogona</td>
<td>Principal M&amp;E officer, Prime Minister’s Office</td>
</tr>
<tr>
<td>Paul Nalau</td>
<td>Education analyst, Prime Minister’s Office</td>
</tr>
<tr>
<td>Patricia Fred</td>
<td>Assistant Program Manager - Gender, DFAT</td>
</tr>
<tr>
<td>Carol Dover</td>
<td>Consultant to New Zealand Ministry of Foreign Affairs &amp; Trade</td>
</tr>
</tbody>
</table>
### Table A.1: Total enrolment and trainers in Vanuatu Post-Secondary institutions by institution and sex, 2013

<table>
<thead>
<tr>
<th>Institution</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Government providers</strong></td>
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<tr>
<td>Vanuatu Institute of Technology</td>
<td>316</td>
<td>199</td>
<td>515</td>
<td>30</td>
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<tr>
<td>Vanuatu Institute of Teacher Education (VITE)</td>
<td>133</td>
<td>183</td>
<td>316</td>
<td>16</td>
<td>16</td>
<td>32</td>
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<tr>
<td>Vanuatu Agriculture College (VAC)*</td>
<td>49</td>
<td>13</td>
<td>62</td>
<td>6</td>
<td>5</td>
<td>11</td>
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<tr>
<td>Vanuatu Maritime College (VMC)</td>
<td>644</td>
<td>37</td>
<td>681</td>
<td>10</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Vanuatu Nursing College (VNC)</td>
<td>7</td>
<td>16</td>
<td>23</td>
<td>7</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Vanuatu Police College</td>
<td>20</td>
<td>12</td>
<td>33</td>
<td>11</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td><strong>Private providers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural Training Centres (RTCs)**</td>
<td>731</td>
<td>286</td>
<td>1,017</td>
<td>85</td>
<td>24</td>
<td>109</td>
</tr>
<tr>
<td>University of the South Pacific (USP) Emalus Campus*</td>
<td>1,285</td>
<td>1,183</td>
<td>2,468</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Australia Pacific Technical College (APTC)</td>
<td>967</td>
<td>1,013</td>
<td>1,980</td>
<td>9</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,129</td>
<td>1,457</td>
<td>3,587</td>
<td>89</td>
<td>49</td>
<td>138</td>
</tr>
</tbody>
</table>

* 751 of the USP students are enrolled in foundation courses in Vanuatu which are offered through distance and flexible learning.

** Enrolments in the 31 RTCs are for modules whereas the enrolment figures for the other institutions in the table are generally for full-time two-year courses.

Note: The evaluation was unable to determine enrolments in the Toulouse 1 Capitole University in Port Vila.

Source: Annual Statistical Digest, 2013, MoET (October 2014)
Table A.2: Funding of TVET provision in Vanuatu 2012

<table>
<thead>
<tr>
<th>Source</th>
<th>US$m</th>
<th>% all sources</th>
<th>% all sources excluding APTC</th>
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<tbody>
<tr>
<td>Government grant</td>
<td>3.54</td>
<td>30.8</td>
<td>42.4</td>
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<tr>
<td>Official Development Assistance</td>
<td>6.68</td>
<td>58.1</td>
<td>42.3</td>
</tr>
<tr>
<td>Of which APTC</td>
<td>3.15</td>
<td>27.4</td>
<td>-</td>
</tr>
<tr>
<td>Of which VTSSP</td>
<td>2.1</td>
<td>18.3</td>
<td>25.1</td>
</tr>
<tr>
<td>Of which other</td>
<td>1.43</td>
<td>12.4</td>
<td>17.1</td>
</tr>
<tr>
<td>Student Fees</td>
<td>0.79</td>
<td>6.9</td>
<td>9.5</td>
</tr>
<tr>
<td>Of which VIT</td>
<td>0.71</td>
<td>6.2</td>
<td>8.5</td>
</tr>
<tr>
<td>Private Resource</td>
<td>0.49</td>
<td>4.3</td>
<td>5.9</td>
</tr>
<tr>
<td>of which sale of services etc</td>
<td>0.18</td>
<td>1.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Other sources</td>
<td>0.31</td>
<td>2.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Total all sources</td>
<td>11.5</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Total all sources exc. APTC</td>
<td>8.35</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The ACER (2014) Vanuatu country study did not collect data for the non-government sector (e.g. RTCs and church/mission providers and private providers). Therefore, these data represent an incomplete picture and, as such, are an under-estimate of the total funding for TVET provision in Vanuatu.

### Annex 4: Analysis of the changes in the functional dimensions of the Vanuatu TVET context between 2005 and 2015

#### Strategic Framework
(Alignment between skills development and a country’s national goals for economic and social development)

<table>
<thead>
<tr>
<th>Setting a Strategic Direction</th>
<th>Fostering a Demand-Driven Approach</th>
<th>Strengthening Critical Coordination</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>TVET Masterplan 2003-2010 provides a detailed plan for development of the sector based on directions set in Ministry corporate plans but there is no clear vision for the sector and implementation plan not clear.</td>
<td>Government leadership on TVET emerging from both the political and bureaucratic levels and both levels are increasingly responsive to sectoral and community demand and expectations.</td>
<td></td>
</tr>
<tr>
<td>Uncertainty and confusion among many local stakeholders as to what the purpose of TVET is.</td>
<td>A national TVET Policy adopted in March 2011, led by VNTEC and MYDST, and supported by the VTSSP. Explicit support for the TVET Policy in Cabinet and amongst Ministers, many Departmental heads and Provincial Administrators, although funding of it is not specified, implementation of its objectives is variable and there are no baseline measures or performance targets for many of the indicators. The TVET policy is well-integrated with other GoV plans such as the PAA.</td>
<td></td>
</tr>
<tr>
<td>Limited recognition in government policies and budget allocations of the economic or social value of an effective TVET system.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Fostering a Demand-Driven Approach

| GoV plans including for TVET recognise that a lack of skills is a major constraint to development in the provinces and in priority economic sectors. | Links between TVET and economic development are better understood, most particularly at provincial level and in the Tourism & Hospitality sector and, to a lesser extent, the Agriculture sector. | Provincial Skills Plans offer a useful model for how skills development can be prioritised based on economic assessments and are guiding provincial training delivery. | Long-standing discussions continue within GoV on a national Human Resource Development Plan, possibly by aggregation of Provincial Skills |
| Government policies generally encourage a more demand-led approach to training but strategies to achieve this are not developed. | | | |
| Limited or no formal assessment of Vanuatu’s economic prospects and their implications for skills. | | | |
• Limited role of employers and industry in informing or directing the TVET sector at either system or institutional level.

Plans.
• Industry engagement emerging in some sectors.
• VQA Board includes private sector representative

Strengthening Critical Coordination

• VNTC as the central coordination and quality assurance body has limited capacity and restrictive focus on provider registration. VNTC role described in PDD as emerging, with 2 just staff.

• Management and delivery of Vanuatu’s education and training is the joint responsibility of MoE and MYD&T but key roles and responsibilities for coordinated action on strategic priorities for TVET not well-defined.

• GoV has not created or staffed a unit with clear responsibility for tertiary education, including TVET.

• No effective coordination of skills development efforts at provincial level, and role of the provincial-based MYD&T officers not well defined or understood.

• Limited knowledge across Government of national skills development plans and strategies, the role of VNTC, or linkages needed between the formal and non-formal sectors and with the productive sector.

• The Vanuatu Qualifications Authority (VQA) established in June 2014, replacing the former VNTC. Its 20 legislated functions may be grouped into three broad categories: regulatory functions related to standard-setting and quality assurance; co-ordination and promotion of the post-school education and training (PSET) sector; and monitoring and advisory functions in relation to strategies, priorities, resourcing and overall performance of the PSET sector.

• A new Tertiary Education Directorate established within the MoET with five divisions: Higher Education; TVET Education; Distance and Flexible Learning Education; Teacher Education and Development; and Scholarship Administration. National responsibility for all tertiary education now exercised through one Ministry, providing the necessary coordination of tertiary strategies and programs.

• Advocacy by non-government stakeholders is variable, despite the important contribution of non-state providers (NGOs, firms and professional associations) to the skills development system. However, non-state stakeholders are actively engaged in the policy development, planning and delivery of TVET through the SAG, and the tourism and hospitality industry is an active champion.

System Oversight
(System Oversight (the governance arrangements that shape the behaviors of key stakeholders involved, including individuals, employers, and training providers)• Ensuring Efficiency and Equity in Funding
• Assuring Relevant and Reliable Standards
• Diversifying Pathways for Skills Acquisition
### System Oversight

(the governance arrangements that shape the behaviors of key stakeholders involved, including individuals, employers, and training providers)

<table>
<thead>
<tr>
<th>2005</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ensuring Efficiency and Equity in Funding</strong></td>
<td><strong>Ensuring Efficiency and Equity in Funding</strong></td>
</tr>
<tr>
<td>• The TVET share of the education budget is small, (reportedly 0.7% in 2004) limiting the resource base for any expansion of the formal system or any increases in training quality.</td>
<td>• The TVET share of the education budget remains small, (reportedly 0.6% in 2012). While in 2013 some 16% of MoET’s recurrent budget was allocated to post-secondary education and training, an additional 15% was allocated to GoV scholarships. This total of 31% allocated to post-secondary education &amp; training compares with 31% allocated to secondary education.</td>
</tr>
<tr>
<td>• Government officials determine funding for TVET based largely on ad-hoc or historical budgeting processes.</td>
<td>• Wide acceptance that tertiary scholarship system is in need of reform, but strategies for achieving that objective not yet clear.</td>
</tr>
</tbody>
</table>

| **Assuring Relevant and Reliable Standards** | **Assuring Relevant and Reliable Standards** |
| • TVET provision is often of poor quality. | • The restructure of the Vanuatu National Training Council into the VQA (including role and composition of its Board) and the recent development of the Vanuatu Qualifications Framework have substantially strengthened national oversight of the standards and relevance of the TVET system. |
| • The TVET system has little capacity to provide quality assurance through an accreditation process for equivalent standards that would enable movement of students across sectors and providers. | • Key processes are in place for the quality assurance of recognised qualifications within the training system. |
| • The complexity involved with registration and accreditation by the VNTO acts as a disincentive for training providers to adopt and participate in a more flexible and responsive TVET system. | |

| **Diversifying Pathways for Skills Acquisition** | **Diversifying Pathways for Skills Acquisition** |
| • Options for initial TVET are limited and continuing TVET almost non-existent, particularly for those living and working outside Port Vila and those with limited or no schooling. | • The number of places available at tertiary institutions has grown since 2005 but remains limited. |
| • Limited capacity at the Provincial level in terms of TVET quality, | • The concept of pathways is now better understood, and systems for |

standards and flexible training methods. diversifying them are being developed.

- Pathways between VTSSP accredited training and both APTC and VIT established and used.
- TVET Centres providing a range of support services to women, people with a disability, communities and businesses

<table>
<thead>
<tr>
<th>Service Delivery</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(arrangements for managing the provision of services in order to achieve results on the ground)</td>
<td>(arrangements for managing the provision of services in order to achieve results on the ground)</td>
</tr>
</tbody>
</table>

2005 2015

<table>
<thead>
<tr>
<th>Enabling Diversity and Excellence in Training Provision</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No policy effort or incentives to encourage non-state provision of training or support quality improvement in the non-state provision.</td>
<td>Emerging role for non-state training providers (notably RTCs) to assume greater responsibility for service provision and provide accredited training that improves opportunities or raises standards of living across the provinces.</td>
</tr>
<tr>
<td>Only 3 nationally registered training providers and no provincially-based affiliated trainers for the TVET sector.</td>
<td>The government has not conducted a recent review of its policies on non-state training provision.</td>
</tr>
<tr>
<td>Only limited non-formal training available to rural communities.</td>
<td>Quality assured, nationally accredited modules are being delivered in rural areas. For the first time, residents in provinces with a TVET Centre have been able to undertake training that addresses their economic</td>
</tr>
<tr>
<td>In-house Ministry training not well publicised outside Ministries.</td>
<td></td>
</tr>
<tr>
<td>Limited number of base-level technical courses in a modular format</td>
<td></td>
</tr>
</tbody>
</table>
suitable for use in provincial locations.

- Lack of a unified accreditation and equivalency system for TVET and skill formation.
- Relatively small number of direct TVET beneficiaries within the formal system.
- Technical skills gaps in the rural sector hinder its development. Wide recognition that agriculture and extension services have been ineffective in disseminating knowledge to producers but no skills strategy for the sector in place.

- The correct number of nationally registered training providers as at May 30, 2015 is unknown, but in late 2013, before a VQA de-registration of all providers, 36 were registered. There are at least 150 provincially based affiliated trainers.
- Few significant changes to the total number of private providers or private enrolments operating although the RTC network is trying to respond to strong demand for training from a large youth population and school 'push-outs'.
- Around 31 non-state RTCs offer training, but few are registered by VQA.
- The government provides limited incentives to encourage non-state training provision.
- Neither employment nor funding systems provide incentives for stronger performance by public or private training providers.

**Fostering Relevance in Public Training Programs**

- Little industry and expert input into the design and delivery of public training programs.
- Few professional development opportunities for teachers or managers in public TVET institutions.
- No incentives for training providers to work effectively with the productive sector to enhance the relevance of their programs.
- Public TVET institutions now capable of delivering short competency-based training in provinces, even if they can be reluctant to do so.
- Heads and instructors of public training institutions are recruited on the basis of minimum academic qualifications and they have some, albeit limited, opportunities for in-service training.
- Instructors at public training institutions are more competent, but many still lack appropriate qualifications and expertise in flexible delivery and industry experience.

**Enhancing Evidence-based Accountability for Results**

- Data to monitor and improve program, institutional or system performance not collected or used.
- No evident use of data on participation by students from different backgrounds, attrition, graduation rates, or satisfaction levels (of employers or students) in allocating funding or shaping institutional planning but many training providers maintain their own databases and
• Studies tracking student outcomes from institutional provision rare.
• Administrative data from training providers not routinely collected or reported upon.

provide basic data to MoET annually.
• The collection and analysis of data from providers for managing performance and informing policy development is rudimentary and comprehensive post-secondary data collections not yet incorporated within the VEMIS system.
• GoV imposes no specific data collection and reporting requirements for TVET institutions.
• GoV does not conduct or sponsor skills-related surveys or impact evaluations and rarely uses data to monitor and improve the performance of the TVET or higher education system.

Annex 5: Technical Notes on Program Impact

Note 1: Defining Impact

An impact evaluation, in its standard definition, is a systematic and empirical investigation of the subsequent consequences produced by an intervention; specifically, it seeks to establish whether a project’s inputs have made a difference in the lives of its intended beneficiaries and/or the systems of its target institutions. To establish impact, an evaluation must prove that these differences can be attributed to or caused by the project, and that the differences would not have come to pass absent the project inputs. This would require a concurrent study of a comparison or counterfactual group that has similar characteristics to the beneficiary group, but who were not exposed to the project inputs.

Note 2: Limitations to measuring impact in the Program

The Program is not yet able to establish causation or prove that the impacts would not be present absent of the project. This is because (i) the evaluation sample being collected through the system is not yet large enough to constitute a representative sample; (ii) there is a high non-response rate and/or lack of sample size in some key impact areas such as income, job creation, business improvement, and pursuit of further education and training, as well as an inability to account for participants who undertook multiple training courses; and (iii) the Vanuatu National Household Income and Expenditure Survey scheduled for 2014 has yet to be conducted, upon which the Program will rely to establish counterfactual data.

Note 3: Limitations in the analysis of the HIES

An analysis was undertaken at the end of Phase 2 comparing the 2006 HIES to the one conducted in 2010 in order to contribute data to answer this question, namely by establishing some counterfactual data (Tan, 2012). Though suggestive of positive outcomes attributable to the Program, limitations in the analysis of the HIESs mean that the results obtained have limited value as counterfactual data for two primary reasons:

a) the only explanatory variables used to explain income changes were: (i) a dummy variable for program activity in the Enumeration Area; (ii) another dummy for transport spending; and (iii) a set of summary household characteristic variables. Incomes were likely affected by far more factors than these variables, which is seen in the fact that the equations explain only 25% of the reported variation in income;

b) When the analysis was undertaken, Phase 2 had only been really active for 18 months of the 4 year interval (mid-2009 to late 2010), including start-up activities and testing. This means that attributing income changes to Program activity is a statistical stretch. Research shows that TVET training takes time to be translated into community income growth (probably more than 2 years), so there were likely other 'locality specific' factors contributing to economic conditions in the survey areas.

No HIES survey has been undertaken since 2010, as funding for a new survey has yet to materialize. When a new HIES survey is completed, this data could be used to inform arguments about impact and causation, and address reason (b) above. Challenges outlined in reason (a) however may still remain depending on how a new analysis is conducted as well as the inherent limitations of the survey itself as currently designed.
Note 4: Performance Benchmark, Australian Aid Investment Plan for Vanuatu

The performance benchmark for the Program within the Australian aid investment plan for Vanuatu is **90 per cent of self-employed TVET trainees report higher profits following training by 2017-18**.

The M&E system is not designed to provide an accurate assessment against this benchmark at this time because the system was designed to generate a representative sample only at the end of the phase. While the 2014 Annual M&E Report states that 93% of self-employed participants report increased incomes, this number must be understood alongside some major caveats. First, the Program by its own admission considers all income figures reported to be preliminary and not representative; it is based on only 46 self-employed participants, and then weighted. This number also represents only one year of data, from 2014, and is not cumulative of the Program since 2009. Finally, given the prominence of the TtT activities in this year, any positive trend should be attributed in large part to the coaching and follow-up aspects of its training regime. This has implications for future Program design and costs.
Annex 6: Program Benefit and Costs Calculations

Program Benefits

Number of beneficiaries:

June 2008 – February 2013: 2,905 training participants in 153 accredited training modules up to April 2012 (Phase 2 Final Evaluation, Aug 2012, p.16). At the same rate of training, implies an additional 1,020 trainees till end of Phase 2 in February 2013 i.e. a total of 3,925 training participants in Phase 2.

March 2013 – June 2016: 852 trainees in 2013 and 1,062 trainees in 2014 (M&E Report 2014, p.22). Assuming the same rate of training until the end of Phase 3 in June 2016 (though such an assumption is likely to be an underestimate as Torba TVET Centre opened in mid-2014 and will produce additional trainees) implies a likely total number of 2,870 training participants in Phase 3.

June 2008 – March 2016: Total training participants = 3,925 + 2,870 = 6,795

Benefits derived by participants:

Based on Phase 2 Tracer Study (Phase 2 Final Evaluation, p.31), 16% of those surveyed (n=678) had started a business; 32% improved an existing business. In 12 month Outcome Survey of AT participants (n=200), 77% were self-employed in a business enterprise (family or more formal). 53% of these reported ‘some’ improvement in their business and 29% reported ‘major’ improvements.

According to the 2012 Final Evaluation (p. 33-34):

a) Median estimated monthly income before training = 10,000Vt. 12 months post-training, median monthly income = 20,000Vt.

b) Median number of employees increased by 2 employees.

c) Of the 9% of survey participants who were employed, 5% had got a new job, 3% had received a promotion and 2% had received a salary increase (amount unspecified)

d) 82% of self-employed participants ‘aimed’ to expand their businesses over the next 2-3 years

e) 25% respondents said they had ‘more access to goods’ and 31% had ‘given donations of food or other items’.

Employed:

Pay increase / Promotion: 6795 x 23% = 1563 x 4% = 64 people. Assuming a 20% pay increase (from 10,000 Vt to 12,000 Vt / month) as a result of pay increase / promotion. Gross pay increase = 64 x 24,000 Vt = 1,536,000 Vt per annum.

New job: 1563 x 5% = 78. Assuming a new job paid 50% more than old job at median income (pay increase = 5,000 Vt/month), Gross pay increase = 78 x 60,000 Vt = 4,680,000 Vt per annum.

Total income increase: 6.2 m Vt per annum = 37.3 m Vt, equivalent to AUD 0.43m, in Phases 2 & 3.
Self-Employed:

6,795 x 80% = 5,436 participants receiving an income increase. AT beneficiaries are assumed to be evenly spread across Phase 2 (2009-2013) and the numbers of Phase 3 beneficiaries are taken from M&E reports and projected to mid-2016. Assuming 80% of self-employed participants receive a median income increase of 10,000 Vt / month in year 1 and a 20% per year increase in business income thereafter and that benefits start to be realised in the year after training, the number of beneficiaries gaining extra income is shown in the blue shaded row in the Table below. Income increases are given in rows below for years up to the end of Phase 3:

<table>
<thead>
<tr>
<th>Income Gains</th>
<th>Year 1 (2009-10)</th>
<th>Year 2 (10-11)</th>
<th>Year 3 (11-12)</th>
<th>Year 4 (12-13)</th>
<th>Year 5 (13-14)</th>
<th>Year 6 (14-15)</th>
<th>Year 7 (15-16)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants with extra income</td>
<td>725</td>
<td>725</td>
<td>725</td>
<td>725</td>
<td>680</td>
<td>850</td>
<td>1006</td>
<td>5,436</td>
</tr>
<tr>
<td>Additional income Yr 1 trainees (Vt)</td>
<td>-</td>
<td>87</td>
<td>104</td>
<td>125</td>
<td>150</td>
<td>180</td>
<td>216</td>
<td>862</td>
</tr>
<tr>
<td>Additional income Yr 2 trainees (Vt)</td>
<td>-</td>
<td>-</td>
<td>87</td>
<td>104</td>
<td>125</td>
<td>150</td>
<td>180</td>
<td>646</td>
</tr>
<tr>
<td>Additional income Yr 3 trainees (Vt)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>87</td>
<td>104</td>
<td>125</td>
<td>150</td>
<td>466</td>
</tr>
<tr>
<td>Additional income Yr 4 trainees (Vt)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>87</td>
<td>104</td>
<td>125</td>
<td>216</td>
</tr>
<tr>
<td>Additional income Yr 5 trainees (Vt)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>82</td>
<td>98</td>
<td>180</td>
</tr>
<tr>
<td>Additional income Yr 6 trainees (Vt)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>102</td>
<td>102</td>
</tr>
<tr>
<td>Total Extra Income received (Vt mn)</td>
<td>Nil</td>
<td>87</td>
<td>191</td>
<td>316</td>
<td>466</td>
<td>641</td>
<td>871</td>
<td>2,572</td>
</tr>
</tbody>
</table>

The table shows that by the end of Phase 3 (Year 7 in the table), the 5,436 participants (80% of the total) reporting an income increase have generated a total of Vt 2,572 million or AUD 29.5 million of additional income - equivalent to an average of 473,000 Vt or AUD 5,430 per business owner. This ignores the likely ongoing income benefits from training beyond the end of Phase 3.

To generate total estimated benefits, employment income gains for the 9% of participants who reported employment income would need to be added. To derive total estimated program benefits, benefits beyond the end of Phase 3 would need to be factored in, a discount rate would need to be applied to annual benefits, and benefits examined over a long-term period (usually, 20 - 30 years).

Program Costs

Vanuatu TVET Sector Strengthening Program costs are detailed in Annex 7. Actual Phase 2 costs amount to AUD 10.626 million (June 2008 – February 2013) and projected Phase 3 program costs are AUD 11.408 million (March 2013 – June 2016).

Based on a total of 3,925 training beneficiaries, Phase 2 unit costs (including overheads, capital and management costs) are equal to around AUD 2,700. It is not possible to yet calculate unit costs for Phase 3 costs since the Torba TVET centre has only recently opened and the total number of training beneficiaries in 2015 and 2016 are as yet unknown.
However, given that it looks like there will be fewer beneficiaries in Phase 3 (perhaps between 2,800 and 3,500 beneficiaries) due to more selectivity in trainees, while program costs will be higher, unit costs are unlikely to be lower and may be slightly higher in Phase 3 compared to Phase 2.
Annex 7: Costs of program support to TVET sector in Vanuatu, 1996-2016

Note: This financial data in nominal terms (unadjusted for price inflation) were provided to the evaluation team by the Technical Director and are based on data in the Completion Reports for VTSSP Phase 1 and Phase 2, and the VTSSP Annual Program Plan 2014-15. INTV data are based on the archival records held by the Technical Director.

Table A1: Summary, Vanuatu TVET Program costs 1996-2016

<table>
<thead>
<tr>
<th>Program</th>
<th>Period</th>
<th>Expenditure</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTV ISP Phases 1</td>
<td>Nov 1996 – Oct 1999</td>
<td>AUD4.5m</td>
<td>See Note 3 below</td>
</tr>
<tr>
<td>(actual)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTV ISP Phases 2</td>
<td>Nov 1999 – Oct 2004</td>
<td>AUD5.5m</td>
<td>Phase 2 Annual Plan (see table A.2: INTV) (See Note 3 below)</td>
</tr>
<tr>
<td>(actual)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTV ISP Bridging</td>
<td>Dec 2004- Oct 2005</td>
<td>AUD1m</td>
<td>See Note 5 below</td>
</tr>
<tr>
<td>(actual)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VTSSP Phase 1</td>
<td>Nov 2005-May 2008</td>
<td>AUD 5.111m</td>
<td>Phase 1 Completion Report (see table A.3)</td>
</tr>
<tr>
<td>(actual)</td>
<td></td>
<td></td>
<td>Phase 1 Contract (see table A.4)</td>
</tr>
<tr>
<td>VTSSP Phase 2</td>
<td>June 2008 - Feb 2013</td>
<td>AUD 10.626m</td>
<td>Phase 2 Completion Report (see table A.5)</td>
</tr>
<tr>
<td>(actual)</td>
<td></td>
<td></td>
<td>Phase 2 Contract (see table A.6)</td>
</tr>
<tr>
<td>VTSSP Phase 3</td>
<td>March 2013- June 2016</td>
<td>AUD 11.408m</td>
<td>Table 8.2 Summary Cost Table in VTSSP Annual Program Plan 2014-2015</td>
</tr>
<tr>
<td>(projected)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. INTV project ultimately in 3 stages – initial 2 phases plus a bridging program
2. Overall value – Indicative only - AUD 11m
3. From Phase 2 Annual Plan; proportional split very similar in Phase 1
4. There was a very large capital works component – around AUD 5m for both Phase 1 and 2 (most Phase 1)
5. Bridging program – similar split to other phases excluding capital works component

Table A2: INTV

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Fees</td>
<td>2,247,211</td>
</tr>
<tr>
<td>Unallocated Short Term Advisers</td>
<td>251,340</td>
</tr>
<tr>
<td>Training</td>
<td>357,024</td>
</tr>
<tr>
<td>Procurement (inc. procurement fee)</td>
<td>552,595</td>
</tr>
<tr>
<td>Staffing Support</td>
<td>25,650</td>
</tr>
<tr>
<td>Construction Fee</td>
<td>170,149</td>
</tr>
<tr>
<td>Capital Works</td>
<td>1,896,031</td>
</tr>
<tr>
<td></td>
<td>5,500,000</td>
</tr>
</tbody>
</table>
### Table A.3: VTSSP Phase 1 Actual

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>2,794,405</td>
</tr>
<tr>
<td>Procurement</td>
<td>933,419</td>
</tr>
<tr>
<td>Training</td>
<td>1,307,419</td>
</tr>
<tr>
<td>Other</td>
<td>76,094</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,111,337</strong></td>
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### Table A.4: VTSSP Phase 1 Contract

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<tr>
<td>Regular Payments</td>
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<td>Milestones</td>
<td>1,129,991</td>
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<tr>
<td>TVET Strengthening Trust Account</td>
<td>939,160</td>
</tr>
<tr>
<td>Additional Funds</td>
<td>228,831</td>
</tr>
<tr>
<td>Reimbursable Items</td>
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</tr>
<tr>
<td>Reimbursable Construction</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,139,296</strong></td>
</tr>
</tbody>
</table>

### Table A.5: VTSSP Phase 2 Actual

<table>
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<th>Category</th>
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</thead>
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<tr>
<td>Milestones</td>
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</tr>
<tr>
<td>Reimbursables</td>
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<td>Capital Works</td>
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</tr>
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<td>Totals</td>
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<tr>
<td>ETF</td>
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### Table A.6: VTSSP Phase 2 Contract

<table>
<thead>
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<th>Category</th>
<th>Amount</th>
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</thead>
<tbody>
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</tr>
<tr>
<td>Milestones</td>
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<tr>
<td>Reimbursables</td>
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<td>Capital Works</td>
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<td>ETF</td>
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<td><strong>Total Phase 2</strong></td>
<td><strong>10,949,522</strong></td>
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Annex 8: Analysis of success factors

Value-chain thinking

Evaluation Question 2(h) - To what extent has the Program’s approach of whole of economy thinking (value-chain thinking) been a factor of success?

In considering the extent to which the Program’s approach of whole of economy thinking (value-chain thinking) been a factor of success, the evaluation was unable to identify from the documentation any clear statement of what this Program approach actually is or to determine when such an approach was formally incorporated in Program implementation.

From the wider literature,

...the value chain approach seeks to address systemic constraints in order to enable an industry to exploit end market opportunities. This requires a project to not simply replicate interventions that improve transactions, but to address related but distinct system problems such as the need for new services, standards, advocacy, formal and informal rules and skills development.64

Strengthening value chains involves building the capacity of small-scale producers to move beyond a resource provider function to value added production and to connect them to markets and larger companies. The value chain approach targets individual companies as well as sectors ... Focusing on value chains and clusters is a market based approach to addressing obstacles to market development ....65

A USAID briefing paper identifies the key elements of the value-chain approach and notes that is distinguished from other similar approaches by simultaneously emphasising the following:

- A market system perspective
- A focus on end markets
- Understanding the role of value chain governance
- Recognition of the importance of relationships
- Facilitating changes in firm behaviour
- Transforming relationships
- Targeting leverage points
- Empowering the private sector.66

Many of these elements have been visible over many years in the Program’s sectoral work (agriculture, horticulture, forestry, livestock, fisheries, aquaculture, tourism & hospitality, construction, & property services and transport & logistics sectors) and also in its approach to the TVET sector itself. But it was not until the development of the TVET for Tourism sub-program that all these elements were brought together to form what is now described by the Program as a value chain approach, establishing both vertical and horizontal sectoral linkages using skills development as the entry point.

The development of an action plan specifically for the tourism and hospitality sector was a sound decision, not only because of the active support of the relevant national and provincial

64 Microlinks (2012)
65 Davies, P. (2011)
66 USAID (2008)
government agencies and the private sector, but also because of the importance of the sector to Vanuatu’s economy and the growth potential of provincial tourism.

The evaluation found that the application of the value-chain approach in the tourism and hospitality sector has been a key factor in the success of the sub-program, and the VTSSP more broadly. The Program aspires to achieve the same level of dynamism and economic growth in the other sectors, and has made solid progress in many of them. But each value chain has its own characteristics and constraints, and product and service value chains are different. There would be merit in accelerating the development of sector plans for other sectors using the value chain approach.

There would be also merit in the application by other Australian aid-funded private sector development programs of a value-chain approach that integrates skills development in order to eliminate skills bottlenecks in value chains.67

**Decentralised service delivery**

*Evaluation question 2 (g) - How has the decentralisation of service delivery to the provincial level contributed to the success of the Program?*

Arguably, the most important decision made about the Program in the period 2005-2015 was to transition from the Phase 1 emphasis on the strengthening the TVET system by strengthening TVET institutions at the central level (with varying degrees of success) 68 to the emphasis in Phases 2 and 3 on strengthening the TVET system by demonstrating at a provincial level and through service delivery what an effective TVET system looks like and can do (with considerable success). The demonstration effect has been powerful in a context where many stakeholders had a limited understanding let alone experience of the value of an effective TVET system.

However, this transition is unlikely of itself to have been sufficient to achieve program outcomes. Decentralisation initiatives have a long history in international development and many decentralised service delivery programs fail to deliver on their outcomes. What appears to be the case in this Program is that the shift to a ‘bottom-up’ model of change was consciously planned and implemented in the context of three other critical factors.

- A wide-spread desire for the decentralisation system to be improved and a widespread interest in how best to do this.

  …along with land, custom, and language, since Independence “Decentralization” remains one of the most publicly debated policies in Vanuatu. Decentralization remains as topical today, as successive Governments make Decentralization an integral part of their policies.69

Many of the issues of concern to the people of Vanuatu at central and provincial levels and articulated by the 2001 Decentralization Review Commission, were and are being addressed in microcosm by the Program; issues such as clarifying roles and functions, increasing community empowerment and participation, achieving equal opportunities and gender balance, improving service delivery through central government / local

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67 DANIDA (2009) notes at p.18 that, despite the proliferation of private sector development programs, “…skills training targeted specifically to eliminate bottlenecks in value chains are still a neglected area.”

68 VTSSP Program Design Document Phase 2, p.3

69 GoV (2001), p.29
government partnerships, facilitating grassroots governance and bottom-up planning, enhancing the role for traditional leaders and systems of government; and increasing public accountability and transparency.70

- Adopting a competitive approach to the decision on which Provinces would host TVET Centres, and ensuring it was a National Government decision and not a Government of Australia or a Program decision. Not only did this reward the most meritorious Provinces but it achieved a high level of buy-in by Provincial Governments and Province-based arms of the National Government, and bound those Provinces to the concept of supporting and facilitating decentralised service delivery.
- Building out from the existing VNTC/VQA structures in the Provinces (primarily the Provincial Training Boards), other national government representation in Provinces (particularly in the productive sectors) and the existing Provincial Government systems and processes. While the TVET Centres were a new feature, they were always conceived as facilitators of pre-existing government systems and processes. In this sense, TVET Centres became brokers to maximise the value of existing arrangements rather than a new and parallel system.

The evaluation concludes that while the decentralisation of service delivery to the provincial level has demonstrably contributed to the success of the Program, the context and approach to decentralisation of service delivery was of equal importance.

The M&E System

*Evaluation question 2 (f) How and to what extent is the Program’s M&E system contributing to Program performance and improvement? Are data requirements for impact evaluation built into the M&E systems in a way that ensures that high quality data is collected and organized in the format required for evaluation analysis? Is resourcing of the M&E system adequate? To what extent are its findings utilised by decision-makers and stakeholders?*

This sub-question is considered more fully in Section 4.

Communications and relationships

*Evaluation question 2 (d) - To what extent and in what ways has the Program’s approach to communication and relationships played a role in the success of the Program and the awareness of its outcomes?*

The program’s approach to communication has become increasingly sophisticated since 2008. Phase 2 initially focused on development and implementing marketing plans for the TVET centres, including the conduct of advocacy campaigns with provincial government stakeholders. Phase 2 communications have been judged as successful in increasing awareness about TVET, the services provided by the TVET Centres, the importance of skills development in generating income and employment growth, and successful outcomes from the Program.71 Phase 3 continues to emphasise communications, and the Program employs a full-time Field Communications Officer (a position created in early 2014). Program reporting on communications emphasises national and international media coverage, multi-

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70 Ibid, p.30
71 VTSSP Program Design Document, Phase 3, section 6.5
media case studies on Program outcomes in provinces, for women and for people with disabilities.

The Program’s approach has all the hallmarks of a sound communications strategy: clearly defined and differentiated audiences, clear messages, practical examples of progress and multiple communication channels and methods. The evaluation consultations suggest that these activities have built strong support for the program, for the TVET system and for the Australian Aid program at national and provincial levels and within the business community. At the same time they are strategic instruments that acknowledge and promote the achievements of program partners (such as the Department of Tourism or VQA), build local understanding of and commitment to social inclusion for women and people with disabilities and increase program transparency.

One of the key elements in the diffusion of innovation is communication channels that allow the transfer of information from one unit to the other. Communication patterns or capabilities must be established between parties as a minimum for diffusion to occur. From this perspective, the Program’s communications strategy has been a key factor in the diffusion of the innovations facilitated by the Program.

References to program communications often describe it as a campaign rather than a strategy, as advocacy rather than communications. While the evaluation confirms the assumption in the evaluation question that the Program’s sustained approach to communications has been a factor in its success, it has also identified a potential risk that the advocacy, marketing and promotional dimensions could begin to influence program reporting and other non-media communications and this risk will need to be managed.

**Sustainability Framework**

*Evaluation question 2 (i) - To what extent and in what ways has the Program’s sustainability framework and its approach to sustainability at the national level contributed to the Program’s success?*

For the purpose of this evaluation the Program’s ‘Sustainability Framework’ is taken to be the combination of the core principles of sustainability described above and the Sustainability Index.

Over the period 2005-2015, the Program Design Documents and the associated rolling Annual Plans have strived to design program interventions that have a high probability of sustainable outcomes and impacts. The evaluation found many common threads running through all these interventions. The most significant for the Program’s longer-term sustainability are: (i) minimal additional recurrent costs to be imposed upon the GoV as a result of this Program; (ii) strong emphasis on institutional, organisational and individual capacity development through co-learning, knowledge-sharing and shared review and reflection as well as some formal learning; (iii) practical commitment to national leadership and ownership (combined with progressive localisation of the Program); (iv) requirements for co-contributions to program implementation at all levels, in cash or kind, from all program beneficiaries; and (v) continuously closing any gaps between Program policy, practices and

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73 For example, some Program reports intended to provide objective information about progress lapse at times into promotional language. This tendency is particularly evident in the Annual Program Monitoring and Evaluation Report for 2014
SKILLS FOR ECONOMIC GROWTH

processes and those of the Government of Vanuatu (subsequently described in program documentation as convergence).74

This broad approach to sustainability is strengthened by 11 largely qualitative indicators of sustainability for the TVET sector (now called the Sustainability Index) which are broadly consistent with and reinforce the approach taken since Phase 2. At the end of Phase 2, and each year subsequently, the SAG discusses progress against these indicators. The SAG assessment for 2014 may be presented as follows.

- **Good progress:** Policy; Coordination systems to maximize use of resources; TVET Centres' human resource capacity; Local Ownership/ Empowerment; TVET Centres' human resource capacity; Realistic cost structures; Technology transfer; Communications/information/monitoring & evaluation systems
- **Satisfactory progress:** Politicians aware of success
- **Lagging progress:** Training Providers' capacity; Government Funding; Holistic (whole of Government) approach to economic development

The engagement of the SAG in this process has been more than an accountability device. It has also been a risk management mechanism and has helped to build an appreciation and consensus amongst the key stakeholders (including the Program) of what needs to be done to increase Program sustainability and the constraints to it.

**Graduate Outcomes**

_Evaluation question 2 (c) What factors (positive and negative) drive outcomes for graduates of the Program’s vocational education and the employment/enterprise activities? How could graduate outcomes be improved?_

The Program defines outcomes for graduates as the pursuit of further education and training, increased incomes, and creating and improving businesses. The evaluation cannot with confidence answer the evaluation question on graduate outcomes in the absence of data. Section 3 discusses the current limitations of the Participant Outcomes Survey. A specialist study would be needed to determine exactly what drives the outcomes for actual Program participants and how they could be improved.

From a more generalised perspective, and besides the state of the Vanuatu economy and macroeconomic factors affecting growth and employment in small Pacific Island states such as Vanuatu, these outcomes are driven by a number of factors, including:

- learning relevant skills including language, literacy and numeracy that will help participants earn some or more cash income
- being able to leverage these skills into income earning activities (such as tourism and cash crops);
- the ability to easily register and develop business activities;
- affordable access to further vocational and higher education opportunities.

Factors frustrating the realisation of outcomes include the remote location of some communities, barriers to formalising businesses (taxes, licences etc), lack of access to finance, tools and equipment and fees charged by educational providers.

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74 See Annual Plan 2014 – 2015 (April 2014) for possibly earliest reference to convergence
Graduate outcomes could be improved by careful selection of trainees, targeting training courses on relevant sectors and business opportunities, improving the quality of trainers and coaches, more intensive personalised follow-up and coaching post-training; removing any obstacles to business formalisation, facilitating formal or informal network (business clusters) with the potential to open up new business opportunities for trainees and providing access to finance and tools in remoter locations to implement action plans.

**Links with other aid programs**

*Evaluation question 2 (e) To what extent have the links built with other Australian aid programs (e.g. Australia Award Scholarships, Australia-Pacific Technical College, and Governance for Growth business enabling program) contributed to the success of the Program?*

Australian aid to Vanuatu is delivered through a combination of bilateral, regional and global programs. Australian bilateral aid in Vanuatu has three strategic priorities, consistent with the Australian aid policy: (i) to build better infrastructure and an environment for economic opportunity (ii) to improve early education and essential health services and (iii) to improve community safety and resilience. The VTSSP falls, administratively, within the first objective. The performance benchmark for the Program within the Australian aid investment plan for Vanuatu is 90 per cent of self-employed TVET trainees report higher profits following training by 2017-18. Preliminary data suggest that the Program is making progress toward this benchmark, but the evaluation does not have enough data to confirm progress accurately against this benchmark. Moreover, the M&E system is not designed to provide an accurate assessment against this benchmark at this time.

The Program has established links with both the bilateral and regional programs. The Program is actively working with the bilateral Stretem Rod blong Jastis program and the Vanuatu Women Centre to address issues of gender-based violence and take steps to reduce vulnerability to violence for women who participate in skill development activities and support those who are survivors of violence linked with women's economic empowerment.

It is also working with regional programs notably:

- **APTC**: The Program is partnering with the APTC to facilitate access to APTC courses by provincial candidates; to provide on-going support for the up-skilling of trainers and industry experts through the APTC Certificate IV in Training and Assessment; applying the APTC’s Quality Management System coaching model in support of VQA policies; and using APTC Management courses as an incentive mechanism to encourage appropriate staff allocation to the TVET Division in MoET; and

- **Pacific Women Shaping Pacific Development** program: The Program is partnering with the Pacific Women Program and with the Governance for Growth Program to improve training and employment outcomes for women and girls, with a particular emphasis on increasing their participation in the tourism industry (additional funding of AUD 686,397) and coordinating its efforts with the UN Women’s Markets for Change Program (DFAT 2014c; VTSSP Draft Annual Plan 2015 – 2016, April 2015)

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75 DFAT (2014c)

76 See Technical Note 4, Annex 5
It has also provided advice and support to the development and implementation of other Australian funded TVET programs in the Pacific, notably the Solomon Islands Skills for Economic Growth Program and to the Tonga TVET program.

These linkages have a number of benefits both for the Program and for its partners. Most obviously, they supplement the funding available within the ETF, managing the risk that ETF funds will be insufficient to service four provinces. Three other benefits stand out. First, they leverage other programs to diversify opportunities and promote innovation within the Program while also offering other programs opportunities to leverage off VTSSP networks of dialogue, relationships, and Centres. Second, they model in a very practical way the multi-sectoral collaboration that is essential to all effective TVET systems. Third, they help the Australian aid program present one face to market.

In response to the evaluation question, the evaluation found that these linkages have contributed in both tangible and intangible ways to the success of the Program, and are contributing to the success of partner programs bilaterally and regionally and also are enhancing the reputation of the Australian aid program in Vanuatu.

The evaluation also found that a planned link between the Program and the Vanuatu Transport Sector Support Program - Phase II that seems not to have come to pass.77

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Annex 9: Summary diagram of TVET financing flows in Vanuatu

Source: ACER (2014), Research into the Financing of TVET in the Pacific: Vanuatu Country Report, Figure 6.2, p.6
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