

Vanuatu TVET Sector Strengthening Program

Phase 2 Program Design

*Part 1
Draft*

April 2008

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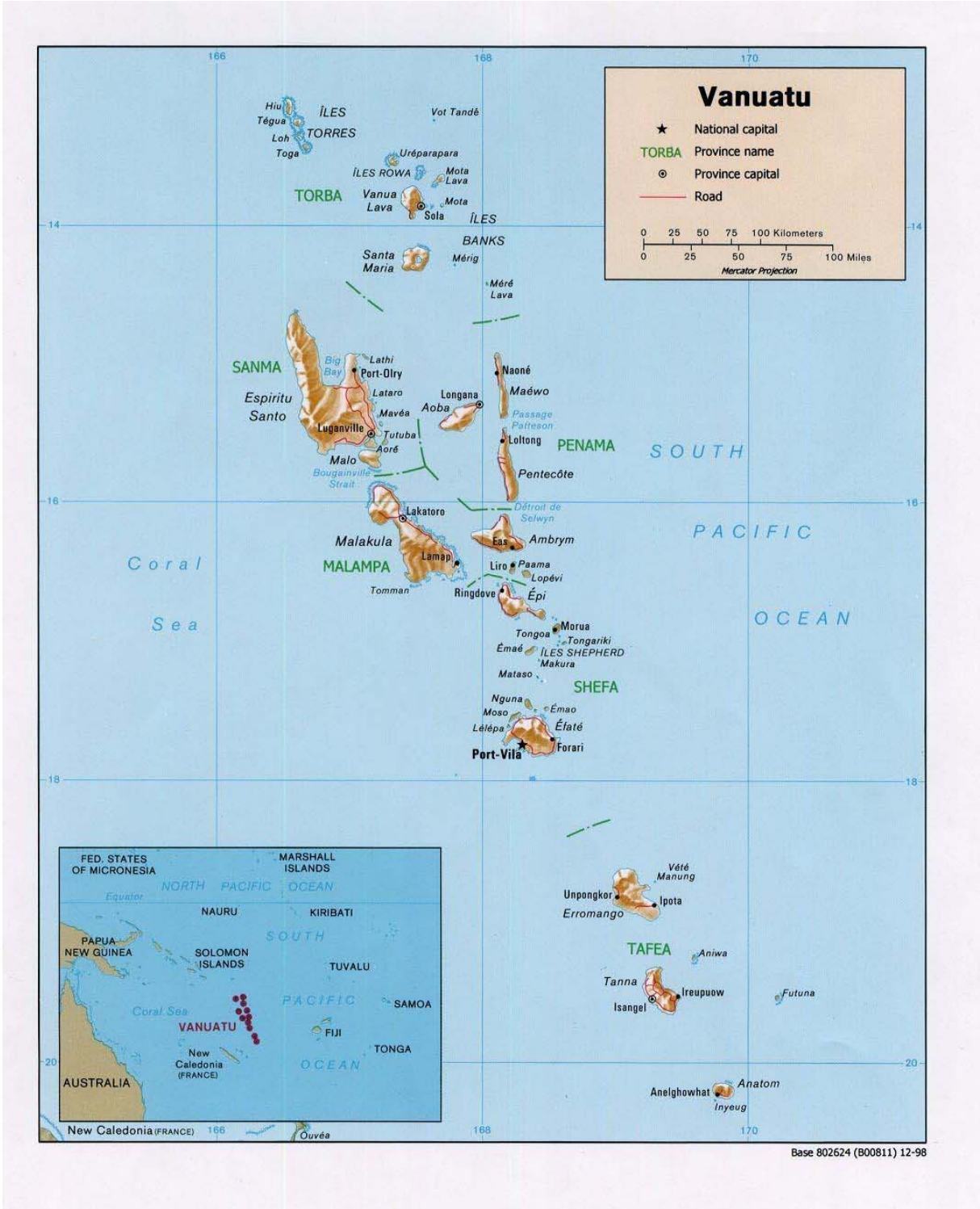
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2. Map of Vanuatu showing provincial boundaries



3. List of Acronyms

ADB	Asian Development Bank
ALMP	Active Labour Market Program
APTC	Australian Pacific Technical College
BDS	Business Development Services
CBO	Community Based Organisation
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CPS	Country Program Strategy
CRP	Comprehensive Reform Program
DESP	Department of Economic and Sector Planning
DG	Director General
ECF	Enterprise Challenge Fund
ES	Employment Services
ETF	Employment and Training Fund
GoA	Government of Australia
GoV	Government of Vanuatu
HIES	Household Income and Expenditure Survey
HRD	Human Resource Development
ICT	Information and Computing Technology
ISS	Informal Sector Survey
KRA	Key Result Area
M&E	Monitoring and Evaluation
MEF	Monitoring and Evaluation Framework
MIS	Management Information System
MoE	Ministry of Education
MYD&T	Ministry of Youth Development and Training
NGO	Non Government Organisation
NSO	National Statistics Office
PAA	Priorities and Action Agenda
PCC	Program Coordinating Committee
PDD	Program Design Document
PEO	Provincial Education Officer
PIFS	Pacific Islands Forum Secretariat
PMP	Performance Monitoring Plan
PTB	Provincial Training Board
QAE	Quality at Entry
REDI	Rural Economic Development Initiative
RTC	Rural Training Centre
SPC	Secretariat of the Pacific Community
TAG	Technical Advisory Group
TISS	TVET Information Systems and Services
TNA	Training Needs Analysis
TPSS	Training Provider Support Services
TVET	Technical and Vocational Education and Training
TVETS	TVET Systems – registration, accreditation, advocacy
USP	University of the South Pacific
VAC	Vanuatu Agriculture College

VANGO	Vanuatu Association of Non Government Organisations
VANWODS	Vanuatu Women in Development Scheme
VATET	Vanuatu Tourism Education and Training
VCCI	Vanuatu Chamber of Commerce and Industry
VEMIS	Vanuatu Education Management Information System
VESS	Vanuatu Education Sector Strategy
VIT	Vanuatu Institute of Technology
VMC	Vanuatu Maritime College
VNCW	Vanuatu National Council of Women
VNTC	Vanuatu National Training Council
VRDTCA	Vanuatu Rural Development Training Centre Association

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4 Executive summary

4.1 Activity origin and design preparation

The Vanuatu Technical and Vocational Education (TVET) Sector Strengthening Program (2005) is a six year program. Phase 1 commenced in November 2005 and concluded at the end of 2007. In August, 2007 an AusAID commissioned Technical Advisory Group (TAG) reviewed Phase 1 and developed a set of principles to guide Phase 2 design. [The TAG Review Report is included as Annex 7.] In addition to the TAG Review, the Phase 2 design methodology has included a number of strategies including desk and field research, extensive consultation, internal and external workshops, and peer review by GRM and TAFE Queensland colleagues.

Situation analysis

Many elements of an effective TVET system are in place in Vanuatu and have been substantially consolidated through the assistance provided by AusAID over the last decade, including Phase 1 of the TVET Sector Strengthening Program. There is a well conceived organisational structure with the Vanuatu National Training Council providing, in principle, a central coordination and quality assurance body and, importantly, decentralisation of operations through the establishment of Provincial Training Boards (PTBs) in all six provinces. As identified by the Technical Advisory Group (TAG) mobilised to evaluate the effectiveness of the Program to date, a significant contribution to the strengthening of competency-based TVET systems within a national qualifications framework has been made during Phase 1, including the development of curriculum, training materials, training facilities, and personnel, particularly in support of the operations of VIT.

However, in accordance with the TAG findings, a shift in Program strategic direction is required that moves from an emphasis on the strengthening of TVET systems through the provision of *inputs*, to a focus on the *outcomes* to which these systems should be contributing. As noted by the TAG, a critical constraint of the original Program Design is a lack of clarity as to the intended outcomes and purposes of the TVET courses and resources developed and supported by the Program. This is mirrored in the ongoing confusion among many local stakeholders as to what the purpose of TVET is and limited recognition within government education policies and budget allocations of the value of an effective TVET system. A renewed emphasis is clearly required on significantly strengthening of the link between the TVET system in Vanuatu and improved economic outcomes for those that access it. This central finding of the TAG review was validated by the views of stakeholders at the initial Phase 2 Design Workshop conducted in November 2007. [See Annex 8]

Below is a summary of the key issues which constitute the constraints and relevant contextual factors to be addressed in the Phase 2 Design and which are consistent with the situational analysis of both the TAG and the local stakeholders at the Design workshop

- **Decentralised training delivery – planning and coordination**
 - There is a need to ensure that i) a TVET system operating in a decentralised context is responding to identified provincial development needs and ii) training programs are implemented within a strategic, collaborative framework, not as isolated ad hoc activities.
 - Existing structures and mechanisms related to provincial HRD planning such as the Provincial Training Board (PTBs) and the Rural Economic Development Initiative (REDI) should be considered in the development of a training system linked to improved economic outcomes, particularly in the interests of avoiding duplication and consolidating previous successes.
- **Productive sector driven training delivery**

- The TVET system needs a greater “demand-side” focus with regard to the provision of skills that are responsive to the needs of the productive sectors, including delivery of courses that are flexible and modularised. TVET training providers need to be supported to demonstrate how their courses and programs will contribute to improved productivity and employment levels.
 - The complexity involved with registration and accreditation imposed by the VNTC has acted as a disincentive for training providers to adopt and participate in a more flexible and responsive TVET system and needs to be addressed.
- **Inter-Program Coordination**
 - The need for implementation strategies that clearly link training delivery with the requirements of the productive sectors is mirrored by the need for greater collaboration and coordination between the TVET Program and other donor activities working to increase productivity levels. A tendency to view the TVET Program as sitting squarely within the education sector, rather than as an essentially cross-cutting intervention that must address a range of social, governance, labour-market and industry-related issues, has minimised the interaction between the Program and other relevant donor assistance.
 - **Measurement, monitoring and evaluation**
 - A shift in Program implementation is not only required in terms of focusing the efforts of training providers on outcomes, it is also required in terms of measuring the effectiveness of Program support through clear specifications of achievable Program outcomes, rather than a series of inputs and outputs. The challenge for the Program is to work with the constraints of employment and labour market information data availability to develop strategies to identify the contribution of the Program to improving employment and income levels and build upon the progress made in relevant baseline data collection initiatives

Strategy Selection

Three broad options for the design and implementation of Phase 2 of the Program have been considered by the Design Team. In short, these can be summarised as follows:

1. Incorporate strategic intent of the three components proposed by the TAG and develop an integrated Program based on a “process-approach” built on existing provincial structures and systems.
2. Adopt 3-component model as proposed by the TAG.
3. Incorporate strategic intent of the TAG Review Document into Phase 1 Program “project-based” component structure, ensuring greater focus on linking training to employment outcomes.

After consideration of the respective advantages and disadvantages, Option 1 has guided the development of this design.

According to the DFID Social Development Handbook, the process approach is particularly appropriate where programs deal with institutions or development issues for which wider objectives for change may be identified and agreed, but for which the exact modalities for achieving the objectives may at the outset be unknown and unknowable¹. These situations require flexible

¹ Department for International Development, Urbanisation newsletter, Issue 1, November 1995

planning which allows interventions to be modified in light of developments over time and the additional information which is gained in the course of implementation.

As noted in AusAID's Quality at Entry Review of Innovative Activity Design² programmatic approaches necessarily entail, in the early stages, a degree of uncertainty with regard to achievable objectives, priorities and the roles and responsibilities of key stakeholders. It is considered that such a programmatic approach will have an increased likelihood of contributing to sustainable economic and social development among rural populations when, in summary, strategies are focused on:

- strengthening the provincial-national governance structures of TVET provision;
- strengthening the linkages between training demand and supply ; and
- an integrated approach to capacity-building at the provincial level.

Lessons Learned

Key lessons learned from Phase 1 of the Program have been clearly articulated in the Phase 1 Technical Advisory Group Review Report. In addition, wide-reaching stakeholder consultations have been conducted in-country by the Design Team with representatives from the government, private and NGO sectors, working at both the provincial and national levels. The primary objective of these consultative workshops has been to obtain the views and perspectives of local stakeholders and beneficiaries as to the strengths and weaknesses of Program implementation to date in order to improve future programming. These initial responses have been incorporated into the design strategies and, in summary, are concerned with:

- lack of clear vision as the role and purpose of a national TVET system
- issues of sustainability of Program interventions;
- need for coordination and collaboration between key departments and organisations both at provincial and central levels early in implementation; and
- limitations of training inputs without strategic Human Resource Development planning.

In light of the considerable resources that have been directed towards strengthening TVET institutions at the central level, with varying degrees of success, the Design of Phase 2 is premised on the assessment that it is now time to provide support to mechanisms that demonstrate how a decentralised system can work in improving economic conditions in rural areas and provide incentives for institutions such as VIT to contribute to this objective through operationalising the capacity building inputs received.

In terms of the types of incentive-based mechanisms that could be used to direct emphasis towards linking training to tangible economic benefits, significant consideration has been given to the implementation of Employment and Training Funds and Business Development Support Services. These mechanisms have been employed in a range of developing country contexts, and the use of incentive and competitive-based devices, including performance-based contracts for service providers, and stimulation of demand-driven services has resulted in tangible positive impact in relation to TVET system reform.

The Design Team has also consulted widely with other providers of TVET assistance who are active in Vanuatu. Particular concern has been taken to learn from experiences of organisations and individuals working with communities at the provincial level.

² AusAID Rapid Review of Quality-at-Entry (QAE) 2004: Innovative Activity Design, June 2005

4.3 Activity description - Program Structure

Goal (Country Program Strategy)
To create long term stability resulting from accelerated development, including broad based growth, and improved welfare of the general population
Strategic Objective (Purpose)
Employment and training services provide increased employment and income earning outcomes for clients
For those accessing TVET Centre services:
<ol style="list-style-type: none"> 1. Increase in permanent, temporary, seasonal jobs 2. Increase in household income 3. Increase in citizens from target provinces reporting improvement in standard of living

Key Result Areas (Components)			
<p>Increased productive activities in selected provinces</p> <ol style="list-style-type: none"> 1.1 increase in co-operative incomes 1.2 increase in number of co-operatives/ firms operating 1.3 increase in production levels 	<p>Increased economic development initiatives identified and pursued by provincial government/ non-government networks together</p> <ol style="list-style-type: none"> 2.1 increase of initiative proposals that demonstrates inter-agency co-operation 2.2 initiatives implemented in a co-operative manner 2.3 improvement in service delivery 	<p>Training providers respond to demand for skills to support productive activities</p> <ol style="list-style-type: none"> 3.1 increase in accredited courses used by training providers 3.2 increase in training providers that are registered with VNTC 3.3 increase in short courses developed that respond to employment market demand 3.4 increase in trainees who found jobs 	<p>Employment and training services (TVET Centres) sustained by GoV in selected provinces</p> <ol style="list-style-type: none"> 4.1 Increase in contribution through provincial budgets for personnel, facilities & recurrent costs 4.2 Increase in demand for E&T Services – gender disaggregated 4.3 Responsive policy and planning processes to support implementation & continuous improvement of E&T services 4.4 TVET Center model replicated in other provinces(s) 4.5 level of successful employment outcomes from programs

Program Outputs			
<p>Provincial Coordination Arrangements:</p> <ul style="list-style-type: none"> o Province Selection o Coordination Arrangements o Implementation o Planning 	<p>Capacity Building :</p> <ul style="list-style-type: none"> o Provincial Training Board o Program Coordinating Committee Executive o TVET Centre Personnel 	<p>Provincial TVET Centres:</p> <ul style="list-style-type: none"> o TVET Centre Establishment o Employment and Training Fund o Business Development Services o Employment Services o TVET Information Systems and Services o Training Provider Support Services 	<p>TVET Systems:</p> <ul style="list-style-type: none"> o Advocacy o Registration o Accreditation

Monitoring and Evaluation

M&E Working Group supported by M&E Adviser and Program team actively involved in action learning cycles informing management policy and planning. Program Management Information Systems data collection and analyses based on: ETF Projects reports, BDS and ES customer survey, stakeholder workshops, case studies, business & coop attitude surveys, stakeholders surveys

Program Overview

It is planned that Phase 2 of the Program be undertaken over four years commencing in May 2008. It will be implemented progressively with Rolling Annual Plans determining the nature and scope of each year of operation. This design provides a level of detail for the first year that will form the basis for consultation and validation during the preparation of the first Annual Plan at mobilisation. A process approach will be adopted based on principles of flexibility, phased implementation, regular review, beneficiary participation, capacity building of existing agencies to deliver program outcomes and innovative and responsive program management. The approach, in contrast to more traditional project based designs, provides for action learning cycles that will enable impact assessment of a variety of small-scale interventions in different provincial locations to be aggregated and for an assessment of overall impacts to be undertaken within the life of the Program.

The Strategic Objective for the Program is:

Employment and training services provide increased employment and income earning outcomes for clients

This objective is based on the primary assumption that an effective, quality based TVET system that is equitably accessible, and responsive to the skill demands of the productive sector, will be a factor in increased employment outcomes for women and men, which, in turn, will contribute to improvements in provincial socio-economic standards of living.

Program activity will focus on the delivery of a number of Key Result Areas (KRAs) that, if achieved, will collectively contribute to the achievement of the Strategic Objective. These include:

KRA 1: Increased productive activities in selected provinces

KRA 2: Increased economic development initiatives identified and pursued by provincial government/ non-government networks together

KRA 3: Training providers respond to demand for skills to support productive activities

KRA 4: Employment and training services (TVET Centres) sustained by GoV in selected provinces

The Program will be organised around four interrelated and integrated focus areas with each area contributing to and building off the others with the sum of activity leading to the achievement of the defined outcomes. The four focus areas are: Provincial Coordination Arrangements; Provincial TVET Centres; Monitoring and Evaluation; and Program Management.

Provincial Coordination Arrangements

The Program will initially run in two provinces. Approaches will be developed and trialled in the two provinces that could be replicated in other provinces over time. Following an extensive information campaign regarding the Program and the province selection process, provinces will be requested to prepare and submit proposals. A selection panel, chaired by the Director General for Education and comprised of senior stakeholder representatives, will select the provinces against agreed selection criteria which reflect provincial inter-agency commitment, planning and economic potential, and readiness to materially make a contribution in support of the Program. The selection criteria will be developed collaboratively with key representatives from the national and provincial level.

The Team Leader and Deputy Team Leader will each be based in one of the selected provinces. Local support staff will be deployed as appropriate and Program offices will be established in spaces provided. The Program will be primarily centred around the Provincial Training Board (PTB), both as the logical focus of a TVET intervention that is supporting the Provincial Councils to implement a coordinated response to human resources and provincial development, and as the most appropriate line of accountability to the GoV. The Program will position itself alongside the PTB with the PTB

Chairperson being the Team Leader’s (and Deputy Team Leader’s) principal counterpart. A Program Coordinating Committee (PCC) Executive will be established as a sub-set of the broader PTB representation. It should be chaired by the PTB Chairperson and include representation from those with specific interests in the productive sector as well as those linked to training provision. Following finalisation of PCC Executive arrangements, an implementation workshop will be conducted to engage with key provincial stakeholders.

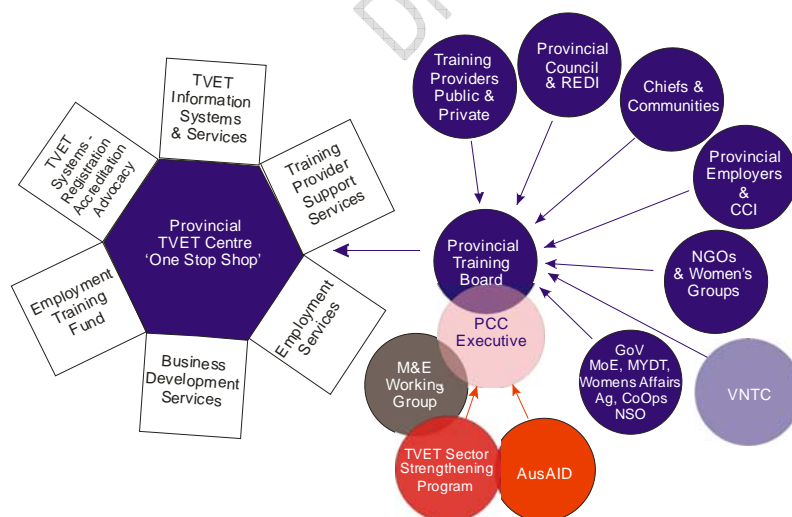
There is an expectation that the PTB, PCC Executive, and TVET Centre Personnel will require capacity building support in order to effectively fulfil their coordination and management responsibilities. A training needs analysis will therefore be conducted and where training needs can be met by Vanuatu training providers, proposals will be sought to design and deliver the required skills development training. This will be an important first demonstration of the proposed TVET Centre role with respect to meeting provincial training demands more generally. That is, the TVET Centre will broker training provider responses to training demand. Technical assistance will be used where training cannot be delivered by local providers.

Provincial TVET Centres

A key step in the achievement of the KRAs is the establishment of a ‘one-stop’ TVET Centre in the two provinces.

These Centres will provide a range of services, strengthen the role of the PTBs and provide a mechanism for improved coordination between authorities and agencies that have a role in productive sector support at the provincial level. The Program will not operate the TVET Centres but will facilitate additional professional resources such as a TVET Centre Manager to enable the PTBs to manage this range of functions.

There are six key functions envisaged for the one-stop TVET Centres. These are illustrated in the following diagram and described in the subsequent paragraphs:



Organisational Arrangements

Employment and Training Fund (ETF): will provide resources to local service providers to deliver employment and training programs, respond to local priorities, and contribute to addressing the lack of demand for labour. The ETF will be a key mechanism to leverage cooperative arrangements and to stimulate improvements in provincial training capacity. An ETF operations manual will detail fund disbursement criteria which will include a demonstrated link to provincial development plans with employment/job generation outcomes. It is expected that GoV will make an increasing contribution to ETF over the life of the Program on a basis agreed with AusAID.

Business Development Services (BDS): a register of employers (business enterprises and cooperatives) will be developed and broad consultation undertaken to define the nature and scope of BDS requirements appropriate within the respective provincial settings. Part of the Employment and Training Fund will be deployed to support outsource arrangement with an appropriate service provider.

Employment Services (ES): will be flexible, and consistent with provincial capacity and development goals. ES can take many forms such as counselling, job clubs, information services, managed traineeships, business networking and the like. The ES element of TVET Centre operations will be outsourced following the same process as outlined for the Business Development Services.

TVET Information Systems and Services (TISS): It is intended to provide computer, printing, fax, photocopying and internet access services within the TVET Centre for individuals and groups contemplating or engaged in business and/or community development activity. Access to these information systems and services in a TVET Centre is anticipated to be a primary mechanism to create an awareness of the range of services provided by the Centre.

Training Provider Support Services (TPSS): support services will be provided to both government and non-government training providers and broad consultation undertaken to identify key areas where support services might be required. It is expected that the areas will include improving training provider capacity to develop and accredit short courses in response to demand for skills relevant to provincial development plans.

TVET Systems (TVETS): The TVET Centre will have a major role in advocating training provider engagement with provincial development plans and employers. It will provide leadership in the development and implementation of quality TVET systems. There will also be the need to promote awareness of the national training system throughout the broader community and demonstrate the benefits accruing to trainees. Particular emphasis will be placed on developing communication strategies that promote the value of women's participation in the TVET system.

While the selection of provinces will include the provision of a space for a TVET Centre as a selection criterion, local contractors will undertake refurbishment needed to accommodate the various functions envisaged for the Centre. An Information and Marketing Plan will be developed incorporating strategies to engage with potential beneficiaries in both the formal and informal economies and should demonstrate linkages between each of the aspects of TVET Centre operations outlined above.

Program Management

The process approach envisaged for the Program will require innovative and responsive program management which is both flexible and participatory. Senior managers will need to maintain appropriate and readily accessible documentation to meet not only accountability and transparency requirements but to also ensure that the evolution of thinking is understood and existing knowledge from earlier analysis is efficiently and effectively fed into subsequent design steps. A Program Procedures Manual will be developed by the senior management team within the first three months of operations. It will specify quality standards and include standard operating guidelines.

4.4 Monitoring and Evaluation Strategies

The Program Monitoring and Evaluation system addresses both accountability and learning needs for internal and external audiences and is designed to systematically collect information about the Program's progress in order to evaluate and improve its effectiveness and impact over time. The uniqueness and magnitude of the Program in the Vanuatu context demands a solid M&E to document the Program experience and distil lessons to inform a continuous improvement process. In

many ways the Program is pioneering an approach for AusAID programs in Vanuatu and the Pacific region and offers a potential model for future development efforts. Therefore, findings from the Program have to be fully monitored, documented and evaluated.

The M&E system is comprised of:

- an M&E Framework (see Annex 1), linking anticipated activities to the TVET Program Strategic Objective and Key Results Areas; and
- a Performance Monitoring Plan (PMP) (see sample PMP Annex 2), that identifies the performance indicators and associated information needs that will apply across the Program in order to make judgements about the impact being achieved as well as offer pertinent information to be fed into the Program Management Information System (MIS).

The overall strategy and approach for the M&E in Phase 2 is based on five equally important principles:

1. Build Local Capacity in M&E

The M&E approach is designed to build local capacity to enable ongoing evaluation of Program initiatives long after Phase 2 has ended.

2. An Integrated Approach to gathering and exchanging information

The Program M&E activities are designed to integrate with GoV strategic documents, the AusAID Country Program Strategy (CPS) and the Pacific Plan. The integrated activities will ensure that pertinent information is available to all parties on a continual basis, and that the report on progress-to-date is fed into the national or regional strategic documents.

3. An Iterative Approach to M&E

There are several important design features of the TVET Program Phase 2 which present unique challenges for monitoring and evaluation. These include the need for maintaining flexibility in a rapidly changing environment, the process approach incorporating a broad range of activities unknown at this design stage that will be developed as a result of the Employment and Training Fund (ETF) and other provincial and Program initiatives.

The Program through the ETF will be characterised by a range of small and diverse interventions over an extended period of time. Each Activity under the ETF will be identified and approved, then undertaken because it is regarded as a discrete strategic initiative which will have a significant (or 'strategic') impact upon the Strategic Outcome, the KRAs or the sector.

Aggregation of results from multiple interventions will enable the M&E Working Group the means to detect change at the Strategic Objective and KRA levels. This information will provide for ongoing learning so if outcomes of the intervention do not begin to emerge as envisaged, early reflection and re-allocation or re-planning can be done. It provides the Program an opportunity to respond to unexpected failure and success within the lifetime of the project.

4. Community Participation

Phase 2 M&E activities have been designed to encourage industry, community-based organisations (CBOs), NGOs and citizens to become engaged in shaping program activities through mechanisms such as: periodical stakeholder surveys that will be conducted as part of M&E activities; participation in the Program workshops and conferences; and improved communications in assisted provinces and communities.

5. Open feedback and exchange of Program's M&E Information among stakeholders

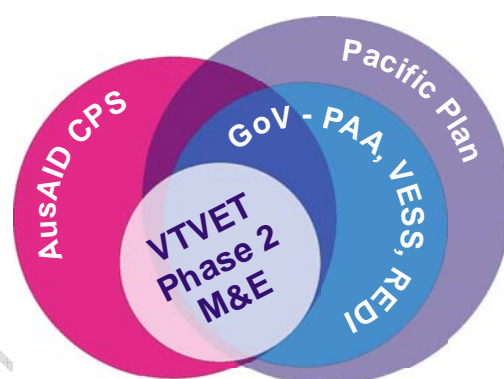
The M&E Framework has established indicators for the Strategic Objective and Key Result Areas to measure progress and report at these levels. The implementation of the Performance Monitoring Plan will require the development of an M&E Plan that will include description of data collection tools such as survey instruments, the persons/agencies responsible for data collection and the schedule of activities. The development of the M&E Plan will be done in conjunction with the M&E Working Group as an important first step in building the capacity of provincial personnel to be actively involved in M&E activities.

The information generated through the M&E process will inform the Program's annual plans and the M&E analysis reports which will be provided to the Program Coordinating Committee, AusAID and key stakeholders.

4.4.1 Levels of Monitoring and Evaluation

As indicated in section 8.1 and illustrated in the diagram at right, Phase 2 will integrate its M&E approach at the Program level with GoV, GoA and Regional performance frameworks as follows:

- Priorities and Action Agenda (PAA) – Vanuatu Department of Economic and Social Planning (DESP)
- MoE Vanuatu Education Sector Strategy
- MYD&T Corporate Plans are under preparation.
- AusAID's current Vanuatu Country Program Strategy (CPS).
- The Pacific Plan



Program progress – quality procedures, continuous improvement and accountability

The focus of the M&E at the Program level is to ensure continuous improvement of Program management and implementation through corrective action made in light of the results of the data and feedback collected. Objectives, indicators and means of verification have been established against the four Key Result Areas. They provide accountability against both the contractual delivery of Program outputs and the achievement of Program objectives, and will also facilitate identification of causal linkages between Program activities and Key Result Areas. The M&E Framework and the sample Performance Monitoring Plan provide comprehensive detail of the proposed structure and approach to Program level performance assessment.

4.4.2 Methods for and Sources of data collection

The Program will benefit from a range of perspectives from different sources, internal and external to the Program. Reporting on the achievement or otherwise of the Strategic Objective and Key Result Areas will draw on a range of methods and approaches including qualitative social research methods (description and narrative, such as case studies and focus groups); organisational development and change concepts, and basic 'input-to-output-to-result' reporting. Multiple methods and multiple indicators as well as triangulation³ are proposed to overcome problems arising from reliance on a single method or single data-set. Specially designed surveys will also be used to report at the Strategic Objective and Key Result Area levels.

³ Triangulation is the process of establishing the accuracy of information by collecting and comparing three or more independent data sources or perspectives.

4.5 Benefits, risks and justification

Benefits, Risks and Justification

It is expected that Phase 2 of the Program will significantly strengthen the capacity of the GoV to manage and implement a national training system that is responsive to provincial development needs. Through its focus on the alignment of training delivery with measurable economic outcomes and the provision of incentives for training providers to work effectively with the productive sector, it is anticipated that the Program will contribute to a tangible increase in productivity and the income levels of its beneficiaries. While the Program will initially operate in two provinces, there is an assumption that successful small-scale interventions will be replicated and extended nation-wide, thereby increasing the breadth of Program impact. The focus on strengthening links between national and provincial bodies and building the capacity of provincial agencies to work collaboratively in the development of HRD plans will contribute to a more coordinated and strategic TVET sector.

A number of risks have been identified in the design of Phase 2 of the Program. Significant risks relate to the capacity of the VNTC to manage a fully decentralised system with well resourced and well trained PTBs, and to facilitate registration and accreditation processes that are contextually appropriate. The effectiveness of Program interventions will also depend heavily on meaningful inter-agency collaboration, particularly between agencies with a focus on the productive sectors where there is **demand** for skills and those agencies associated with education and training and the **supply** of skills, and the willingness of provincial bodies to adopt a cooperative approach to HRD planning and reform. A Risk Management Matrix has been drafted against a number of key risk categories and will be reviewed regularly as part of the Annual Planning process.

On balance, the Design Team considers that the expected outcomes of the Program significantly outweigh the potential risks inherent in its implementation and that the proposed risk management strategies are realistic.

5 Activity preparation steps

5.1 Activity origin and design preparation

The original design for the Vanuatu Technical and Vocational Education (TVET) Sector Strengthening Program (2005) envisaged a six year program horizon with a detailed plan for the first two years and subsequent activity being based on rolling Annual Plans.

Phase 1 commenced in November 2005 and concluded at the end of 2007. In August, 2007 an AusAID commissioned Technical Advisory Group (TAG) reviewed Phase 1 and developed a set of principles to guide Phase 2 design. These principles were:

VISION: *Need to clarify the vision and strategy for development of Human Resource Development (HRD) and formal and non-formal TVET and roles of related institutions as part of an overall human resource strategy.*

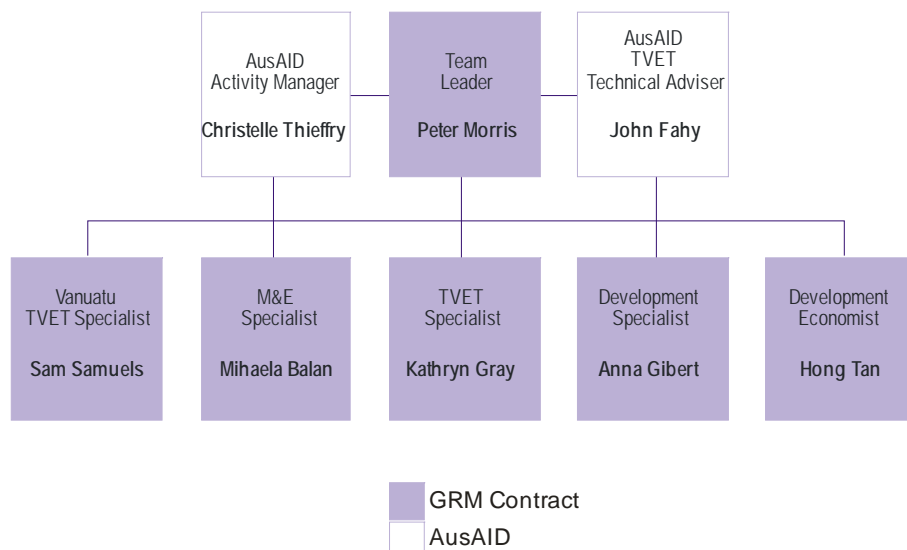
OUTCOMES: *Need to move from supporting inputs to focus on TVET outcomes, including sustaining and delivering employment and training services and measuring impact of TVET.*

SYSTEMS: *Need to remove disincentives for use of competency based instruction and continue to support dissemination and use of material to improve the quality of TVET and access by citizens to lifelong learning in TVET.⁴*

The TAG also recommended that the Phase 1 contractor⁵ prepare the design for Phase 2 and, subject to approval, implement the design on a rolling annual plan basis over a four year period. [The TAG Review Report is included as Annex 7.]

5.2 Study team and method

In response to the TAG recommendations, AusAID commissioned GRM to prepare the design for Phase 2. The composition of the design team is outlined below:



⁴ TAG Exit Presentation, September 2007

⁵ GRM International Pty Ltd

6 Analysis

6.1 Development context

Socio-economic & cultural context

Vanuatu consists of 84 Islands, 1000 km from north to south accessible by air and sea. In 2005 the country had just over 200,000 people and was growing at an average rate of 2.6%. There are 28 airstrips on 19 of the most populated Islands. Many of the smaller Islands are accessible by sea, however in the more remote locations ships are irregular with some Islands receiving supply ships only once or twice a year. Many communities exist in extremely remote locations with minimal access to basic services such as health, education and training.

There are more than 100 languages spoken in Vanuatu including English, French, Bislama and myriad local languages and dialects. The 2007 Literacy survey conducted by the University of the South Pacific (USP) identified low literacy rates of just 37%⁶.

Infrastructure such as telecommunications and electricity is limited in rural areas with many communities sharing one public telephone and having little or no electricity. Also access to urban infrastructure and resources is limited due to the high cost and irregularity of inter-Island travel and shipping.

The means of global trading is through the vatu, however many rural communities have limited or no formal money. Trading continues to take place in traditional ways using mats, pigs and shells. Village governance, and law and order remain to a large extent the role of the community chiefs (Malvatumauri) and many rural communities continue to trade and govern using traditional methods or kastom.

Vanuatu has experienced strong economic growth between 2003 – 2006, driven largely by foreign investment in tourism and land development in Port Vila and Luganville⁷. While growth is strong there has been little impact on the majority of Ni-Vanuatu as 80% of the population live in rural areas. These communities operate predominantly in informal and subsistence economies with low rates of participation in the formal sector. According to the 1999 Census, 72% of those employed in the informal sector were engaged in subsistence agriculture while 28% were working in the cash economy⁸. The inability to achieve economies of scale in production and transport and an inconsistent regulatory environment has resulted in a lack of income earning opportunities and the skills to enable the rural majority to improve their standard of living. Vanuatu is also experiencing an increase in population especially in urban areas of Port Vila and Luganville⁹ due mainly to ‘urban drift’ and the lure of perceived opportunities in the town centres.

While hunger as a poverty indicator is not a key concern in Vanuatu, many rural communities experience hardship in the form of access to basic services such as health, education and training, roads and clean water supply. The 1998 Household Income and Expenditure survey indicated that 40% of households in Vanuatu have incomes below the national poverty line¹⁰.

The ratio of girls to boys in schools has been improving with 94 girls to 100 boys participating in primary school in 2002. However, female participation rates in post school education and training or

⁶ Robert Early, Helen Tamtam, “Literacy Survey”, University of South Pacific, 2007

⁷ Marcus Cox et al, “The Unfinished State. Drivers of Change in Vanuatu”, 2007

⁸ Paul Brady et al, “Technical Vocational Skills Development in Vanuatu, Technical Assistance for Implementation of Pacific Education Strategy: Skills Development”, 2006.

⁹ Ministry of Finance and Economic Management, “Priorities and Action Agenda. An Educated, Healthy and Wealthy Vanuatu”, 2006.

¹⁰ United Nations Development Program, “Millennium Development Goals Report – Republic of Vanuatu, 2005.

in the labour market are low. In 2003 the number of women participating in education and training post school was 60 women to 100 men while women make up only 35% of public sector and 32% of private sector workforces.¹¹

Institutional context

At the national level the Ministry of Education (MoE) and the Ministry of Youth Development and Training (MYD&T) are responsible for policy development and implementation of TVET in Vanuatu with the Vanuatu National Training Council (VNTC) responsible for accreditation and registration of providers. MYD&T is responsible for informal sector training however there has been little policy or program leadership development and no support to Rural Training Centres (RTCs)¹². While the budget for education represents 25% of the total Government budget only 0.7% is allocated to TVET which does not feature prominently in the Vanuatu Education Sector Strategy (VESS).

VNTC policy and procedures are complicated, restrictive and non-responsive to the specific needs of training providers in rural areas. As a result few providers have been able to meet the registration and accreditation requirements.

A major problem has been the inability to devise a system that serves a multiplicity of purposes. On the one hand there has been the need to put in place a regulatory framework that would inhibit and/or control exploitation by off shore training providers setting up qualification systems intended to short circuit labour market requirements in other countries¹³.

On the other hand there are over 90 relatively small national training providers mostly run by NGOs, operating in remote environments serving specific community needs. An appropriate system of registration and accreditation in this context is vastly different to that which is needed as a condition of foreign investment. The benefits of participation in a quality based national training system are not well understood by this group which generally regards the imposition VNTC requirements with suspicion.

The lack of positive advocacy and recent moves to impose a legalistic interpretation of the VNTC Act to prohibit unregistered training providers issuing certificates leads to a conclusion that the VNTC at present is out of touch with its mandate to promote a national TVET system based on quality principles and the active participation of all stakeholders.

In light of this situation the next Phase of the Program will direct its strategic planning and implementation towards strengthening the decentralized operations of the VNTC, adopting more of a “bottom-up” approach in order to develop the effectiveness of its coordination and quality assurance functions.

Formal recognised providers of TVET include Vanuatu Institute of Technology (VIT), Vanuatu Agriculture College (VAC) and Vanuatu Maritime College (VMC). VIT operates more as a senior secondary college than a technical training institute and has experienced difficulty in responding to industry demands for short course, just-in-time training. Most training delivered by formal sector providers is driven by supply not demand. Some secondary schools are now delivering technical training streams from years 8 to 12 as an alternative to academic pathways. Schools such as Matevulu College, Tafea College, St Michel College and Epi High School provide models of good practice in TVET in schools implementation.

¹¹ United Nations Development Program, “Millennium Development Goals Report – Republic of Vanuatu, 2005

¹² AusAID Technical Advisory Group, “Phase I Evaluation. Vanuatu Technical Vocational Education and Training Strengthening Program, Final Report”, 2007.

¹³ On the basis of previous malpractice, the Vanuatu Investment Promotions Authority (VIPA) now includes VNTC registration as a condition for foreign training providers to establish themselves in Vanuatu.

The Department of Agriculture and Rural Development, and the Department of Cooperatives and Ni-Vanuatu Business play a key role in meeting demand for training and business services in the rural areas. Both departments provide support to rural business enterprises through extension services and business management training. The Port Vila Chamber of Commerce and Industry as part of their core business provide business training and support to private sector organisations primarily in Port Vila and Luganville. Each of these institutions is however, limited in its ability to deliver training and business services due to lack of budget support and human resource capacity.

The provincial Government through the Provincial Councils provides basic health clinics and primary schools in rural areas, however, due largely to capacity constraints, is unable to provide other services or support rural development¹⁴. Absence of effective institutional structures at provincial level, and limited institutional strengthening of provincial Government functions has inhibited the development of an effective decentralised system. Provincial Training Boards (PTBs) have been established under the auspices of the VNTC to determine provincial training needs, implement the Rural Economic Development Initiative (REDI), and support the registration of training providers. However, each PTB consists of around six members and is supported by only one funded position. This inhibits the PTBs' ability to have meaningful impact on rural development.

The Vanuatu Rural Development Training Centre Association (VRDTCA) is the key support organisation to RTCs, providing trainer training and modular training materials for technical and life skills. At present 37 RTCs exist across Vanuatu. While the quality of facilities, teachers and programs vary greatly, RTCs are credited with providing programs to more than 2000 rural youth, most of whom have had little or no primary education or have left or been forced out of school. However RTC programs are traditionally two years long and do not necessarily respond to the immediate community needs or link the training delivered with job availability.

Demand driven training is delivered by the variety of Non-Government Organisations (NGOs) such as Youth Challenge, World Vision and Live and Learn through their community based projects. NGOs are well placed to respond to demand for community and youth training with financial support, volunteers and clearly defined charters and objectives. Many Church based organisations have also been successful in responding to community demand.

Policy and program context

The program must operate within the current policy framework of GoV. The Comprehensive Reform Program (CPP) and Priorities and Action Agenda (PAA) 2006 – 2015 has at its key goal to raise the welfare of people of Vanuatu through sustainable economic growth and job creation, macroeconomic stability and raising standards of service delivery particularly in rural areas.¹⁵ The PAA underpins the development of the Vanuatu Education Sector Strategy (VESS) - a framework for establishing directions and development of the Education Sector including TVET. The main focus of VESS however is primary and secondary education. There is little reference to TVET and no additional budget allocation.

While the 2003 TVET Masterplan¹⁶ is due for review, its main aims were to develop and support the TVET system, expand quality competency based training, promote self-employment and self-reliance, strengthen VIT, provide responsive learning opportunities in the non-formal sector and develop a sustainable, accessible and equitable TVET system both formal and non-formal. While much has been achieved through programs such as the TVET Sector Strengthening Program, Vanuatu Tourism

¹⁴ Nikunj Soni, Hannington Alatoa, Belinda Harries, "REDI Stocktake", 2007

¹⁵ Government of Vanuatu, "Vanuatu Education Sector Strategy 2007 – 2016", 2006

¹⁶ Government of Vanuatu, "TVET Masterplan 2003 – 2010: Skills for a Self-Reliant, Productive and Proud Vanuatu", 2003

Education and Training (VATET), and the VIT Strengthening Program there is still a long way to go to realising the benefits of an effective demand driven TVET system.

In response to the need for rural economic development policy the Rural Economic Development Initiative (REDI) was developed as a springboard for decentralisation with the aim of promoting strong provincial government and providing technical support to small scale business. While REDI has encouraged participation and collaboration among rural stakeholders, implementation of the initiative has been mired due to lack of financial support, inadequate program management and general misunderstandings of the core philosophy of REDI.

This Program design is consistent with the Australian Government aid policy framework and education policy objectives and the Vanuatu Country Program Strategy and is consistent with the AusAID Phase I Technical Advisory Group (TAG) review recommendations.

6.2 Situation analysis

Technical Issues

Many elements of an effective TVET system are in place in Vanuatu and have been substantially consolidated through the assistance provided by AusAID over the last decade, including Phase 1 of the TVET Sector Strengthening Program. There is a well conceived organisational structure with the Vanuatu National Training Council providing, in principle, a central coordination and quality assurance body and, importantly, decentralisation of operations through the establishment of Provincial Training Boards (PTBs) in all six provinces. As identified by the Technical Advisory Group (TAG) mobilised by AusAID in August 2007 to evaluate the effectiveness of the Program to date, a significant contribution to the strengthening of competency-based TVET systems within a national qualifications framework has been made during Phase 1, including the development of curriculum, training materials, training facilities, and personnel, particularly in support of the operations of VIT

However, in accordance with the TAG findings, a shift in Program strategic direction is required that moves from an emphasis on the strengthening of TVET systems through the provision of *inputs*, to a focus on the *outcomes* to which these systems should be contributing. As noted by the TAG, a critical constraint of the original Program Design is a lack of clarity as to the intended outcomes and purposes of the TVET courses and resources developed and supported by the Program. This is mirrored in the ongoing confusion among many local stakeholders as what the purpose of TVET is and limited recognition within government education policies and budget allocations of the value of an effective TVET system. **A renewed emphasis is clearly required on significantly strengthening of the link between the TVET system in Vanuatu and improved economic outcomes for those that access it.** This central finding of the TAG review was validated by the views of stakeholders at the initial Phase 2 Design Workshop conducted in November 2007

The constraints and relevant contextual factors to be addressed in the Phase 2 Design are consistent with the situational analysis of both the TAG and the local stakeholders at the Design workshop.

Decentralised training delivery – planning and coordination

The original Design concept intended that VIT would strengthen skills training for provincial development by becoming a “multi-campus institute” with satellite TVET centres in every province. In practice, this has not proven to be viable due to a lack of financial and human resources and institutional commitment to operating the centres and has also contributed to the confusion in differentiating between TVET as a sector and VIT as one service provider within that sector. Critically, efforts to establish new VIT provincial TVET centres have also detracted from the need to support existing training coordination and planning structures to ensure that **i) a TVET system operating in a decentralised context is responding to identified provincial development needs and ii) training**

programs are implemented within a strategic, collaborative framework, not as isolated ad hoc activities. While the Phase 1 Program has endeavoured to operationalise the mandated purpose of the VNTC to provide leadership in TVET coordination with the PTBs connecting provincial development needs and rural training delivery, resourcing and capacity building at the provincial level has not been sufficiently addressed by the VNTC.

This current reality does not, however, take away from the inherent potential of the existing established structure and its ability to facilitate skills development that supports productive activity at the provincial level. Critically, the composition of the PTB reflects the recognition that an effective TVET system that is responsive to the needs of the productive sector requires representation from stakeholders from both 'supply' and 'demand' organisations as well as meaningful engagement with traditional authorities. The PTB is composed of a Chair, often the Secretary General of the province, representatives from the Malvatumauri, Churches, and Women's Groups, REDI, the private sector, schools, provincial planning and the MoE and MYD&T. The effective collaboration of these stakeholders is, however, hindered by a lack of adequate resources, clarity of roles and responsibilities within provincial structures, and practical incentives for committed engagement and pro-active leadership.

Similarly, other existing structures and mechanisms related to provincial HRD planning have, for multiple reasons, been unable to realise their objectives. Nevertheless, these remain important factors to be considered in the development of a training system linked to improved economic outcomes, particularly in the interests of avoiding duplication and consolidating previous successes.

REDI is a key example of such an initiative. As outlined in the recent REDI Review¹⁷, groundwork has been laid in terms of: a) provincial economic development planning coordination, b) inter-departmental collaboration and, c) the establishment of meaningful links between Provincial Councils and communities. By 2003 each province had developed a 5-year provincial development plan, identifying in detail the economic development priorities and opportunities in terms of stimulating productivity. At approximately the same time, the Asian Development Bank (ADB) also carried out an assessment of rural training needs linked to income-generation opportunities¹⁸. This, in concert with the REDI findings, provided a relatively comprehensive framework for HRD activity.

A lack of human and financial resources and failure at the national level to take ownership of such provincial planning initiatives has resulted in limited implementation and loss of understanding of the original REDI concept. However, with the growing recognition for the need to establish clear linkages between provincial training and provincial economic development, it is critical that the Program take into account the fact that that well established provincial processes and plans exist, which, with assistance, could reinvigorate HRD activity.

The provision of support to existing structures and systems and strengthening links between central, line and provincial governance institutions are crucial factors in ensuring long-term sustainability of the assistance provided to the TVET sector by the Program. Ni-Vanuatu stakeholders clearly indicated the need for Phase 2 to prioritise implementation strategies that do not perpetuate a reliance on donor inputs and deliverables. Rather, they should create an enabling environment and on-going incentives for sustainable service delivery by a range of government and non-government actors within the framework of local policy and planning processes.

¹⁷ Nikunj Soni, Hannington Alatoa, Belinda Harries, "REDI Stocktake", 2007

¹⁸ ADB, TA 3437-VAN: Skills Development Project, 2000-2001

Productive sector driven training delivery

The strengthening of provincial level planning mechanisms must also be complemented by the **Program's increased support to ensuring the national TVET system is demand-driven with regard to the provision of skills that will lead to productive employment.** As indicated above, significant gains have been made in Phase 1 in improving the quality of TVET through the development of competency based teaching and learning materials, and in the improving of TVET-related teaching and learning infrastructure. However, further progress is needed to ensure the delivery of programs and courses is flexible and responsive to the needs of the productive sectors.

A key factor that needs to be addressed is the current focus of training institutions, particularly VIT and many RTCs, on long-term certification programs in school-based environments which do not adequately service unemployed adults, out-of-school youth and adults already in the workforce who wish to upgrade their skills and increase their income. There is growing recognition that institutional training is only one form of training provision and that more innovative and flexible ways of providing skills formation are required to meet adult learning and business development needs and increase the likelihood of employment.

A further advantage of the modularised and flexible delivery strategies envisaged under the Program will be improved access by females as they juggle their training, employment and family responsibilities. The multiple entry and multiple exit approach which facilitates lifelong learning will enhance female accessibility to training and the labour market where the absence of training exacerbates gender occupational stereotypes with women and girls often being confined to lower paid occupations.

Responsiveness to the needs of business and industry can only be improved through the greater formalisation and operationalisation of the linkages between training providers and the demand-side organisations, such as industry representatives, the Chamber of Commerce, Department of Agriculture, and Department of Cooperatives and Ni-Vanuatu Business. While structures are in place (as discussed above with regard to PTBs), there are insufficient incentives and stimuli to encourage meaningful and sustainable collaboration between these groups. In addition, the small scale of industry and the business sector in the Vanuatu has a tendency to be overlooked in considerations of the development of the TVET system. A "cookie-cutter" approach in terms of adopting systems must be avoided if a contextually and culturally relevant system is to be sustained.

Similarly, training providers who have been recipients of funding in Phase 1 of the Program have not been required to articulate clearly how their training courses and programs will contribute to improved productivity and employment levels. This, in turn, has led to reduced visibility in terms of monitoring and evaluating the impact of the support provided to training providers and the effectiveness of the TVET system as a whole. There are also currently limited incentives and opportunities for training providers to benefit from the availability of improved teaching and learning materials. This is exacerbated by the complexity involved with registration and course accreditation under the current guidelines of the VNTC.

A lack of focus on outcomes-related training delivery and lack of strategic oversight of TVET provision has also resulted in a lack of clarity in terms of identifying the most appropriate training provider to service the needs of the productive sector. As outlined above, there is currently a broad array of training providers who are delivering training of varied degrees of quality, efficiency and appropriateness in terms of increasing employability and productivity. Conversely, there are also potential training recipients – businesses, cooperatives, individuals – who would benefit from diverse skill formation services but who are unaware of their availability and do not have sufficient information as to which provider would best meet their needs.

Inter-Program Coordination

The need for implementation strategies that clearly link training delivery with the requirements of the productive sectors is mirrored by the need for greater collaboration and coordination between the TVET Program and other donor activities working to increase productivity levels. A tendency to view the TVET Program as sitting squarely within the education sector, rather than as an essentially cross-cutting intervention that must address a range of social, governance, labour-market and industry-related issues, has minimised the interaction between the Program and other relevant donor assistance. These include: the recent AusAID-funded “Governance for Growth” and regional “Enterprise Challenge Fund” initiatives; the Community Partnership Program, which aims to promote economic opportunities in provincial settings; the Vanuatu Kastom Governance Partnership; Australian assistance to REDI; and the Millennium Challenge Account. Intentions of coordination need to be translated into formalised information-sharing mechanisms in Phase 2 of the Program so that the efficiencies of interventions are maximised, duplications are avoided, and cross-fertilisation of ideas and lessons learned can occur.

Measurement, monitoring and evaluation

A shift in Program implementation is not only required in terms of focusing the efforts of training providers on outcomes, it is also required in terms of measuring the effectiveness of Program support through clear specifications of achievable outcomes, rather than a series of inputs and outputs. The challenge for the Program is to work with the constraints of employment and labour market information data availability to develop strategies to identify the contribution of the Program to improving employment and income levels and build upon the progress made in relevant baseline data collection initiatives. With regard to the latter, the Office of Statistics has undertaken a 2006 Agriculture Census and a 2006 Household Income and Expenditure Survey. Under Phase 1 of the TVET Sector Strengthening Program, Tracer Studies have been conducted for graduates of VIT and RTCs, providing essential baseline data in terms of the efficacy of key training providers. One critical constraint, however, is the absence of TVET data in the national Education Management Information System and a lack of information-sharing between key institutional TVET stakeholders. This, in turn, hinders the planning capacity of Ministries responsible for TVET provision, namely the MoE and MYD&T.

There is a clear need for Program interventions to provide capacity building support in the collection of relevant TVET data through the alignment of Monitoring and Evaluation processes with GoV systems, and through formalised collaboration with key Government bodies in this regard. In addition, there is also a need to ensure that the measurement of intervention impact on priority areas for the Australian aid program such as improved gender equity is addressed.

Cross-Cutting Issues

Poverty Reduction

The recent strong economic growth experienced by Vanuatu has had minimal impact on the majority of the population in rural areas. In light of the high proportion of ni-Vanuatu living in subsistence settings, it is clear that a focus on poverty reduction must not only concentrate on increasing levels of income in the formal cash economy. Success of program intervention must also be measured by the reduction in levels of poverty of opportunity through facilitating access to, and increase in, productive activity in the non-formal sector, and by supporting skills provision that results in meaningful improvements in citizens’ quality of life. Most children are “pushed out” of schools with only a primary or junior secondary education. Given the high attrition rates at the end of basic education (53%), training providers must be supported to deliver a range of contextually appropriate courses and services that will substantially increase the likelihood that trainees will be able to

participate in productive community employment. Improved employment opportunities in rural areas are also essential if the significant urban drift and associated problems are to be addressed.

Governance

Considerable donor resources have been directed towards strengthening the capacity of key TVET institutions such as the MoE and MYD&T at the national level. However, as discussed above, severe capacity constraints continue in the implementation of decentralised governance operations. While some improvements in TVET planning and policy implementation have been achieved, it is critical that continued support of these agencies adopt more of a “bottom-up” approach to increase the probability that capacity building interventions will have a tangible impact in rural areas. Training in TVET planning and coordination for provincial government representatives with clear links to improved management of the TVET system is required. Similarly, strategies that provide incentives for engaged participation, collaboration and ownership must be developed. Increased support to existing provincial governance structures will also contribute to ensure long-term sustainability of Program interventions and mitigate the risks of “reform overload”.

Gender

The GoV has ratified the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and has developed a robust National Plan of Action for Women. A number of initiatives have been developed in response to this policy framework which have improved women’s access to productive employment, such as the Vanuatu Women in Development Scheme (VANWODS). A recent AusAID-funded impact assessment on this latter project¹⁹ found significant positive outcomes had been achieved, including increased employment, increased income levels, and increased control over household financial management. Under the current TVET Program, affirmative action has been successfully utilised to address gender disparities with regard to access to skills training. Nevertheless, gender inequity remains prevalent; girls are less likely than boys to attend secondary school and women are more likely to be involved in unpaid tasks and are rarely involved in formal decision-making. Rural females have lower and fewer qualifications than urban females and both rural and urban males. Females are particularly under-represented as students in TVET and tertiary education as well as trainees in the Rural Training Centres. A key factor contributing to this disparity is related to traditional beliefs about women’s role in society and a perceived incompatibility between employment-based training and household and childrearing responsibilities.

Renewed efforts are therefore required to integrate gender equity into Program implementation. Critically, recipients of Program funding will need to be able to clearly demonstrate how their activities will maximise gender equality and agree to performance measures against which achievement of this objective can be assessed. All Program activities will need to incorporate gender markers, and effective working relationships established with organisations and initiatives which have achieved success in linking training to improved employment opportunities, such as VANWODS, so that these lessons learned can be consolidated and replicated. Additionally, there is a need for the Program to adopt a targeted communication strategy that aims to raise communities’ awareness of the ways in which women’s skills development and education in fact have proven positive impacts on childrearing and home management, including decreased likelihood of child mortality and illness and increased household incomes.

¹⁹ Shane Nichols, Sophie Pieters-Hawke, “VANWODS Microfinance Impact Assessment”, July 2007.

Environment

The environment strategy for Australian aid, *Aid and the Environment – building resilience, sustaining growth*²⁰, underscores the strategic linkages between economic growth, poverty and environmental threats. This is clearly evident in the Vanuatu context where land degradation, deforestation and the destruction of fisheries all have the potential to directly undermine the livelihoods of the rural poor. In addition, Vanuatu’s unique natural attractions are the cornerstone of its tourism industry and conservation of this natural heritage is critical to the continuing economic growth from this key employment-generation sector.

Phase 2 of the Program will need to ensure that all activities and interventions supported through the Program meet clearly articulated environmental guidelines, in line with the *Environmental Management Guide for Australia’s Aid Program*²¹, and that environment markers are systematically incorporated into activity approval processes.

Strategy Selection

Following the mobilisation and recommendations of the AusAID TAG Review in August 2007, broad-based stakeholder consultation in-country, and research into lessons learned with regard to improving aid effectiveness, three broad modality options for the design and implementation of Phase 2 of the Program have been considered by the Design Team. In short, these can be summarised as follows:

Options	Advantages	Disadvantages
1. Incorporate strategic intent of the three components proposed by the TAG and develop an integrated Program based on a “process-approach” built on existing provincial structures and systems.	<ul style="list-style-type: none"> ○ In line with key directions proposed by TAG and endorsed by Ni-Vanuatu stakeholders. ○ Provides an integrated and flexible approach to system development in an uncertain and fluid environment. ○ Builds on existing governance systems and structures and ensures greater local ownership. ○ Integrates capacity building of both demand-side and supply side agencies. ○ Improves opportunities for inter-agency collaboration and coordination. ○ Adopts a “bottom-up” approach with rural focus 	<ul style="list-style-type: none"> ○ Shift from familiar project-based approach could cause concern among some stakeholders. ○ Shift from national institutional focus could cause concern for some centrally-based stakeholders.
2. Adopt 3-component model as proposed by TAG.	<ul style="list-style-type: none"> ○ Clearly articulated Program components incorporating critical elements: strategic framework, outcome- 	<ul style="list-style-type: none"> ○ Component-based structure encourages compartmentalisation of Program elements, rather than the strengthening of a holistic

²⁰ AusAID, “Aid and the Environment – building resilience, sustaining growth”, 2007

²¹ AusAID, “Environmental Management Guide for Australia’s Aid Program”, 2003

Options	Advantages	Disadvantages
<p>3. Incorporate strategic intent of TAG Review Document into Phase 1 project-based component structure, ensuring greater focus on linking training to employment outcomes.</p>	<p>focused training provision, and consolidation of previous inputs.</p> <ul style="list-style-type: none"> ○ Traditional component-based, project-based approach familiar to all key stakeholders. ○ Low risk in terms of ensuring support from current stakeholders who are recipients of Program assistance due to continuation of status quo. ○ Further consolidation of VIT as an effective TVET training provider in the formal sector. 	<p>system.</p> <ul style="list-style-type: none"> ○ National administration focus of Program does not address need to increase reach and impact in rural areas. ○ Discrete focus on national HRD strategy is not appropriate for current context and given current progress of HRD strategy development. ○ Limits the amount of stakeholder input and flexibility to trial a range of approaches in an untried area. ○ Current 5-element project-based component structure has resulted in a siloed approach to implementation without an integrated guiding framework. Modifying activities within this segmented structure will not address the fundamental need to implement the Program from a more strategic, flexible perspective. ○ The Program will operate to a large extent as a VIT institutional strengthening model rather than a TVET sector strengthening model due to primary focus on supporting VIT's operations in both the formal and informal sectors. ○ Capacity building of key Government departments is currently limited to MoE and MYD&T which does not address the need for collaboration with, and capacity building of, demand-side organisations.

On balance, in considering the respective advantages and disadvantages, Option 1 has guided the development of this design.

The Program has been underway for two years and in the original Program Design Document (PDD), it was expected that modifications would need to be made in terms of Program direction and implementation in order to ensure optimal responsiveness to the operational environment.

In order to improve the effectiveness of the Program in Phase 2, it is essential that the design and

implementation strategies selected are of a more genuinely “programmatic” nature. The Phase 1 “project-based” model is limited as to how responsive it can be in a context where innovative and flexible approaches are required to effect the conceptual shift required with regard to the role of a national TVET system. The focus of Phase 2 on linking the training services supported by the Program to measurable economic benefits in rural areas is one that is significantly different from the institutional capacity building of key TVET agencies at the central level that has been a key feature of preceding assistance.

Critically, an approach in Phase 2 is required that maximises the likelihood of counterparts and beneficiaries realising true ownership of TVET system development at both the provincial and central levels. The predetermined input-output paradigm of the Phase 1 design has restricted the ongoing engagement in directing Program interventions and limited the Program’s flexibility to adapt according to stakeholders’ experiences and lessons learned. Rather than this inherently static focus on *output* delivery, it is considered that the probability of lasting sustainability and institutionalised reform will be increased through the adoption of a “process approach” whereby the focus is clearly concentrated on strengthening local *processes*, which, in turn, have the potential to result in (through a range of undetermined outputs and modalities) the desired development outcomes.

According to the DFID Social Development Handbook, the process approach is particularly appropriate where programs deal with institutions or development issues for which wider objectives for change may be identified and agreed, but for which the exact modalities for achieving the objectives may at the outset be unknown and unknowable²². These situations require flexible planning which allows interventions to be modified in light of developments over time and the additional information which is gained in the course of implementation.

This type of approach is premised on the assumption that the practice of engagement with, and action learning on the part of, local stakeholders within existing systems and structures is at least as important as the implemented activities. This is particularly relevant in the context of employment-focused training delivery in which multiple government and non-government actors from both sides of the demand/supply dichotomy are involved; the underpinning strategy of Program implementation will be to strengthen the lines of coordination between these groups and facilitate productive interaction through a range of incentive-based and organisational capacity building mechanisms. Critically, Program strategies adopted will be primarily concerned with creating opportunities and impetus for local individuals and organisations to maximise and build upon their existing areas of comparative advantage and expertise, thereby fostering increased local leadership and innovation.

As noted in AusAID’s Quality at Entry Review of Innovative Activity Design²³ programmatic approaches necessarily entail, in the early stages, a degree of uncertainty with regard to achievable objectives, priorities and the roles and responsibilities of key stakeholders. The critical means by which this uncertainty can be most effectively managed is through the building and maintenance of strong personal relationships with key partners so that a shared vision of Program objectives is sustained. This building of relationships and consensus as to the implementation of Phase 2 has already been established as the pivotal element of the design process through a series of collaborative workshops and will continue to be so throughout the iterative implementation process.

The adoption of strategies in Phase 2 that will clearly shift the Program approach from one that is centrally-based to one that is concerned with strengthening existing provincial governance structures is also considered critical to supporting the effective operationalisation of a national TVET system

²² Department for International Development, Urbanisation newsletter, Issue 1, November 1995

²³ AusAID Rapid Review of Quality-at-Entry (QAE) 2004: Innovative Activity Design, June 2005

and broadening understanding of its benefits to rural communities. This does not in any way imply that the Program will not continue to work closely with key central TVET agencies – i.e. MoE, MYD&T, VNTC, Chamber of Commerce, Department of Labour; rather the Program will seek to assist these agencies build their capacity to effectively function in a decentralised environment through directing support to their provincial arms and facilitating coherent communication between governance levels. It is anticipated that through the demonstration of ways in which a national TVET system based on GoV priorities can operate effectively in the provinces, central decision-makers will be able to draw from a more robust evidence base to inform ongoing TVET policy development. Similarly, it is expected that the strengthening of HRD planning at the provincial level will inform the process of national HRD planning that is beginning to take place within central Government agencies.

In short, it is considered that a provincially-based programmatic approach will have an increased likelihood of contributing to sustainable economic development among rural populations when, in summary, strategies are focused on:

- strengthening the provincial-national governance structures of TVET provision;
- strengthening the processes of demand side-supply side interaction through meaningful incentives; and
- an integrated approach to capacity-building at the provincial level.

Australian potential to contribute

Australia-Vanuatu Country Strategy

The Australia-Vanuatu Joint Development Cooperation Strategy 2005-2010 recognises the key development challenges faced by Vanuatu including; creating income opportunities, ensuring access to essential services such as education, and substantive and sustainable growth. At the heart of Australia's country strategy for Vanuatu is alignment with the GoVs Priorities and Action Agenda (PAA). The following AusAID activities provide opportunities for further cooperation and coordination:

Governance for Growth

Through this initiative which commenced in 2006, Australia has committed \$50 million over 14 years to address governance constraints to sustainable broad-based growth across Vanuatu. In the first instance, the focus of the Program will be on the provision of reliable utilities and infrastructure to rural areas. The Program supports reforms that will provide better quality expenditure and public investment with particular emphasis on strengthening public financial management and accountability in a decentralised environment. The Program also supports reforms to telecommunications competition, rural electrification, commodities marketing and the airline industry. Given the focus of Phase 2 of the TVET Sector Strengthening Program on achieving improved productivity outcomes, it will be essential that formal communication and collaboration mechanisms are established between these complementary AusAID interventions.

Enterprise Challenge Fund for the Pacific and South-East Asia

The new Enterprise Challenge Fund (ECF) aims to stimulate growth and ensure that the poor are included in the benefits and opportunities provided by that growth. Through open competition, grants of \$100,000 to \$1.5 million are awarded to business projects with pro-poor outcomes and that cannot obtain financing from commercial sources. Initial research for the ECF indicates that potential projects are likely to relate to the extension of financial services, agricultural advisory services to poor people, and investments that create new or improved market linkages. These will lead to the creation of jobs and income-earning opportunities that will effectively contribute to the development of TVET Program Phase 2 activities.

ECF will be implemented over a six year period in several countries across the Pacific and South-East

Asia. It was first launched in September 2007 in Papua New Guinea, Fiji, southern Philippines and eastern Indonesia, and it will be rolled out to Vanuatu and other four countries from Pacific-Asia in early 2008. Potential for these two programs to collaborate and coordinate their activities is substantial.

Australian Pacific Technical College

The Australia Pacific Technical College (APTC) provides training solutions to Pacific islanders in Tourism and Hospitality, Automotive, Construction, Mechanical, Electrical and Community Services, allowing participants to continue to live and work in the Pacific region. While APTC is a relatively new initiative, strong industry relationships have been developed and long term potential exists to promote these links in the rural areas. The APTC in the future will provide a pool of trained and qualified ni-Vanuatu professionals upon whose expertise the Program may draw.

Australian and Regional Scholarships

AusAID scholarships provide opportunities for ni-Vanuatu to access education and training within Australia and the region that links closely with the skill needs of Vanuatu organizations both public and private and addresses agreed priority human resource and development needs. "Australian Development Scholarships aim to equip scholars with the skills and knowledge to drive change and influence the development outcomes of their own country through obtaining tertiary qualifications at participating Australian higher education institutions and technical colleges". The provincial nature of the Program provides opportunities to promote the scholarships program in rural areas and provide recognition of excellence while encouraging further education and training.

Australian TAFE System

The Australian TAFE system (regarded by many as world's best practice) is characterised by its demand focus with industry and employer groups driving the content and assessment of training. The system is further characterised by its flexibility which provides for a modularised approach and a range of training delivery modes including on and off the job. The system is geared to respond to employment needs with a high proportion of graduates achieving an employment outcome soon after course completion. GRM has demonstrable close links with both the Victorian and Queensland TAFE systems and is able to provide comprehensive access to systems, processes and people where there may be relevance to the Program.

Non-government programs and other donor activity

Relationships and understanding built between government agencies and civil society (Chiefs, Churches, NGOs and community organizations) during Phase 1 will provide a platform for implementation of innovative and responsive programs and activities in Phase 2 with continued stakeholder cooperation and participation. One such program, the proposed Youth Challenge International, Vanuatu Youth Training and Livelihoods Centre (currently under consideration for funding by AusAID) aims to 1) enable youth in Port Vila to develop life and employment skills through training and internship placement and attain ongoing employment, 2) support Ni-Vanuatu youth to successfully develop their small business ideas and create sustainable livelihoods and 3) provide youth with the facilities, resources and the support to successfully pursue their employment and career development goals. While it is envisaged this centre will be based in Port Vila it provides an excellent model to translate into the provinces and opportunities for strengthening TVET programs for youth. Strong links have also been developed with NGOs such as VRDTCA, World Vision, Live and Learn Environmental Education and a range of Church groups.

The European Union is currently funding the Vanuatu Tourism Education and Training Project (VATET) at VIT which aims to support the development of tourism and hospitality. VATET is working to raise awareness of the potential benefit tourism can contribute to economic growth and in addition to

providing assistance in the formal sector, is also working with rural communities to develop basic skills for entry into the industry. The Program will continue to liaise with the VATET Project and identify areas for collaboration and learning opportunities.

Lessons Learned

Key lessons learned from Phase 1 of the Program have been clearly articulated in the Phase 1 Technical Advisory Group (TAG) Review Report. In addition, wide-reaching stakeholder consultations have been conducted in-country by the Design Team with representatives from the government, private and NGO sectors, working at both the provincial and national levels. The primary objective of these consultative workshops has been to obtain the views and perspectives of local stakeholders and beneficiaries as to the strengths and weaknesses of Program implementation to date in order to improve future programming. These initial responses have been incorporated into the design strategies and, in summary, are concerned with:

- lack of clear vision as the role and purpose of a national TVET system
- issues of sustainability of Program interventions
- need for coordination and collaboration between key departments and organisations both at provincial and central levels early in implementation
- limitations of training inputs without strategic Human Resource Development planning

In light of the considerable resources that have been directed towards strengthening TVET institutions at the central level, the design of Phase 2 is premised on an assessment that it is now time to provide support to mechanisms that support improving economic conditions in rural areas and provide incentives for institutions such as VIT to contribute to this objective.

In terms of the types of incentive-based mechanisms significant consideration has been given to the implementation of Employment and Training Funds and Business Development Support Services as proposed by the AusAID TAG. These mechanisms have been employed in a range of developing country contexts, and the use of incentive and competitive-based devices, including performance-based contracts for service providers, and stimulation of demand-driven services has resulted in tangible positive impact in relation to TVET system reform.

The World Bank has had considerable success in operating Training and Employment Funds in rural areas with high unemployment levels²⁴ and the Design Team has integrated key elements from these interventions, while at the same time, ensuring that the socio-cultural specificities of the Vanuatu context have been taken into account. International experience has also shown that a wide range of HRD support interventions and services are required if the multiple causes of low productivity and employment are to be addressed. This need for diversity is reflected in the design structure.

The Design Team has also consulted widely with other providers of TVET assistance who are active in Vanuatu. Particular concern has been taken to learn from experiences of organisations and individuals working with communities at the provincial level. For example, lessons learned from both Youth Challenge and VANWODS with regard to the practical needs, constraints and opportunities in improving training provision for improved employment in rural locations have been integrated to ensure that the design is realistic in its strategies and objectives.

As discussed above, it is the intention of the Design that the process of incorporating lessons learned into an iterative planning cycle will be an ongoing one and mechanisms for formalised information sharing across TVET-related programs in Vanuatu will be both strengthened and promoted.

²⁴ AusAID Technical Advisory Group, "Phase I Evaluation: Vanuatu Technical Vocational Education and Training Sector Strengthening Program, Final Report", 2007.

7. Activity Description

*'...the challenges of development are not well-structured problems that can be "thought through" by clever people. Rather, they are "messes" that have to be "acted out" by social experimentation and interaction.'*²⁵

The following process approach to the achievement of the Phase 2 TVET Sector Strengthening Program outcomes is premised on 5 principles:

- a) *flexibility and phased implementation* with small scale experimentation and action learning cycles leading to replicable and more extensive approaches over time
- b) *regular review of lessons learned* acknowledging failures and establishing processes for continuous improvement
- c) *beneficiary participation* in each element of implementation from problem analysis through to monitoring and evaluation
- d) *institutional support* building capacity of existing agencies to change and deliver program outcomes
- e) *innovative and responsive program management* with a variety of short term and long term technical assistance focussed on inter-organisation coordination

While a more conventional logframe approach provides a mechanism for program description and early identification of performance indicators and measurement tools, it essentially remains a static monitoring system concerned with periodic assessments of the conversion of inputs to outputs.

To this extent the following design for a four-year program has been developed on a rolling annual plan basis. The foundations for the Program are reasonably well detailed for the first year in this design with the expectation that regular monitoring and review will generate adjustments based on both the success and failure of Program approaches.

The process approach envisaged here is intended to provide for the action learning cycles that will enable impact assessment of a variety of small scale interventions in different provincial locations to be aggregated and for an assessment of overall impacts to be assessed within the life of the program.

It will be participatory in nature with an active concern for equitable access to Program benefits by women and men. It will work through and strengthen where possible existing agencies and their respective processes and procedures.

7.1 Program Overview

The proposed Program design is premised on the TAG Review recommendation that investment in the TVET sector should lead to observable and measurable economic outcomes in the form of employment and increased productive activity. The design is based on a principal assumption that:

Improved provincial development coordination supported by a sustainable and responsive training system will stimulate productive activity and lead to improved economic outcomes

The diagram on the following page provides an outline of the proposed Program Structure:

²⁵ Bond R. & Hulme D. 1999 'Process Approaches to Development: Theory and Sri Lankan Practice' World Development 27 (8)

Program Structure

Goal (Country Program Strategy)

To create long term stability resulting from accelerated development, including broad based growth, and improved welfare of the general population

Strategic Objective (Purpose)

Employment and training services provide increased employment and income earning outcomes for clients

For those accessing TVET Centre services:

4. Increase in permanent, temporary, seasonal jobs
5. Increase in household income
6. Increase in citizens from target provinces reporting improvement in standard of living

Key Result Areas (Components)

Increased productive activities in selected provinces	Increased economic development initiatives identified and pursued by provincial government/ non-government networks together	Training providers respond to demand for skills to support productive activities	Employment and training services (TVET Centres) sustained by GoV in selected provinces
1.1 increase in co-operative incomes		3.1 increase in accredited courses used by training providers	4.1 Increase in contribution through provincial budgets for personnel, facilities & recurrent costs
1.2 increase in number of co-operatives/ firms operating	2.1 increase of initiative proposals that demonstrates inter-agency co-operation	3.2 increase in training providers that are registered with VNTC	4.2 Increase in demand for E&T Services – gender disaggregated
1.3 increase in production levels	2.2 initiatives implemented in a co-operative manner	3.3 increase in short courses developed that respond to employment market demand	4.3 Responsive policy and planning processes to support implementation & continuous improvement of E&T services
	2.3 improvement in service delivery	3.4 increase in trainees who found jobs	4.4 TVET Center model replicated in other provinces(s)
			4.5 level of successful employment outcomes from programs

Program Outputs

Provincial Coordination Arrangements:	Capacity Building :	Provincial TVET Centres:	TVET Systems:
<ul style="list-style-type: none"> o Province Selection o Coordination Arrangements o Implementation o Planning 	<ul style="list-style-type: none"> o Provincial Training Board o Program Coordinating Committee Executive o TVET Centre Personnel 	<ul style="list-style-type: none"> o TVET Centre Establishment o Employment and Training Fund o Business Development Services o Employment Services o TVET Information Systems and Services o Training Provider Support Services 	<ul style="list-style-type: none"> o Advocacy o Registration o Accreditation

Monitoring and Evaluation

M&E working Group supported by M&E Adviser and Program team actively involved in action learning cycles informing management policy and planning. Program Management Information Systems data collection and analyses based on: ETF Projects reports, BDS and ES customer survey, stakeholder workshops, case studies, business & coop attitude surveys, stakeholders surveys

Strategic Objective **Employment and training services provide increased employment and income earning outcomes for clients**

The strategic objective is based on the primary assumption that an effective, quality based TVET system that is equitably accessible and is responsive to the skill demands of the productive sector, will be a factor in increased employment outcomes for women and men which in turn will contribute more generally to improvements in provincial socio-economic standards of living.

Program activity will focus on the delivery of a number of Key Result Areas (KRAs) which if achieved will collectively contribute to the achievement of the Strategic Objective. The following table lists the KRAs that form the backbone of the Monitoring and Evaluation Framework described more fully in Chapter 8 and Annex 1.

KRA 1:	KRA 2:	KRA 3:	KRA 4:
Increased productive activities in selected provinces	Increased economic development initiatives identified and pursued by provincial government/ non-government networks together Sub-KRA 2a: Provincial HRD plan responsive to provincial development needs Sub-KRA 2b: Build capacity of Statistics Office in data collection and analysis at provincial level	Training providers respond to demand for skills to support productive activities	Employment and training services (TVET Centres) sustained by GoV in selected provinces

To achieve the KRAs it is proposed to support the establishment of a 'one-stop' TVET Centre in two provinces. These centres will strengthen the role of the Provincial Training Boards (PTB) and provide the mechanism for improved coordination between authorities and agencies that have a role in productive sector support at the provincial level.

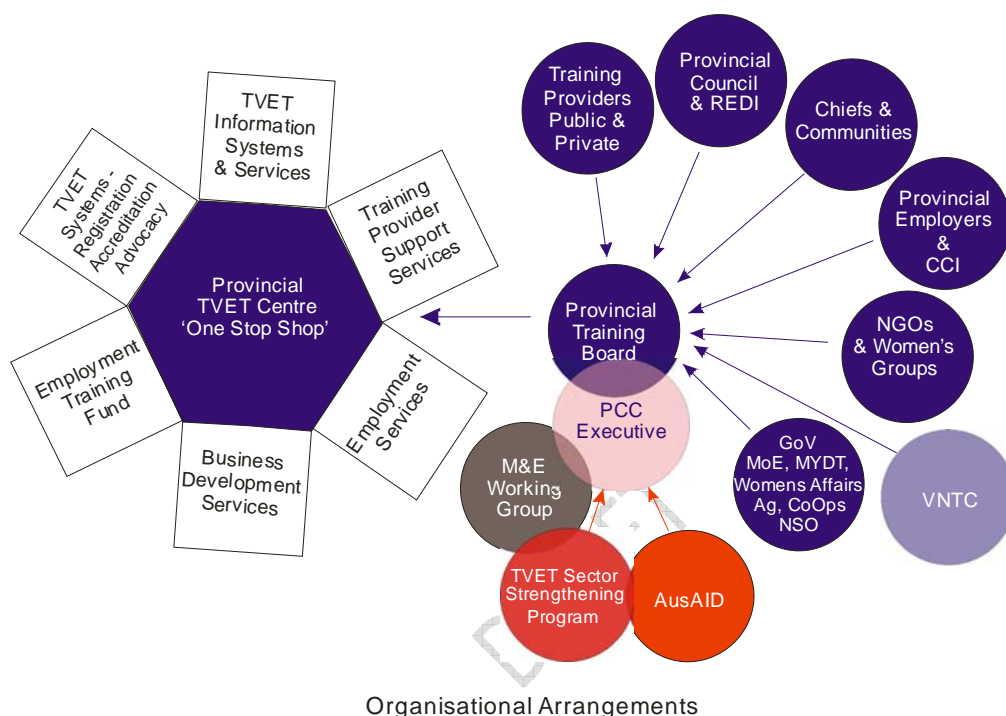
As discussed above, the PTBs are a provincial extension of the Vanuatu National Training Council (VNTC) and already include representation from key provincial authorities including Provincial Councils, the Regional Economic Development Initiative (REDI), government departments (e.g. education, youth development and training, business and cooperatives, agriculture), training providers, and NGOs.

To date the PTBs have had a limited role supporting VNTC development with few resources. The VNTC has included administrative support for the PTBs for the first time in its 2008 budget. It is proposed that the Program will facilitate additional professional resources for the PTBs which will enable them to manage the range of functions envisaged for the 'one-stop' TVET Centres such as:

- Training Provider Support Services (TPSS)
- TVET Information Systems and Services (TISS)
- TVET Systems – registration, accreditation, advocacy (TVETS)
- Employment and Training Fund (ETF)
- Business Development Services (BDS)
- Employment Services (ES)

It is not the intention for the Program to operate the TVET Centres. Rather, from an organisational and implementation perspective, the Program will position itself alongside the PTBs with a program coordinating structure similar to that deployed in Phase 1. That is, a Program Coordinating Committee (PCC) Executive comprised of key stakeholder agencies meeting regularly (monthly) to manage program implementation. A broader PCC would also be constituted comprising both national and provincial representation from key agencies which would meet twice yearly.

The diagram below illustrates the proposed organisational arrangements. A more detailed description of each aspect of Program structure and operations follows.



7.2 Program Structure and Operations

The Program will be organised around four interrelated and integrated focus areas with each focus area contributing to and building off each other with the sum of activity leading to the achievement of defined outcomes. The four focus areas are:

1. Provincial Coordination Arrangements	2. Provincial TVET Centres – TPSS, TISS, TVETS, ETF, BDS, ES	3. Monitoring and Evaluation	4. Program Management
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7.2.1 Provincial Coordination Arrangements

Selection

The Program will operate at a provincial level working closely within existing provincial structures and processes.

Initially the Program will operate within two provinces developing approaches that could be replicated in other provinces over time. The selection of provinces will be a critical first step that will be conducted during the first few months of Program operation. This will be a difficult and potentially contentious process which will need to be managed sensitively and in a fully transparent manner.

It is proposed that the Team Leader will convene a selection panel chaired by the Director General for Education and comprised of senior representatives from key ministries such as education, youth development and training, economic and social planning, agriculture, and cooperatives. The panel will also include an AusAID representative.

The Team Leader will assist the panel develop selection criteria that reflects provincial (inter-agency) commitment, their level of planning, their economic potential, their capacity to deliver training in rural areas, the extent to which training is delivered in rural areas, and their readiness to materially make a contribution in support of the Program. Material support could include offers of suitable spaces for program offices and a 'one stop' TVET Centre together with some co-contribution toward personnel and utility costs.²⁶ The selection criteria will be developed collaboratively with key representatives from the national and provincial level.

An extensive information program will need to be conducted in each province to ensure all potential stakeholders are aware of the process and the criteria used for selection. Provinces will then be requested to prepare and submit proposals (within a common and realistic deadline) for consideration by the Selection Panel. The selection process should be expedited with successful and unsuccessful provinces being fully informed as to the reasons for their selection of otherwise.

Program Coordination Arrangements

Mobilisation of the Team Leader and Deputy Team Leader, one to each of the selected provinces, is expected three months after Program commencement. Local support staff will be re-deployed or employed as appropriate. Program offices will be established in spaces provided and where necessary refurbishment will be planned and implemented. Equipment and vehicle procurement (commenced in the first three months of the Program) will be completed as necessary²⁷.

Program coordination arrangements in the Provinces will be finalised at this time. Given the PTB's existing broad provincial representation, the Program will be primarily centred around the PTB as the logical focus of a TVET intervention that is focussed on contributing to provincial development through a coordinated response to human resources development. As it is the Provincial Council that is responsible for provincial development planning in a decentralised context, the Program will strengthen links between the PTB and the Provincial Council and build the capacity of the PTB to respond effectively to the identified provincial training needs.

The PTB also provides the necessary lines of accountability to the GoV through the departmental representatives on the PTB as well as through the VNTC. The PTB Chairperson will be the Team Leader's (and Deputy Team Leader's) principal counterpart.

A PCC Executive will be established as a sub-set of the broader PTB representation. It should be chaired by PTB Chairperson and it will be important that the PCC Executive include representation from those with specific interests in the productive sector as well as those linked to training provision, as well as ensuring equity. Given the significance of the chiefly system in Vanuatu it would also be beneficial to have chiefly representation on the PCC Executive. In the first instance the Program will support the appointment of a TVET Centre Manager (with the expectation that this position will be funded through Centre operations over time). The TVET Centre Manager should convene the PCC

²⁶ Over time it is expected that the TVET Centres will deliver efficiencies in the provision of HRD services supporting provincial development which should lead to a realignment of agency budgets to fund TVET Centre costs including personnel. For example, if the Department of Cooperatives is able to more effectively and efficiently deliver training to its constituents through the operations of a TVET Centre (rather than doing it itself) it should be able to realign any savings toward support for TVET Centre operations.

²⁷ Existing Program vehicles and equipment will either be transferred or traded in as appropriate.

Executive and act as its executive officer. The resources and facilities of the TVET Centre should support the operations of both the PTB and the PCC Executive.

Implementation Planning

An implementation workshop is planned following the finalisation of PCC Executive arrangements. The workshop is intended to engage with key provincial stakeholders including chiefs, provincial GoV personnel, employers, NGOs, training providers, and other donors operating in the province.

In addition to providing stakeholders with a comprehensive understanding of Program objectives (and opportunities) the workshops will have a number of specific objectives including:

- clarification of existing coordination arrangements at provincial level
- identification of existing and planned information Systems
- identification of roadblocks to provincial development
- identification of capacity gaps
- clarification of provincial development priorities
- commencement of provincial HRD plan

PTB, PCC Executive, TVET Centre Personnel Capacity Building

Despite the Program's provinces selection process which will have considered existing provincial capacity as one of the selection criteria there is an expectation that capacity building support will be needed before coordination arrangements, TVET Centre activities and the development of a provincial HRD plan might be operationalised.

A training needs analysis targeting men and women will be conducted by the newly appointed TVET Centre Manager with guidance and mentoring support provided by the Team Leader and Deputy Team Leader. It will be important that the training needs analysis consider provincial capacity for HRD planning in response to provincial socio-economic planning. More generic training needs might relate to strategic planning, management, communication skills, business planning, and finances. Operations of employment and training funds, business development services and employment services will most likely be other areas of training need. Gender awareness training will also be provided to all TVET Centre personnel.

In response to the training needs analysis, the TVET Centre Manager will seek proposals from training providers to design and deliver the required training. This will be an important first demonstration of the proposed TVET Centre role with respect to meeting provincial training demands generally. This process is described more fully under Section 2 below but in essence the TVET Centre will broker training provider responses to training demand. Where training provider capacity to respond is limited the TVET Centre will provide training provider support services to strengthen local training providers and improve their ability to participate in a competitive training market.

It is expected that given the nature of the likely training needs of PTB, PCC Executive and TVET Centre personnel there may not be the capacity of local training providers to respond. At this stage of the Program there is an expected need for technical assistance to either deliver the programs or train local training providers to deliver the programs (or possibly a combination of both).

7.2.2 Provincial TVET Centres

TVET Centre Establishment

While the selection of provinces will include the provision of a space for a TVET Centre as a selection criterion, it is highly likely that the space will require refurbishment to accommodate the various functions envisaged for a Centre including information systems services, business development services, employment services, training provider support services, and administration.

In consultation with the PTB and PCC Executive, the Team Leader and Deputy Team Leader will plan the refurbishment and call for local tenders to undertake the work. The tender will provide opportunity to link contractors with provincial training providers in order to provide real work experience for trainees and possibly employment for graduates.

Procurement of required equipment, fittings and fixtures should occur simultaneously with refurbishment planning.

A Gender Access and Equity Strategy will be developed to guide the development of gender sensitive policies and procedures and to underpin each aspect of Centre operations.

During the establishment period a TVET Centre information and marketing plan will be developed. Initially a locally appointed Information and Marketing Officer will be appointed under Program funding. The Information and Marketing Officer and the TVET Centre Manager will be trained and guided through the process of developing the information and marketing plan by a short term specialist.

The Information and Marketing Plan should incorporate strategies to engage with potential beneficiaries in both the formal and informal economies including business enterprises, communities and the chiefly system. It should be an integrated set of ideas demonstrating linkages between each aspect of TVET Centre operations. It should advocate the benefits of a quality TVET system and promote awareness of TVET activities and opportunities, stimulate ideas, and publicise early successes. It should rely heavily on existing government/ NGO/ training provider information systems and maximise the use of scarce resources by linking with provincial mechanisms such as agriculture extension officers to carry messages.

The plan should be reviewed regularly and adjusted as required.

Employment and Training Fund

The Phase 2 Program will be broadened and expanded, through the implementation of an Employment and Training Fund (ETF) which will provide resources to local service providers to deliver a broader menu of employment and training programs, respond to local priorities, and contribute to addressing the lack of demand for labour. The ETF will be a primary mechanism to leverage cooperative arrangements and to stimulate improvements in provincial training capacity. Under the ETF:

- funds would be made available to individual service providers (public, private and NGOs) to provide training and support to get training graduates into employment based on proposals submitted by these providers using simple templates
- solicitation of proposals, evaluation, contracting, and monitoring would be done by the TVET Centre under the auspices of the PTB
- all services would be contracted and financed on an agreed unit cost basis, and after initial mobilization payments ongoing costs would be paid monthly to service providers based on actual training services delivered to clients
- all contracts would include minimum levels of performance outcomes (e.g. agreed levels of business start-up, employment, and/or increased income of participants following training)
- it is expected that the GoV will make an increasing contribution to the ETF over the life of the Program on an agreed basis with AusAID

If the Fund operates effectively (i.e., an agreed proportion of participants who receive training get jobs and the program has a net impact), and the Government provides partial funding, international experience shows that there is a good chance of sustainability and other donors would be interested in providing supplemental funds.

An ETF operations manual will be prepared in consultation with the PCC Executive. The manual will detail fund disbursement criteria which will include a demonstrated link to provincial development plans with employment/job generation outcomes. Criteria will also include provisions to ensure proposed employment outcomes are gender equitable and in some instances skewed affirmatively to redress current gender imbalance in specific occupations. Sample contracts and templates will be provided for use by local service providers in developing proposals. The manual will also include audit and timeframe provisions.

ETF opportunities will be central to achievement of program outcomes and will need to be promoted extensively. ETF services will be an integral element of the Information and Marketing Plan which will need to include mechanisms to publicise and promote successful socio-economic developments supported by the fund.

ETF services will be periodically reviewed with progress reports providing a basis for refinement of ETF operations.

Business Development Services

The TVET Centre Manager will develop a register of employers (business enterprises and cooperatives). Using the register as a guide, the TVET Centre Manager with the assistance of the Team Leader or the Deputy Team Leader (as the case may be) will consult broadly to define the nature and scope of Business Development Service (BDS) requirements appropriate within the respective provincial settings. The TVET Centre Manager will build productive sector awareness and stimulate demand for business services. Once defined the BDS will be included in the Information and Marketing Plan and promoted accordingly.

As with other services it is not envisaged that the TVET Centre will resource the BDS directly. Rather, it will deploy part of the Employment and Training Fund to fund an outsource arrangement with an appropriate service provider such as the Chamber of Commerce, Department of Cooperatives and Ni-Vanuatu Business, VANWOODS, a local business specialist or perhaps a consortium of interested parties. The BDS in itself will provide an entrepreneurial opportunity for a service provider and be a revenue source for both the provider and the TVET Centre itself. For example a partnership arrangement could be developed whereby an initial 'loan' to the service provider to set up and run the BDS could be recovered as a percentage of fees received.

As it is unlikely that the selected BDS contractor is fully geared for operation of a provincial service there will be a need to build understanding of BDS role and its links to provincial development. In addition to a level of funding through the Employment and Training Fund, Program support for the BDS will include capacity building for the service provider as required.

BDS services will be periodically reviewed with progress reports providing a basis for refinement of BDS operations.

Employment Services

Employment Services (ES) can take many forms such as counselling, job clubs, information services, managed traineeships (group training), business networking and the like. In this case, ES will need to be flexible, and consistent with provincial capacity and development goals. As with the approach to Business Development Services, the Team Leader or the Deputy Team Leader will assist the TVET Centre Manager define the nature and scope of ES appropriate to the respective provincial settings. The Gender Access and Equity Strategy will include gender sensitive approaches to employment counseling. Once defined the ES will be included in the Information and Marketing Plan and promoted accordingly.

The ES element of TVET Centre operations will be outsourced following the same process as outlined for the Business Development Services. There is opportunity for the same operator to be selected to provide both Business Development Services and ES.

Similarly the ES provider will have access to capacity building and be subject to the same level of review and reporting outlined for the Business Development Services provider.

TVET Information Systems and Services (TISS)

It is intended to provide computer, printing, fax, photocopying and internet access services within the TVET Centre.

Access to these information systems and services in a TVET Centre is anticipated to be the primary mechanism to create an awareness of the range of services provided by the Centre. Not only will individuals and businesses benefit from accessing this service but the Business Development Services, Employment Services and Training Provider Services will also benefit.

Access to these services will require business or individual registration. The process of registration and the registration details themselves will assist developing linkages between prospective employers and employees, as well as providing information related to skill shortages and training needs. Such data will be used to guide the operations of the Employment and Training Fund, Business Development Services, Employment Services and Training Provider Support Services. Registration details will also facilitate business and employee tracking for impact assessment purposes.

The operations of a lively and engaged Centre should also stimulate responses to other training needs such as life skills. The Gender Access and Equity Strategy should include ways that a Centre might facilitate gender sensitive counselling and promotion of health awareness issues not only in terms of hygiene and nutrition but also with regard to reproductive health and the mitigation of sexually transmitted infections such as HIV. In addition to counselling, strategies to increase the attractiveness of the Centre to women could include the distribution of relevant literature, the conduct of information sessions and engagement with NGO groups such as Won Smol Bag to make presentations to provincial groups.

The specific information systems requirements will be defined and included in the TVET Centre refurbishment plans. Equipment will be procured and installed during the refurbishment phase. Consideration will be given to emergency power supplies (generators/solar) should power supply be unreliable.

Advice about the availability of Information Services will be an important element of the TVET Centre Information and Marketing Plan.

TISS delivery will be periodically reviewed with progress reports informing any changes to service delivery.

Training Provider Support Services

The TVET Centre Manager will develop a list of both government and non-government training providers and consult broadly to identify key areas where support services might be required.

It is expected that the key areas for support will include improving training provider capacity to develop and accredit short courses in response to demand for skills relevant to provincial development plans. This will require short term technical assistance in competency based curriculum development and technical specialists in areas such as refrigeration, aquaculture, food processing and the like. A discretionary pool of short term advisers is envisaged to allow targeted technical assistance as required in TVET Centre and Program planning.

Other areas expected to require support include:

- VNTC registration and accreditation - access to the Training Provider Support Services (TPSS) will require registration and accreditation of short courses with the VNTC. It is essential therefore that the TVET Centre offer assistance to providers in this area
- the preparation of written materials including manuals, workbooks, hand-outs, tests, published articles that are gender neutral and do not promote gender role stereotypes
- Employment and Training Fund proposal preparation
- strategic planning
- business planning and financial management
- Assistance to improve cooperative activities with the productive sector

The TPSS will be included in TVET Centre Information Marketing Plan and promoted extensively amongst training providers. Service provision will be periodically reviewed and progress reports will inform changes to TVET Centre operations.

TVET Systems - Advocacy, Registration, Accreditation

Advocacy

The development of a valued national training system is dependent on a shared understanding amongst training providers and employers of the benefits that full participation in the system brings. Responsiveness to employer demands and employer involvement in the determination of training content together with the delivery of quality training programs yields higher level of employment outcomes benefiting the employer, the training provider and their graduates.

The Program will provide further short term assistance to the VNTC to strengthen its advocacy role and the decentralisation of its functions through an effective Provincial Training Board network.

The TVET Centre will have a major role in advocating training provider engagement with provincial development plans and employers. It will provide leadership in the development and implementation of quality TVET systems. It will promote the vision for, and encourage employer and training provider participation in, a quality based national training system. It will promote the principles of gender equity and actively pursue strategies to ensure equitable access to its programs and services.

There will also be the need to promote awareness of the national training system throughout the broader community and demonstrate the benefits accruing to trainees (who have undertaken training under the system) as well as their families and communities. Particular emphasis will be placed on developing communication strategies that promote the value of women's participation in the TVET system.

Registration and Accreditation

It is essential that the Program promotes and operates within national legislative requirements for training provider registration and accreditation. The Program will work closely with the VNTC in its drive to simplify registration procedures. The Team Leader will consult with provincial counterparts and provide support to the VNTC to assist the development of a cooperative and suitable approach to registration and accreditation in provincial settings.

There is a need to promote a devolved response to registration and accreditation processes and to strengthen the PTB role accordingly.

The TVET Centre will provide support for training providers to comply with registration and accreditation requirements. This will not only include support for the completion of VNTC proformas but more importantly support training providers develop and maintain their training centre systems

and operations in a manner that is consistent with registration and accreditation requirements. This support will include facilitation of trainer training and competency based course and module development. Where substantial need exists, technical assistance will be provided out of the discretionary pool of short term advisers.

Monitoring and Evaluation

Chapter 8 provides a comprehensive description of the Monitoring and Evaluation approach to be undertaken during Phase 2. Key elements of this approach are that it is participatory and linked closely to existing GoV data gathering and information systems. It monitors Program activity and is aligned to GoV provincial performance indicators and contributes to key GoV policy areas including the Priorities and Action Agenda (PAA), the Education Sector Strategy (VESS) and the Regional Economic Development Initiative (REDI) as well as the GoA Country Program Strategy. It is flexible and able to deliver cumulative gender disaggregated data to report Program contribution to outcomes and to inform on-going planning and adjustment of Program approaches.

A close association with the National Statistics Office (NSO) is planned in Phase 2 with regard to effective Monitoring and Evaluation processes. This cooperative working arrangement has been established during the Phase 2 Design with Design Team member, Mr Hong Tan, preparing the Economic and Financial Analysis in consultation with the Chief Statistician, and utilising statistical software packages to establish relevant Program baseline data, with specific reference to Strategic Objective level indicators. Training in use of statistical software packages has been delivered to key NSO staff and plans are now in place for NSO to use these tools for a range of multi-sectoral data management and analysis purposes. Through supporting the NSO in its central and provincial operations, it is anticipated that the Program will strengthen local data collection and monitoring processes as well as ensure key Program data is captured. For example, modification to the 2008 Informal Sector survey has now been made to include variables on training actually received (rather than solely questions on need for and willingness to pay for training). This information will allow analysis of the questions as to whether and how much receipt of TVET training improves performance of informal sector enterprises.

At Phase 2 mobilisation, the Team Leader and Monitoring and Evaluation (M&E) specialist will continue to consult with the NSO to identify areas for mutual cooperation. During this period the M&E specialist will collate relevant data from known sources and further develop the M&E Baseline as well as prepare a plan with the NSO for the collection of data specific to provincial development indicators.

Once participating provinces have been selected, M&E working groups will be established at provincial level comprising representatives from key agencies and the provincial NSO officer. The M&E plan will be reviewed and finalised by the groups under the guidance of the M&E specialist and presented at provincial stakeholder workshops.

At the same time the M&E specialist will undertake a training needs analysis for each member of the working groups and develop a training plan that will progressively build their respective capacity.

The M&E Plan will be implemented and periodic gender disaggregated reports will be compiled to inform an annual M&E report attached to the Annual Plan. M&E reports will be the primary drivers for any changes in program planning. In addition, an AusAID Technical Advisory Group (TAG) will be deployed annually to monitor Program progress. Drawing from the Annual Report prepared by the senior management team, the TAG will prepare a review report to inform the subsequent Annual Plan.

Program Management

The Process Approach envisaged for the Program will require an innovative and responsive program management approach capable of delivering outcomes within a fully participatory environment that is susceptible to change and uncertainty.

As noted in *AusAID's Quality at Entry Review of Innovative Activity Design*²⁸ senior managers (in this case the Technical Director, Program Manager, Team Leader and Deputy Team Leader) will need to establish appropriate mechanisms for assuring the quality of important aspects of an evolving program during implementation. They will need to maintain appropriate and readily accessible documentation to meet not only accountability and transparency requirements but to also ensure that the evolution of thinking is understood and existing knowledge from earlier analysis is efficiently and effectively fed into subsequent design steps.

Quality systems including a Program Procedures Manual will be developed by the senior management team within the first three months of operations. It will specify quality standards and include standard operating guidelines with respect to areas such as:

- documentation, information management and version control
- I.T. and internet usage code of conduct
- the legal and regulatory environment
- contract management and standard agreements
- grievances, complaints and appeals
- fraud and corruption
- gender and disability, including optimal standards for gender balance
- environment
- risk management including risk management matrix
- occupational health and safety
- employee recruitment, induction and professional development
- staff code of conduct
- staff travel

The regular review and refinement of the Procedures Manual and the Risk Management Matrix will be integral to the Program's approach to continuous improvement.

The senior management team will need to build strong personal relationships and maintain good communication with key stakeholders to agree objectives, priorities and to determine roles and responsibilities of key personnel. The team will need to be well prepared and be sensitive to the views of GoV and other stakeholder personnel.

Given the rolling Annual Plan approach, flexible mechanisms for service delivery and payment will need to be implemented. This may include allowing predetermined funding amounts to remain unspecified in terms of precise budget-line allocations in order to ensure that programming is responsive to evolving needs and priorities.

A Financial Management Manual will be developed to cover the financial operations of both the Program and the Employment and Training Fund. The Financial Management Manual will be a comprehensive guide covering areas such as:

- Accounting and bookkeeping systems
- Responsibilities, Authorisations and Delegations

²⁸ AusAID Rapid Review of Quality-at-Entry (QAE) 2004: Innovative Activity Design JUNE 2005

- Payments
- Audit Trails and acquittals
- Financial Planning – budgeting and forecast, cashflow
- Risk Management including fraud and corruption
- Financial Reporting and Monitoring
- Internal and Independent Audit

A comprehensive Security Plan including emergency response procedures will be prepared to facilitate the safety of Program personnel and will take account of the different circumstances in Port Vila and each Provincial location in terms of peace and order and the potential for natural disasters. Senior Management will ensure all Program personnel are briefed and fully conversant with the Plan.

7.3 Suggested Program Timing

It is planned that Phase 2 of the Program be undertaken over four years commencing in May 2008. It will be implemented progressively with Rolling Annual Plans determining the nature and scope of each year of operation. This design provides a level of detail for the first year of the Program that will form the basis for consultation and validation during the preparation of the first Annual Plan (2008 - 2009) in the first month of Program operations.

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8. Monitoring and Evaluation Strategies

8.1 Approach to Monitoring & Evaluation

Monitoring and evaluation (M&E) are critical to the success of the TVET Sector Strengthening Program. M&E is first and foremost a management tool designed to promote adaptive management and informed decision-making by emphasizing the systematic tracking and analysis of performance. The TVET Program M&E will help stakeholders, implementing partners and project staff learn together in order to improve their development interventions.

Monitoring is the regular checking of program progress through the routine and systematic collection of information. This information, when verified and analysed, highlights progress or problems that allow program managers to adjust plans and implementation as needed. Evaluation is the assessment of the merit of the program by measuring it against planned outcomes. Evaluation answers the questions - has the program achieved its expected outcomes; what factors have affected the achievement of outcomes; what is the program’s impact?

The Program M&E system addresses both accountability and learning needs for internal and external audiences and is designed to systematically collect information about the Program’s progress in order to evaluate and improve its effectiveness and impact over time. The uniqueness and magnitude of the Program in the Vanuatu context demands a solid M&E system in place to document the Program experience and distil lessons to inform a continuous improvement process. In many ways the Program is pioneering an approach for AusAID programs in Vanuatu and the Pacific region and offers a potential model for future development efforts. Therefore, findings from the Program have to be fully monitored, documented and evaluated.

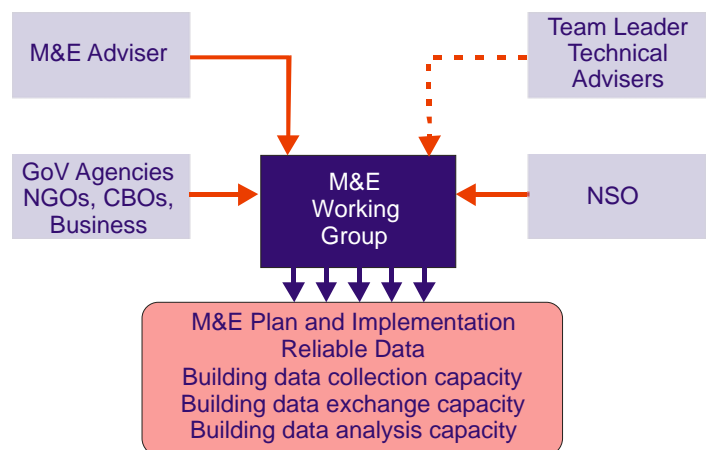
The M&E system is comprised of:

- an M&E Framework (see Annex 1) linking anticipated activities to the TVET Program Strategic Objective and Key Results Areas; and
- a Performance Monitoring Plan (PMP) (See sample PMP Annex 2) that identifies the performance indicators and associated information needs that will apply across the Program in order to make judgements about the impact being achieved as well as offer pertinent information to be fed into the Program Management Information System (MIS).

The overall strategy and approach for the M&E in Phase 2 is based on five equally important principles:

1. Build Local Capacity in M&E

The M&E approach is designed to build local capacity to enable ongoing evaluation of Program initiatives long after Phase 2 has ended. It involves the M&E Adviser establishing an M&E Working Group to lead the collection, processing, interpreting and delivery of M&E data; it also relies heavily on local stakeholder input and involvement particularly that of the National Statistics Office (NSO) and Provincial Training Boards (PTBs). Their involvement will achieve a deepening commitment to the TVET Program on their part and enable a transfer



of knowledge about accountability, as well as support the collection of data for the Performance Monitoring Plan. The M&E Working Group will be trained and continually supported in their M&E role by the M&E Adviser, any Technical Advisers and the Team Leader.

2. An Integrated Approach to gathering and exchanging information

During the development of the M&E Framework and the Performance Monitoring Plan priority has been given to propose performance indicators that would align Program M&E with GoV, Pacific Island Countries' and AusAID's strategic plans. The Program M&E activities are designed to integrate with:

- GoV strategic documents, such as Priorities and Action Agenda (PAA), the Regional Economic Development Initiative (REDI) and the Vanuatu Education Sector Strategy (VESS)
- the AusAID Country Program Strategy (CPS)
- the Pacific Plan; the M&E Framework and the Performance Monitoring Plan make significant references to the Pacific Plan indicators and objectives.

All these integrated activities are meant to ensure that pertinent information is available to all parties on a continual basis, and that the report on progress-to-date is fed into the national or regional strategic documents. Moreover, this close association with national and regional coordinating bodies will allow the individuals primarily involved in monitoring and evaluation to gain a level of familiarity with TVET Sector Strengthening Program activities and issues, sufficient to support relevant and timely monitoring reports and country or regional comparisons or assessments.

3. An Iterative Approach to M&E

There are several important design features of the TVET Program Phase 2 which present unique challenges for monitoring and evaluation. These include the need for maintaining flexibility in a rapidly changing environment, the process approach incorporating a broad range of activities unknown at this design stage that will be developed as a result of the Employment and Training Fund (ETF) and other provincial and Program initiatives.

The M&E Framework for this Phase has:

- a. one Strategic Objective: *Employment and training services provide increased employment and income earning outcomes for clients*, that measures the impact of the Program and answers the question, "What are the socio-economic benefits of the Program's activities?"; and
- b. Four interrelated Key Results Areas (KRAs): *Increased productive activities in selected provinces; Increased economic development initiatives identified and pursued by provincial government/ non-government networks together; Training providers respond to demand for skills to support productive activities; and Employment and training services (TVET Centres) sustained by GoV in selected provinces* that have been designed as intermediate outcomes to provide the contextual understanding and explanation of how the interventions have contributed upwards, towards the achievement of the Strategic Objective and addressed changes in the context; and downwards, how the inputs and activities have contributed to the three KRAs.

The Program through the ETF will be characterised by a range of small and diverse interventions over an extended period of time. Each Activity under the ETF will be identified and approved, then undertaken because it is regarded as a discrete strategic initiative which will have a significant (or 'strategic') impact upon the Strategic Outcome, the KRAs or the sector.

Aggregation of results from multiple interventions will enable the M&E Working Group the means to detect change at the Strategic Objective and KRA levels. This information will provide for ongoing learning so if outcomes of the intervention do not begin to emerge as envisaged, early reflection and re-allocation or re-planning can be done. It provides the Program an opportunity to respond to unexpected failure and success within the lifetime of the project.

Moreover, the ETF and other Program support services are intended to work coherently to bring about organisational change outcomes for key agencies, while being sufficiently responsive to contribute to the broader Strategic Objective and the three KRAs. The Program overall is planned to have an 'impact greater than the sum of its parts' in terms of its overall financial and technical contribution, through selective use of highly strategic interventions which have significant influence at SO and KRA levels in the province and/or country's context.

M&E activities will be reflected at three 'levels of analysis':

- outcome/or Program impact: Phase 2 Strategic Objective
- *intermediate* outcomes: Phase 2 Key Result Areas
- the delivery of key *inputs* and *interventions*: Phase 2 Activities.

4. Community Participation

As in Phase 1, the Program's Phase 2 M&E activities have been designed to encourage industry, community-based organisations (CBOs), NGOs and citizens to become engaged in shaping program activities through:

- periodical surveys that will be conducted as part of M&E activities (eg Living Conditions Monitoring Survey, Business Attitude Survey, Stakeholder Surveys, Businesses & Cooperatives Surveys, Training Impact assessment; and continue with Phase 1 Citizens' attitude survey and the Tracer studies);
- participation in the Program workshops and conferences; and
- improved communications in assisted provinces and communities.

5. Open Feedback and Exchange of Program's M&E Information among Stakeholders

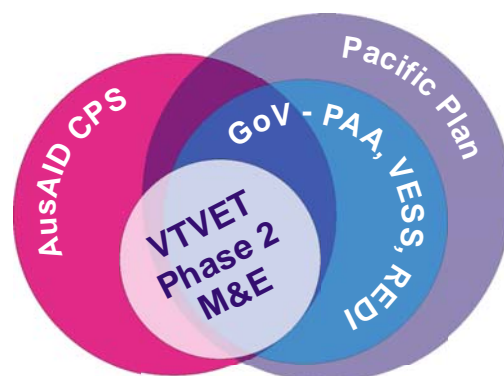
The Program M&E system needs to provide effective channels of communication to inform management decisions and ensure that corrective action is taken if necessary. The M&E Framework has established indicators for the Strategic Objective and KRAs to measure progress and report at these levels. An indicator serves as a target or an explicit measure of expected result. The implementation of the Performance Monitoring Plan will require the development of an M&E Plan that will include description of data collection tools such as survey instruments, the persons/agencies responsible for data collection and the schedule of activities.

The development of the M&E Plan will be done in conjunction with the M&E Working Group as an important first step in building the capacity of provincial personnel to be actively involved in M&E activities. The M&E Adviser with the support of the M&E working groups will present the M&E Plan at a workshop with provincial and national stakeholders explaining:

- the Program logic with planned strategic objective and results;
- specific indicators and designed data collection tools;
- timing for data collection;
- stakeholder responsibilities; and
- the usefulness and importance of the M&E system and the data collection tools to improve TVET Program outcomes and MoE and other government agencies' activities.

8.2. Levels of Monitoring and Evaluation

As indicated in section 8.1 and illustrated in the diagram at right, Phase 2 will integrate its M&E approach at the Program level with GoV, GoA and Regional performance frameworks as follows:



- Priorities and Action Agenda (PAA) – Vanuatu Department of Economic and Social Planning (DESP): Results from the Program activity will not in themselves lead to the achievement of PAA strategic priorities and policy objectives. Yet, it can safely be concluded that achievement of Program objectives will make a positive contribution towards realizing this higher level strategy. Program M&E activities will specifically target reporting at four of the seven PAA Strategic Priorities: Private Sector Development and Employment; Primary Sector Development; Provision of Better Basic Services, especially in rural areas (Gender and Development); and Education and Human Resources Development.
- Other Vanuatu Strategic Documents currently under preparation: The MoE VESS and MYD&T Corporate Plans are under preparation. When these strategic documents are ready, the Program Performance Monitoring Plan will need to be reviewed to make sure that performance indicators and the Program reporting system are correlated to these strategic documents.
- AusAID’s current Vanuatu Country Program Strategy (CPS). It is expected that the new CPS will be finalised early in 2008. Discussions will commence with AusAID at the beginning of the Program about how Program indicators could be re-aligned to the new CPS indicators.
- The Pacific Plan: During Phase I the M&E Adviser liaised with Ms Janine Constantine, the Team Leader for the Pacific Plan implementation, and is in the process of establishing ways in which TVET program reporting system might contribute to the M&E activities for the Pacific Plan, and how the M&E activities for the Pacific Plan might assist Program M&E reporting.

8.2.1. Program progress – quality procedures, continuous improvement and accountability

The Program will maintain a culture of continuous improvement throughout implementation.

The focus of the M&E at the Program level is to ensure continuous improvement of Program management and implementation through corrective action made in light of the results of the data and feedback collected. Objectives, indicators and means of verification have been established against the four Key Result Areas. They provide accountability against both the contractual delivery of Program outputs and the achievement of Program objectives, and will also facilitate identification of causal linkages between Program activities and Key Result Areas. The information generated through the M&E process will inform the Program’s annual plans and the M&E analysis reports which will be provided to the PCC, AusAID and other key stakeholders.

The Program Management Information System (PMIS) will be governed by clear operational guidelines that allow for easy recording and access of program performance information against the established indicators, and will be sufficiently flexible to respond to evolving information needs.

The M&E Framework and the sample Performance Monitoring Plan (Annexes 1 and 2) provide comprehensive detail of the proposed structure and approach to Program level performance assessment. The following **Reporting Framework** illustrates the nature and scope of M&E activities and their inter-relationships at each reporting level of Program activity – Operations, Management, Strategic Policy and Planning, and Aid Effectiveness.

Reporting Framework

Reporting Levels	M&E Activity	Responsibility	Supported by	Purpose	Program Response
Program Operations	<ul style="list-style-type: none"> ○ Establish PMIS database ○ Service delivery²⁹ conditions include <ul style="list-style-type: none"> - Baseline Data - Report Template ○ Activity follow up and data collection (workshops, case study reports/surveys) ○ PMIS database updated 	M&E Adviser ICT Adviser M&EWG RTOs	TL, DTL, TCMs	To ensure systematic and continuous capture of all program inputs and outputs in centralised system	<ul style="list-style-type: none"> ○ Approach to M&E reviewed and refined ○ PMIS database reviewed and refined ○ PMIS report format reviewed and refined
	<ul style="list-style-type: none"> ○ Data analysis ○ PMIS reports 	M&E Adviser M&EWG TCMs	TL, DTL	Action learning cycles and to identify contribution of inputs and outputs to program KRAs and strengths and obstacles in intervention implementation	<ul style="list-style-type: none"> ○ Results assessed against individual activity objectives ○ Identification of best practice case studies ○ Dissemination of lessons learned to stakeholders through workshops and other mechanisms ○ Service delivery reviewed and refined ○ Information and marketing approach reviewed and refined

²⁹ TVET Centre Services such as ETF, BDS, ES etc.

Reporting Levels	M&E Activity	Responsibility	Supported by	Purpose	Program Response
Program Management	<ul style="list-style-type: none"> PMIS Reports disseminated to PCC Executive 	TCMs, M&EWG	TL, DTL	To ensure ongoing continuous improvement in program implementation	<ul style="list-style-type: none"> Program operations reviewed and adjusted Results aggregated and assessed in relation to KRAs Risk Matrix reviewed and updated
Program Policy & Planning	<ul style="list-style-type: none"> Quarterly Reports to PCC Executive Six monthly Reports to PCC Annual Plans to PCC (GoV and AusAID) 	PCC Executive TCM, TL, DTL, M&E Adviser	TD, PM	To provide GoV and AusAID with robust evidence base for refinement/ modification in design and implementation approach	<ul style="list-style-type: none"> Design and implementation approach refined/ modified/confirmed
Aid Effectiveness	<ul style="list-style-type: none"> Progress reports provided to AusAID 	TL, DTL	TD, PM, M&E Adviser	To provide AusAID with ongoing reporting of program progress and effectiveness	<ul style="list-style-type: none"> Lessons Learned Case Studies Outcome and impact assessments Financial & economic analyses Contractual Obligations

8.2.2. GoV Strategies and Performance Indicators: Priorities and Action Agenda (PAA)

The focus at this level is to reflect the contribution of the Program in relation to the achievement of PAA National Strategic Priorities and Policy Objectives. The PAA lists seven key strategic priorities that are interlinked (some in complementary ways) as part of the country's Medium Term Strategic Framework:

1. Private sector development and employment creation
2. Macroeconomic stability and equitable growth
3. Good governance and public sector reform
4. Primary sector development
5. Provision of better services, especially in rural areas
6. Education and human resource development
7. Economic infrastructure and support services.

As reflected in the proposed M&E Framework and Performance Monitoring Plan, it is expected that the TVET Program will primarily influence and contribute to four of the seven priorities: Private Sector Development and Employment Creation; Primary Sector Development; Provision of Better Basic Services, especially in rural areas (Gender and Development); and Education and Human Resources Development.

The following table shows the correlation between the Program's M&E Framework and the PAA

TVET Program			PAA	
Level of Objective in MEF	Proposed Objective	Related indicator	Strategic Priority	Related Indicator
Strategic Objective	Employment and training services provide increased employment and income earning outcomes for clients	#1: Number or percentage increase in permanent, temporary, seasonal jobs , and community based employment (disaggregated by gender and other social categories)	Private Sector Development and Employment Creation	Annual percentage increase in employment in the private sector, including in 15-24 age group
			Provision of Better Basic Services, especially in rural areas (Gender and Development)	Share of women in wage employment in the non-agricultural sector ³⁰
KRA 1	Increased productive activities in selected	#2: Percentage increase in number of registered and operating co-	Private Sector Development and Employment Creation	Annual percentage increase in number of registered and operating

³⁰ The share of women in wage employment in the non-agricultural sector measures the degree to which labour markets are open to women in industry and service sectors, which not only affects equal employment opportunity for women but also economic efficiency through flexibility of the labour market.

TVET Program			PAA	
Level of Objective in MEF	Proposed Objective	Related indicator	Strategic Priority	Related Indicator
	provinces	operatives/firms		businesses
		#3: Percentage increase in production levels	Primary Sector Development and Employment Creation	Production of key commodities: copra, coconut oil, beef, cava, cocoa etc by province
KRA 3	Training providers respond to demand for skills to support productive activities	# 4: number or percentage increase in trainees who found jobs	Education and Human Resource Development	Percentage increase in the number of students enrolled in courses at TVET institutions

8.2.3. Contribution to implementation of VESS, REDI

VESS

The draft Vanuatu Education Sector Strategy (VESS), 2006 identifies the following four priority areas to be addressed:

1. Universal completion of literacy, numeracy and life skills
2. Secondary education, TVET, higher education, scholarships
3. Sustainable school models and a cost effective education system
4. Decentralisation, monitoring and evaluation, partnerships.

The Program will support the work of GoV and other stakeholders through engagement in M&E activities that provide current, relevant data and analysis. The table below identifies alignment with priority areas.

TVET Program			VESS	
Level of Objective in M&E Framework	Proposed Objective	Related indicator	Strategic Priority	Related Indicator
Strategic Objective	Employment and training services provide increased employment and income earning outcomes for clients	#3 improved standard of living	Education and Human Resource Development	Percentage increase in the number of students enrolled in courses at TVET institutions
KRA 3	Training providers	# 3 increase in short courses developed	Education and Human Resource	Percentage increase in the number of

TVET Program			VESS	
Level of Objective in M&E Framework	Proposed Objective	Related indicator	Strategic Priority	Related Indicator
	respond to demand for skills to support productive activities	that respond to employment market demand	Development	students enrolled in courses at TVET institutions
		#2 Increase in training providers that are registered with VNTC	Secondary education, TVET, Higher Education and Scholarships	Increased number of TVET providers registered and TVET courses accredited with VNTC
Sub KRA 2a	Provincial HRD plan responsive to provincial development needs	#1 Development and frequent review of provincial HRD strategy	Secondary education, TVET, Higher Education and Scholarships	National HRD plan to be in place by 2008
		#2 Training is aligned to the HRD strategy	Secondary education, TVET, Higher Education and Scholarships	National HRD plan to be in place by 2008
Sub KRA 2b	Strengthened capacity of Statistics Office in data collection, exchange and analysis	#1 Percentage of provincial staff reporting improved capacity to collect and analyse data	Decentralisation, monitoring and evaluation, partnerships	VEMIS in place and effective by 2009. Accuracy and timeliness of school statistics and financial returns improved.
		#2 Increase availability of gender disaggregated data at provincial level	Decentralisation, monitoring and evaluation, partnerships	VEMIS in place and effective by 2009. Accuracy and timeliness of school statistics and financial returns improved.
KRA4	Employment and training services (TVET Centres) sustained by GoV in selected provinces	#4 TVET Centre model replicated in other province(s)	Secondary education, TVET, Higher Education and Scholarships	At least one TVET centre and/or school offering TVET courses in three Provinces by 2009

While the key focus of VESS is on primary education and strengthening of the education sector generally, the Program can contribute significantly to the development of the TVET sector specifically in the following ways:

- support the development of a national HRD plan through the development of provincial HRD plans
- support the implementation of TVET centres, accessible by training and business services providers through the Employment and Training Fund
- support to the development of priority 2 – secondary, TVET, higher education and scholarships - by increasing the numbers of and access to TVET programs in provincial and rural areas
- support implementation of VEMIS through provision of quality TVET data

REDI

The objective of the Regional Economic Development Initiative (REDI) is to, through government and industry integrated support:

- Identify rural development opportunities and suitable potential locations;
- Promote these opportunities;
- Facilitate investment by ni-Vanuatu, particularly by communities in rural areas within an integrated support framework which would provide a coherent production, processing and marketing network; and
- Remove any remaining policy, institutional and procedural constraints to such development.

The planned REDI activities of each Province vary dependent on the nature and scope of the economic drivers. Therefore while the broad goals are similar across the Provinces, success is measured by the specific activity outcomes. The broader provincial goals include:

- Stimulate positive economic growth
- Create a stable and conducive business environment and facilitate business development
- Build local capacity where necessary in order to boost economic development in the province.
- Improve infrastructure and communication links
- Preserve, revive and promote kastom, culture and traditions

The following table identifies the relationship between TVET program objectives and indicators and the goals and summary of indicators of the individual REDI plans. Note: not all Provincial REDI indicators are represented here.

TVET Program			REDI	
Level of Objective in M&E Framework	Proposed Objective	Related indicator	Goals	Summary of Related Indicators
KR1	Increased productive activities in selected provinces	#1 increase in co-operative incomes	Sustainable, growing economy	Support small business development
		#2 Increase in number of co-operatives/firms operating	Sustainable, growing economy	Support small business development

TVET Program			REDI	
Level of Objective in M&E Framework	Proposed Objective	Related indicator	Goals	Summary of Related Indicators
		#3 Increase in production levels	Sustainable, growing economy	Encourage and support export and inter Island potential
		#4 Increase in volume and/or value of trade	Sustainable, growing economy	Encourage and support export and inter Island potential
KRA 2	Increased economic development initiatives identified and pursued by provincial government/ non-government networks together	#2 Increase in number of initiatives that are implemented in a co-operative manner	Create stable and conducive business environment	Established provincial planning policy
		#3 Improvement in service delivery	Create stable and conducive business environment	Establish business support services
KRA 3	Training providers respond to demand for skills to support productive activities	#3 Increase in short courses developed that respond to market demand.	Develop economic institutional capacity of the province	Identify business related training needs
		#4 Increase in number of trainees who found jobs	Develop economic institutional capacity of the province	Identify business related training needs
Sub KRA 2a	Provincial HRD plan responsive to provincial development needs	Training is aligned to the HRD strategy	Develop economic institutional capacity of the province	Identify business related training needs

As the Program will be activity based in the provinces, opportunities exist to match support with specific REDI activities as identified in the provincial plans. REDI has experienced difficulty in implementation due to lack of financial backing and has had a chequered past, however, the TVET program can now provide a vehicle for the REDI to become anchored with financial and human support and develop a more sustainable future.

8.2.4 Contribution to AusAID Country Program Strategy

The goal of the Australia-Vanuatu Country Program Strategy (CPS) is to create long term stability resulting from accelerated development, including broad based growth, and improved welfare of the general population. While the 2008 strategy is under development the current strategy provides a solid base for the design of Phase 2. Program Objectives closely align with the following country strategy outcomes:

- Stronger links with central line and provincial systems;
- Improved service delivery to populations in greatest hardship; and
- Raised productive capacity of ni-Vanuatu, particularly women and young people.

On release of the 2008 CPS the program will be realigned to take account of new and emerging issues. The following table outlines the relationship between objectives and performance indicators of the TVET program and the CPS. While the program does not aim to address all components of the CPS, there is significant alignment.

TVET Program			Australia-Vanuatu Country Strategy	
Level of Objective in M&E Framework	Proposed Objective	Related indicator	Program outcomes	Related Indicators
KRA1	Increased productive activities in selected provinces	#1 increase in co-operative incomes	Expanded rural (farm and off-farm) productivity providing income generation, particularly for women and young people	% increase in private sector activity by targeted groups
				% increase in incomes for women and young people
		#2 Increase in number of co-operatives/firms operating	Expanded rural (farm and off-farm) productivity providing income generation, particularly for women and young people	% Increase in rural production activities
				% increase in incomes for women and young people
			Stronger enabling environment for private sector development	Increase in business registrations
		#3 Increase in production levels	Expanded rural (farm and off-farm) productivity providing income generation,	% Increase in rural production activities

TVET Program			Australia-Vanuatu Country Strategy	
Level of Objective in M&E Framework	Proposed Objective	Related indicator	Program outcomes	Related Indicators
			particularly for women and young people	
		#3 Increase in production levels	Stronger enabling environment for private sector development	Increase in domestic and/or foreign investment
KRA 2	Increased economic development initiatives identified and pursued by provincial government/ non-government networks together	#1 Increase number of ETF proposals that demonstrate inter-agency cooperation	Stronger partnerships between NGOs, Chiefs, Churches, women's and other civil society groups and Government in service delivery in rural communities and informal settlements in urban areas	Evidence of working linkages between stakeholders
		#2 Increase in number of initiatives that are implemented in a co-operative manner	Stronger partnerships between NGOs, Chiefs, Churches, women's and other civil society groups and Government in service delivery in rural communities and informal settlements in urban areas	Evidence of working linkages between stakeholders
			Stronger links between central, line and provincial systems	Systems coordination between national and provincial levels
		#3 Improvement in service delivery	Stronger partnerships between NGOs, Chiefs, Churches, women's and other civil society groups and Government in	Enhanced impact and sustainability of services in targeted areas

TVET Program			Australia-Vanuatu Country Strategy	
Level of Objective in M&E Framework	Proposed Objective	Related indicator	Program outcomes	Related Indicators
			service delivery in rural communities and informal settlements in urban areas	
KRA 3	Training providers respond to demand for skills to support productive activities	#1 Increase in accredited courses used by training providers	Greater targeting by key service delivery agencies in rural communities and informal settlement in urban areas	% increase in access to secondary and vocational education services to targeted communities
		#2 Increase in training providers that are registered with VNTC	Greater targeting by key service delivery agencies in rural communities and informal settlement in urban areas	% increase in access to secondary and vocational education services to targeted communities
		#3 Increase in short courses developed that respond to employment market demand.	Greater targeting by key service delivery agencies in rural communities and informal settlement in urban areas	% increase in access to secondary and vocational education services to targeted communities
Sub KRA 2a	Provincial HRD plan responsive to provincial development needs	#2 Training is aligned to the HRD strategy	Greater targeting by key service delivery agencies in rural communities and informal settlement in urban areas	Improve management in urban and social planning

8.2.5. Pacific Plan³¹ M&E Framework and its Indicators

As a Pacific Forum country Vanuatu is actively involved in the implementation of the Pacific Plan. The Goal set in the Pacific Plan is to enhance and stimulate economic growth, sustainable development, good governance and security for Pacific countries through regionalism. To meet this goal, the Pacific Plan sets four Strategic Objectives: Economic growth, Sustainable development, Good governance, and Security. The Pacific Plan identifies a wide range of regional initiatives based on alignment and

³¹ The Pacific Plan – “For Strengthening Regional Cooperation and Integration”, Pacific Islands Forum Secretariat, October 2005.

consistency with (a) the Leaders' Vision and the Strategic Objectives; (b) priorities identified by Members and other stakeholders in the course of Pacific Plan consultation; and (c) the regional approach, to which TVET Program activities will make a contribution. The Plan clearly sets up its M&E Framework where strategic objectives, success indicators for monitoring progress, sources of verification and assumption and risks are established. Each member country, including Vanuatu, has to monitor and report periodically to the Pacific Islands Forum Secretariat (PIFS).

The Program M&E system is linked to the Pacific Plan M&E system as the following Table shows:

TVET Program			Pacific Plan		
Level of Objective in M&E Framework	Proposed Objective	Related indicator	Strategic Area	Strategic Objective	Success Indicator
Strategic Objective	Employment and training services provide increased employment and income earning outcomes for clients	#1: Number or percentage increase in permanent, temporary, seasonal jobs (disaggregated by gender and other social categories)	Economic Growth	Increased private sector participation and contribution to development	#12: Percentage increase in employment in the private sector
			Sustainable development	Enhanced involvement of youth	#39: Percentage decrease in youth unemployment rate (age 15 to 24), compared to adult rate
KRA1	Increased productive activities in selected provinces	#2: Percentage increase in number of registered and operating co-operatives/firms	Economic Growth	Increased private sector participation and contribution to development	#11: Percentage increase in number of registered and operating businesses
KRA 3	Training providers respond to demand for skills to support productive activities	# 4: number or percentage increase in trainees who found jobs	Sustainable Development	Improved Education and training	# 35: Percentage increase in the number of students enrolled in courses at TVET institutions

8.3 *Methods for and Sources of data collection*

The TVET Program monitoring and evaluation components are designed to cross-validate and triangulate³² information from various sources. The program will benefit from a range of perspectives from different sources, internal and external to the Program. For example, the M&E Working Groups might report on a particular indicator, while the Stakeholders Survey or Business and Co-operatives Survey might give a different result for the same indicator. External monitoring by outside parties to conduct these surveys will be used to complement perspectives from program implementers and beneficiaries as well as provide more thorough analysis of cases and events.

The Program proposes to have comprehensive M&E systems that will employ both quantitative and qualitative methodologies and provide for internal and external monitoring functions, combined with rigorous evaluation and thematic studies (when necessary). All elements are designed to inform and improve the operations and strategic directions of the Program. The M&E system consists of:

Monitoring Activities:

Internal monitoring:

- Program internal monitoring
- Reporting by M&E Working Groups
- GoV supervision and monitoring
- Focus groups/Workshops
- Case studies and documentation of lessons
- Management information systems (MIS)

External monitoring:

- Independent external monitoring by provincial NGOs/other organisations: stakeholders survey, businesses & co-operatives survey, living conditions monitoring survey, business attitude survey, GoV agencies survey
- AusAID monitoring missions

Evaluation Activities:

- Impact evaluation study: Net Impact Evaluation, with the use of participant (in TVET Program) and non-participant (or control) groups at the end of the Program.
- Thematic evaluations and studies including: tracer studies, technical quality and costs of services; financial and economic analyses; gender analysis.
- AusAID monitoring missions

After mobilisation to the selected provinces, the Program M&E Adviser will workshop the Performance Monitoring Plan with the M&E working Groups and begin to implement the M&E activities outlined above.

Furthermore the Program will improve and strengthen several M&E areas of Phase 1 activities:

- a. **NGO/other organisations monitoring** - The independent external monitoring by provincial NGOs will be more frequently used than in Phase 1. Beginning in 2008, the M&E Adviser will explore the possibility of having a list of organizations that could be used to provide external monitoring to the Program. Training and strengthening to NGOs for monitoring the program's objectives, in order to conduct the proposed surveys: Citizen Attitude survey, Businesses & Co-operatives

³² Triangulation is the process of establishing the accuracy of information by collecting and comparing three or more independent data sources or perspectives.

survey, Stakeholders survey, Business Attitude survey, GoV agencies survey, or Living Conditions Monitoring survey, will be further explored.

- b. **Impact Evaluations** – A baseline quantitative and qualitative survey will be completed at the beginning of Phase 2. It will focus on questions to address most of the indicators from the M&E Framework. This study will be repeated annually to measure Program impacts. Moreover, a Net Impact Evaluation will be conducted (possible sub-contracted) at the end of the Program, where control groups will be used.
- c. **Thematic Evaluations and Studies**– The Program might require several studies to be undertaken during program implementation. Studies such as: tracer studies, technical quality and costs of services; financial and economic analyses; or gender analysis, could help further with evaluation of Program activities. This type of studies will be discussed with AusAID and counterparts, if they become necessary.

In conclusion, reporting on the achievement or otherwise of the Strategic Objective and Key Result Areas will draw on a range of methods and approaches including qualitative social research methods (description and narrative, such as case studies and focus groups); organisational development and change concepts, and basic ‘input-to-output-to-result’ reporting. Multiple methods and multiple indicators as well as triangulation are proposed to overcome problems arising from reliance on a single method or single data-set. Specially designed surveys will also be used to report at the SO and KRA levels.

Some examples of data collection follow below:

Tracer Study for Formal and Non Formal Training Students

The Program will continue to conduct tracer studies however the focus will be to build capacity of training providers to undertake these surveys themselves. The purpose of these surveys in Phase 1 was to track the movements of assisted VIT, RTC or other non formal training providers’ students and report at the “goal” level indicator. By finding out whether graduates of training providers “assisted by the program” will find employment, the survey attempts to measure the effectiveness of the training provider in meeting the needs of the labour market. Its results will continue to provide an extra source of information to enable training providers to be responsive to industry trends.

Direct observations of field activities

This collection method is based upon intensive and systematic observations of activities as they occur naturally, with effort directed towards minimising the effect of the M&E process on participants’ behaviour.

Key informant interviews

In-depth discussions with persons who are knowledgeable about a specific topic or subject will be held. This technique will be used with the business and co-operatives as part of the M&E Framework Businesses & Cooperatives survey; Business Attitude Survey, and Stakeholders survey.

Focus Groups/Workshops

Workshops with Focus Groups will be used to collect data on the various indicators, as proposed in the Performance Monitoring Tool. Focus groups comprising people with a common characteristic or demographic participate in a structured discussion facilitated by a trained moderator on a specific topic or set of topics. This is another means to obtain feedback on the perception of service delivery for the Program.

Case studies & documentation of lessons

Review and documentation of specific cases and identification of best practices and modalities to replicate across the province or Vanuatu.

File and document review

Review data that has been previously collected and presented in government records, organizational or program files, or other program documentation. This type of review offers a relatively quick method to discover what data has already been collected with an eye toward minimizing the need for additional data collection and the costs associated with that data collection effort. Depending on the specific indicators, a series of *data collection sources* will be used as building blocks for the M&E activities, such as:

- existing and future surveys from National Statistics Office, such as household survey, formal and informal surveys, Census, Agricultural survey
- Department of Cooperatives, Department of Economic and Sectoral Planning, Department of Agriculture, Vanuatu National Training Council and Provincial Training Board records

Quick monitoring surveys

Quick diagnostic surveys are cost efficient and can be used to determine the impact of various activities undertaken during the TVET Program.

A budget to fund the proposed M&E Adviser and to cover the costs for the data collection is included within the financial proposal.

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9. Sustainability

9.1. *The Program sustainability*

The Program design has identified a number of mechanisms to ensure sustainable outcomes:

1. It is planned that the delivery of employment and training services through the TVET centres will overtime deliver efficiencies in the provision of HRD services supporting provincial development. With improved coordination between provincial government agencies, opportunities will arise for agency budgets to be realigned to fund TVET Centre operations including personnel costs. For example, if the Department of Cooperatives is able to more effectively and efficiently deliver training to its constituents through the operations of a TVET Centre (rather than doing it itself) it should be able to realign any savings toward support for TVET Centre operations. There is also the possibility of some limited income generation through service fees but given the limited economic base this is not likely to be substantial.

While there is an expectation that the management and operations of the TVET Centres will be fully funded and integrated within the fabric of provincial government agencies by the end of the Program, it is unrealistic to expect that the Employment and Training Fund itself would be sustainable through GoV resources. Given the limited resource base of the GoV and the small formal economy which might otherwise have been able to make a contribution through a training levy or the like, there is little likelihood of any substantial financial contribution to the ETF. On the other hand, if the TVET Centres are, within GoV resources, effectively and sustainably delivering employment and training services that are demonstrably contributing to improvements in provincial economic well being, the ETF presents as an effective vehicle for on-going programmatic support from donors.

In addition, the possible availability of a donor supported fund will provide incentive for GoV agencies to maintain their commitment to the TVET Centres as a mechanism for the delivery of employment and training services in support of provincial development. (A success will breed success model of sustainability.)

2. Strong community participation via the proposed M&E workshops (focus groups), case studies and surveys ensures buy-in and responsiveness to demand; local government participation through the Provincial Training Boards, the National Statistics Office and other government agencies ensures use of existing structures, additional support and institutionalisation of the process as well as increasing scale; investments will be more effective and economical using a province level “demand driven intervention” vis-à-vis traditional central approach.
3. The Program is designed to be scaled-up through successive rounds that will build upon the successes achieved to expand the geographic scope of the previous operations. The Program will commence in two provinces and develop processes and procedures that will be able to be replicated in other provinces. This approach aims to ensure the long-term sustainability of the Program and builds its flexibility to adapt to a changing environment.
4. Sustainability has been a key consideration during the design phase that will continue to be addressed and monitored from the very beginning of Phase 2. GoV contributions to the Program through provincial budgets for personnel, facilities & recurrent costs or changing demand for Employment and Training Services (ETS) will be tracked and acted upon. Moreover the Program will work with GoV agencies to ensure that responsive policy and planning processes to support implementation and continuous improvement of ETS is in place.

5. The Program M&E Framework and its performance indicators have been aligned to the region and/or country M&E Frameworks that support key strategic documents (PAA, Pacific Plan, REDI, VESS etc), and contact with the national and regional coordinating bodies has been made. This close association with these bodies will allow the individuals primarily involved in monitoring and evaluation to gain a level of familiarity with TVET Sector Strengthening Program services, sufficient to support and continue its (M&E) activities.
6. This Phase will work at provincial level within the framework of the country's emerging HRD Plan. The Program will assist the development, implementation and frequent review of provincial HRD strategies and ensure that the training facilitated by the Program is aligned to and supportive of the HRD strategy.
7. The Program will ensure complementarity and integration with other AusAID programs. The Program will work collaboratively with other AusAID programs, where appropriate, such as the Australian Pacific Technical College (APTC), Governance for Growth Program, Enterprise Challenge Fund (ECF), and the Independent Monitoring Team for the ECF. The ECF is particularly relevant as it is an innovative mechanism for increased access by the poor to commercially sustainable jobs and services. ECF activities are intended to make a contribution to the business environment, including small and medium enterprises, and impacts on wider business decision-making processes, such as: direct creation of jobs, income-earning opportunities, and increased access to goods and services by poor people. The ECF will start in Vanuatu in 2008 at around the same time as Phase 2 of the Program. The Program will pro-actively pursue synergies and complementarities between the two.

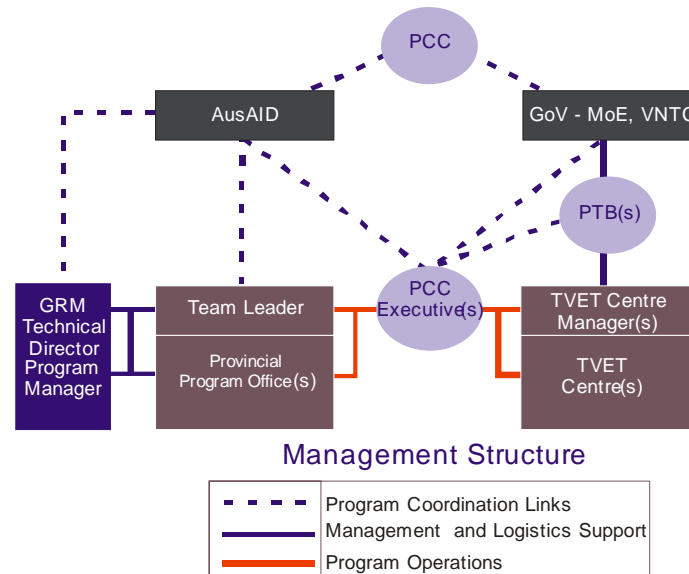
9.2 Draft Indicators of Sustainability

The M&E Framework for Phase 2 of the Program has a specific focus on sustainability. The proposed indicators for measuring the achievement of this objective are outlined in the following table:

Indicators of Sustainability		Means of Verification
Indicator 1	Increase in contribution through provincial budgets for personnel, facilities and recurrent costs	<ul style="list-style-type: none"> ○ Provincial Government agencies budget allocations
Indicator 2	Increase in demand for Employment and Training Services	<ul style="list-style-type: none"> ○ PTB records (eg: phone call enquires, log book entries, number of proposals, etc) ○ Business and Cooperative survey
Indicator 3	Responsive policy and planning processes to support implementation and continuous improvement of Employment and Training services	<ul style="list-style-type: none"> ○ Strategic plans developed and refined annually ○ Changes in budget allocation to support Employment and Training Services ○ Existence of Quality Manuals ○ Periodic reviews of policies and procedures
Indicator 4	TVET Centre model replicated in other province(s)	<ul style="list-style-type: none"> ○ VNTC and PTB records ○ Provincial Budget allocations ○ Communication systems established between existing and new TVET Centres

Given the iterative and inherently flexible nature of the proposed Program design, it is anticipated that these initial indicators of Program sustainability will be added to in light of the adjustments made to Program modalities and interventions.

10. Management and coordination strategies



The Program will engage with a large number of stakeholders and partner agencies.

Peak policy and coordination will be provided by a Program Coordinating Committee (PCC). The PCC will be convened twice yearly by the GoV with the Director General of Education as the Chair. The PCC will include representation from a broad range of stakeholders such as:

- GoV Departments – MoE, MYD&T, Labour, Agriculture, Small Business and Cooperatives, Women’s Affairs, Economic and Sectoral Planning, National Statistics Office, Vanuatu National Training Council,
- Vanuatu Institute of Technology (VIT), Rural Training Centres (RTCs) and other training providers (public and private)
- Malvatumauri
- Provincial Representatives – Provincial Council Secretary Generals, Provincial Training Board (PTB) Chairs, Provincial Education Officers (PEOs), RTCs
- NGOs – Vanuatu Association of Non-Government Organisations (VANGO), Vanuatu Rural Development Training Centres Association (VRDTCA), Vanuatu Women’s Development Scheme (VANWODS), Vanuatu National Council of Women (VNCW)
- Vanuatu Chamber of Commerce and Industry (VCCI) and other private sector representatives
- AusAID
- Other donors
- Program Management – Technical Director, Program Manager, Team Leader, Deputy Team Leader

Given such a broad stakeholder interest in the Program it is impractical to consider the PCC playing an active role at the operational level. A PCC Executive will be established in both Program provinces to provide operational guidance to the Program. The PCC Executive will be chaired by the respective PTB Chair and include 3 other PTB members elected on an annual basis by the PTB. The PCC Executive will also include a nominee representing the training providers operating in the respective province and a nominee from the private sector. The Team Leader (and Deputy Team Leader), TVET Centre Manager(s) and an AusAID representative will also be members.

The primary role of the PCC Executive will be to provide policy direction and lead Program strategic planning. Sub groups of the PCC Executive will play major roles in establishing Employment and Training Fund (ETF) guidelines and approving ETF disbursements and other sub-contractual arrangements.

The PCC Executive will be responsible for activities such as:

- providing strategic advice on directions and priorities of the Program,
- supporting development of Annual Plans and budgets
- monitoring progress and performance of the Program
- reviewing any technical standards and protocols developed by the Program
- being a focal point for coordination of activities of the various TVET sector stakeholders
- encouraging a culture of collaboration and high performance
- establishing and maintaining a continuous quality improvement cycle
- resolving any differences between stakeholders
- reviewing Program reports and recommending appropriate responses

Program Offices will be established in two provinces with the Team Leader being deployed to one and the Deputy Team Leader deployed to the other. They will establish Program Offices alongside Provincial TVET Centres. They will have multiple counterparts but on a day to day basis will mentor and guide the PTB Chair and the TVET Centre Manager.

In addition to PCC responsibilities, the Technical Director and the Program Manager will provide on-going technical leadership and support Program logistics including recruitment, mobilisation of personnel, financial control, capital works and procurement. The Technical Director will have overall responsibility for the delivery of agreed contractual obligations with AusAID.

11. Risk Management

Risk assessment and risk treatment will be an essential element of on-going Program management. Program risks have been assessed across the following risk categories:

Risk Categories	Broad Definition of the Risk
Political Risks	Risks relating to political environment in which the project operates at both national and provincial level.
Financial and Economic Risks	Risks relating to financial to Government of Vanuatu capacity to contribute budget and resources.
Technical Risks	Risks relating to the lack of capacity to implement a national TVET system at both national and provincial levels.
Organisational Risks	Risks relating to organisational structures and inter-agency relationships.
Systems Risks	Risks related to the adequacy or otherwise of national and provincial policies.
M&E Risks	Risks related to the capacity to identify, measure and analyse data relevant to national and provincial planning.

A Risk Management Matrix which will be reviewed regularly as part of the Annual Planning process has been developed against each of these risk categories (see Annex 3). Significant risks are summarized below.

VNTC

The successful operation of the VNTC is critical to the development of a sustainable national training system that can effectively support national and provincial development goals. Key risks relate to how well the VNTC can manage a fully decentralised system with well resourced and well trained PTBs and provincial training officers.

Effective decentralisation will also depend on how well the VNTC can develop and implement training provider registration and program accreditation processes appropriate in the Vanuatu context – especially in provincial areas.

Government of Vanuatu

Effective development depends on cooperative and collaborative approaches by the various government departments and agencies charged with development responsibilities. Inter-agency competition for scarce resources, perceived conflicts across areas of responsibility and/or poor information and communication systems will all impede progress.

Information Systems

Communications infrastructure is inadequate and there is limited experience in the systematic development, maintenance and protection of management information systems suitable for planning and coordination arrangements within and between key agencies.

12. Feasibility, benefits and sustainability

12.1 Manageability of the activity

Manageability of the Activity

Given the large number of stakeholders and partner agencies with which the Program will be working, the establishment of strong lines of management and coordination will be essential. The development of clear guidelines with regard to the roles, functions and communication processes between Program provincial stakeholders, and between their respective provincial and national structures, will be an initial focus of Program implementation.

The Program will be based in two provinces where it will focus specifically on improving the capacity of a decentralized TVET system to respond to provincial development needs. The PCC Executive at both provincial sites will constitute the key operational management mechanism, facilitating strategic collaboration between training providers, the private sector and the Program. Direct capacity building support will be provided primarily through the provision of the Team Leader and Deputy Team Leader as counterparts to the PTB Chair, who will chair the PCC.

Long-term manageability of the activity will depend considerably on the effective operation of the PTB and its ability to act as the devolved arm of the VNTC and to function as the coordination point for demand-drive training at the provincial level. For this reason, the Program will devote substantial resources in the first year of Phase 2 to the training of PTB members and the strengthening of its administration, planning, and communication processes. Technical resources will also be directed to building the capacity of TVET Centre personnel and local training providers to deliver the TVET Centre services at this initial stage. The use of a flexible discretionary pool of advisers to provide this support will ensure assistance is targeted and responsive.

It is also anticipated that the Program's focus on strengthening existing institutional processes and implementing small-scale interventions that can be built on, adapted, and replicated over time, will maximize simplicity of activity management and administration. In addition, this approach will ensure that investments provided by the Program and local agencies are trialed in a restricted setting before more extensive application, thereby reducing the risk of resource wastage.

12.2 Technical feasibility

A significant amount of energy will need to be focused on building awareness and understanding of the objectives and processes of Program activities – primarily the Provincial TVET Centres – to ensure meaningful participation. The proposed Information and Marketing Plan will be a critical factor in developing this understanding of the new, and initially, unfamiliar opportunities made available through the Program.

The requirement for local training providers to work in association with the productive sector and to deliver training that is responsive to provincial economic development demands will present some challenges. However, criteria established to enable access to the ETF will provide the leverage to:

1. promote association arrangements,
2. ensure economic development outcomes are agreed from the outset, and
3. provide tangible incentives for their achievement.

Similarly, the adoption of competitive processes for the selection of participating provinces will promote the likelihood that the technical capacity building and training provided by the Program at the outset will build upon established foundations and demonstrated commitment on the part of Program partners. These processes in turn will contribute to improving cost effectiveness and return on Program investments.

Institutional capacity to absorb the technical requirements of the Program will be supported through management and coordination arrangements that consolidate existing systems and governance structures. Furthermore, the process-approach modality, which allows for flexible, phased implementation and small-scale experimentation, will ensure implementation proceeds in a contextually-appropriate manner and that the technical changes initiated by the Program to the TVET sector are sustainable over the long-term.

12.3 Financial and economic feasibility

The Phase 2 Program, as described in chapter seven, draws on international best practices in labour market, TVET and private sector development projects.³³ Its design reflects several economically important elements, including:

- An Employment and Training Fund (ETF) – to allocate resources competitively through an open and transparent process of proposals;
- A governance structure involving both key local and national stakeholders – to direct resources to the funding of initiatives that meet high priority local needs;
- Performance-based funding of service providers – to ensure that design and service delivery is demand-driven and results in desired outcomes;

³³ Employment and Training Funds (ETF) have been used in many World Bank funded projects throughout the world since the mid- to late 1990s. The ETF concept, governance and ancillary components of support services are now mainstreamed in many projects, recent examples of which include the World Bank's 2007 India Vocational Training Improvement Project (VTIP) and 2007 Organization for Eastern Caribbean States (OECS) Skills for Inclusive Growth Project.

- Capacity building of service providers – to raise the efficiency and quality of support services provided;
- TVET and labour market information services – to overcome information constraints that limit informed decision-making, and to link potential users to service providers, and
- Monitoring and evaluation (M&E) – to facilitate mid-course corrections in program design and service delivery, as warranted, through M&E and continuous feedback of outcomes to program managers.

Numerous projects that provide employment, training and business development support services (some with similar design features as the Phase 2 Program) have been scientifically evaluated, and they provide a range of estimates of labour market outcomes that might be reasonably expected from the Phase 2 Program.³⁴ While there is considerable variability in the results, these studies suggest that well-designed active labour market programs (ALMPs) can have substantial positive impacts on post-program employment and wage outcomes. Employment services generally have positive net impacts and, being low-cost, are typically most cost-effective of ALMP interventions. Training is most common (though most costly), and works best when provided in a work context with active involvement of employers, and when training providers compete to deliver quality and lower cost training. Interventions to promote entrepreneurship and self-employment and provide business development support (BDS), while not as widely used as other ALMPs, have also shown positive outcomes. Most ALMPs are typically delivered as a package, so that the individual impacts of each intervention are difficult to disentangle. Comprehensive interventions, such as those proposed by the Vanuatu TVET program, typically tend to produce better outcomes, as evidenced by the Latin American experience with youth programs that couple training with comprehensive life and technical skills, internships and job placement services.

In principle, the economic and financial justification for the Program should be conducted using Vanuatu data. While the program can be justified, *ex ante*, by appeal to its best practice design features and to positive outcomes experienced by many similar programs, the actual results that obtain for Vanuatu may vary because of its specific economic conditions and institutions. Ideally, such an assessment would be based on a comparison of the potential net benefits and unit costs of delivering the Program, from which rates of return to investment can be calculated. Net benefits refer to the improvement in wages and incomes of individuals and informal enterprises from training and BDS services, most often approximated by comparing the outcomes of program beneficiaries to those of a control group that did not benefit from these services. Unit cost refers to the average fixed and marginal costs of delivering each activity, whether training or BDS.

This economic analysis was not done during the design phase because of data constraints. The Vanuatu National Statistics Office (NSO) has not fielded a labour force survey with employment and wage information, and access to other NSO surveys with wage and business income data – such as the Household Income and Expenditure Survey (HIES) or the Informal Sector Survey (ISS) – is limited. The tracer studies commissioned by the Program in Phase 1 elicited useful information on the employment outcomes of participation in RTC and VIT training, but neglected to ask graduates of both programs about wages or incomes from self-employment. Little information was also available on unit costs of delivering training during Phase I. Without wage and income data and some notion

³⁴ See the meta analysis of 157 net impact evaluation studies by Betcherman, Olivas and Dar (2004), “Impacts of ALMPs: New Evidence from Evaluations with particular reference to transition and developing countries” and the more recent survey of 289 interventions targeting youth by Betcherman, Godfrey, Puerto, Rother and Stavreska (2007), “A Review of Interventions to support young workers: Findings of the Youth Employment Inventory”.

of unit cost no credible estimate of net program benefits is possible, let alone an estimate of the cost-benefit ratio, to judge the economic and financial feasibility of the Program.

However an economic and financial analysis has now commenced during the transition to Phase 2 in collaboration with the National Statistics Office (NSO) on developing baseline data for M&E. The design team has determined that person-level information can be extracted from the 2007 HIES and linked to household-level variables to create what is, for all intents and purposes, a labour force survey with demographic characteristics, level of schooling attainment, employment status, and both wages from formal sector jobs and household income from informal sector enterprises. As part of collaboration with NSO, the Program has been able to access these linked HIES files for use in conducting the economic and financial analysis. With some plausible assumptions, wage and demographic information from the linked HIES files can be used to supplement data collected by tracer studies (which have no wage information), and to identify appropriate control groups for RTC and VIT graduates. Lessons learned from this exercise using the HIES will subsequently be extended to other surveys, both to enhance NSO's capacity to field and make available public use survey data and to improve the quality and coverage of tracer studies.

12.4 Institutional feasibility

Current institutional capacity in the TVET sector has been a key area of consideration in the proposed design. A core objective of the implementation arrangements is to support the institutional processes and systems that are integral to the operation of a national training framework in a decentralised environment. The decision to physically locate Program operations at a provincial site is a reflection of the need to shift institutional capacity building from its previous centralised focus to facilitating these institutions fulfil their administrative functions and responsibilities vis-à-vis the majority rural population.

The design also recognises that institutional capacity constraints continue to exist at the central level and has therefore developed an approach that strengthens links between national and provincial bodies, promoting effective operationalisation of the decentralised system. Program support to the VNTC is a key example of this. Substantial support has been provided to this coordinating body at the national level during Phase 1 and a clear framework for a cohesive accreditation and registration system is in place. Through now providing support to the VNTC's provincial agencies and providing incentives for it to work collaboratively with provincial stakeholders, it is expected that this will result in a quality based national system that is more efficient and responsive with regard to provincial needs.

Improved TVET delivery will be dependent on improved institutional collaboration, particularly between supply and demand-side organisations. The potential risk of agencies operating in isolation, will be mitigated through establishing incentives that directly promote inter-agency cooperation and provide assistance to strengthening communication channels and forums, such as the Program Coordination Committee.

The provision of support to existing institutional functions, and the initiation of training provider incentives and services such as the BDS, is designed to ensure that Phase 2 of the Program does not place additional financial burden on local agencies. Rather, potential revenue sources will be created and greater operational sustainability on completion of Program assistance will be promoted.