



Vanuatu Ministry of Education

Report

**JOINT ASSESSMENT OF THE INSTITUTIONAL
CAPACITY MANAGEMENT OF THE
GOVERNMENT OF VANUATU FOR THE
IMPLEMENTATION OF THE VANUATU
EDUCATION SECTOR STRATEGY (VESS)**

25th July 2007

VANUATU: BASIC INDICATORS OF EDUCATION AND DEVELOPEMNT

Population*	215,836 (2004)	Literacy rate of 15-24 year olds (%) ⁺	unknown
Per capita GNI (US\$)**	1,560 (2005)	Net enrolment ratio in Primary Education (%)**	95.9 (2005)
Economic Growth Rate (%)**	2.8 (2005)	Ratio of girls to boys in primary and secondary education (%)**	99.7 (2000)
Human Development Index***	0.71 119/177 (2006)	Primary completion rate, total (% relevant age group)**	87.3 (2005)
Public Expenditure on Education (as % of GDP)** (estimate)	9.1 (2005)	Net enrolment ratio in Secondary Education (%)**	32.5 Total (2000)
Population Growth (annual %)**	1.9 (2005)	Pupil-Teacher ratio primary**	20 (2005)
Adult Literacy Rate (% of people aged 15 and above)**	74 (2006)	Pupil-Teacher ratio secondary** (estimate)	13.9 (2005)

*Demography/Population Section, Secretariat of the Pacific Community

**World Bank Indicators to 2006

***UNDP Human Development Report 2006

+ADB Vanuatu Country Reports Millennium Development Goals

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ABBREVIATIONS

MoE	Ministry of Education
CoM	Council of Ministers
PSC	Public Service Commission
VESS	Vanuatu Education Sector Strategy
PIP	Program Implementation Plan
MFEP	Ministry of Finance and Economic Management
TSC	Teaching Service Commission
VIT	Vanuatu Institute of Technology
VITE	Vanuatu Institute of Teacher Education
EPG	Education Partners' Group
VEMIS	Vanuatu Education Management Information System
TA	Technical Assistance
PEOs	Provincial Education Offices
GoV	Government of Vanuatu
VIOE	Vanuatu Institute of Education
DG	Director General
OECD	Organisation for Economic Cooperation and Development
DAC	Development Assistance Commission
SWAp	Sector Wide Approach
MTEF	Medium Term Expenditure Framework
ZCAs	Zone Curriculum Advisers
BEIST	Basic Education Information System Tafea
EU	European Union
LPO	Local Purchase Order
HR	Human Resources
VNTC	Vanuatu National Training Council

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Executive Summary

Background

Development of the Vanuatu Education Sector Strategy (VESS) has been led by the Ministry of Education (MoE), which has used a broad consultative approach. The Council of Ministers (CoM) approved the general directions of the VESS in April 2007. The Public Service Commission (PSC) approved the concept of a two Division Ministry in June 2007 as a first step in the proposed restructure of the MoE. The purpose of this Institutional Capacity Assessment was to identify institutional and organisational needs, determine appropriate support mechanisms and contribute to the development of a Capacity Development Strategy, for the implementation of VESS priorities.

Part A: Proposed Structure to Implement VESS

Rationale and purpose of VESS including priorities

The VESS, the broad directions of which have been approved by the Council of Ministers, proposes that the MoE will continue to deliver educational services while the reforms and transformation envisaged under VESS take place. The priorities of the VESS are all encompassing and are to transform the education sector so that access, equity, quality, relevance and efficiency are improved while the education provision is expanded to provide a full eight years of basic education to each Vanuatu student.

The first stage in the transformation of MoE to achieve its objectives is the restructure of the Ministry. The broad concept of the proposed structure is compatible with VESS priorities, particularly in its separation of corporate support and delivery services." The core roles of MoE, as stated in the VESS are policy, planning, standards, budget allocations, monitoring and evaluation, and reporting.

An alternate proposed structure includes the functions (based on the core roles) that divisions would be expected to fulfil, draft proposed numbers supplied by MOE, clarifies some lines of responsibility and cooperation, a policy and aid coordination function and has the HR and Scholarship Unit reporting directly to the DG. Functions additional to the VESS structure include: needs identification, costing, policy formulation, production of monitoring data and evaluation reports. There is a proposed increase in staff which can be justified within the context of support to education staff but for which funds are not available in the recurrent budget. To support this restructure MoE have developed creative responses to many of the constraints to decentralisation.

Part B: Capacity Building to implement the VESS

Minimum requirements for a sector approach:

There minimum requirements for a sector approach which include: a sector policy which is consistent with the higher national development objectives, a Program Implementation Plan (PIP) with indicators for measuring (and the means to measure) outcomes, outputs, reform milestones and financial benchmarks and agreed arrangements for institutional implementation, this should include agreement on the annual implementation plan with development partners. These requirements have been met except for the means to measure progress and the final requirement to

agreement on the annual plan for implementation with development partners. These requirements are currently under discussion and development. The VESS itself does not give guidance regarding priorities or strategies for implementation.

Institutional Setting Ministry of Education

Some of the more important strengths of the Ministry at this stage are the attitudes and commitment of the senior management team to the implementation of the VESS. The DG leads this commitment and enthusiasm and has confidence in their abilities. Ministry staff, particularly at the senior management level, have strategic planning skills, thorough knowledge of GoV procedures and processes and have proven experience in working in schools.

MOE has weak capacity to research, analyse, plan and organise. Currently, management arrangements focus on the processes implemented at headquarters but these processes move slowly. The reviewed VESS structure seeks to address this issue by moving the focus to service delivery at the Provincial level. Communication also moves up and down Divisions. There is no formal performance management system in place in the Ministry at this time with no specific incentives for performing for either PSC employees or teachers. The planning and budgeting functions do not interact.

Policy Framework

At this stage the policy framework for the VESS requires further development in order that policies are prioritised and articulated clearly, have objectives, accompanying legislation if necessary, costs and monitoring processes, can be turned into programs for implementation and their achievements monitored.

Systems

There may be simple ways in which current systems can be streamlined. There are however some important management systems that are not yet fully operational in MOE. These include the policy formulation systems, the planning and reporting systems, the financial management systems, the records management system and the asset management system.

Management and Administration of VESS

Experience in the development of the VESS and to date has highlighted the gaps in skills in implementation planning, costing of inputs, monitoring, identification of outputs and performance indicators. There is likely to be a need for continued TA input to provide these high level skills in the medium term.

Monitoring and Evaluation of VESS Implementation The Vanuatu Education Management Information System (VEMIS) has been designed specifically to collect data that will monitor the performance indicators identified in the VESS. There is a risk that VEMIS will not be able to produce the range of performance indicators required or be sustainable without some further limited support.

External Barriers to Effective Implementation of VESS

- MFEP has not decentralized its services
- Communications, power and transport infrastructure need to be upgraded

- Planning and reporting activities with identified performance indicators, through the budget process have not happened.
- Expansion of universal primary education and improvement in schools facilities will require increased capacity in tender evaluation and contract monitoring skills, construction and building maintenance skills and construction business management skills at provincial level
- The TSC has not been able to perform its roles
- VITE has not been able to provide sufficient qualified teachers with appropriate teaching and linguistic skills to service the education needs of the population
- The role and responsibility of MoE in relation to the Ministry of Youth Training and Development could be clarified.
- Stakeholder support for the VESS programme is mixed
- Frequent changes in Minister of Education affect stable service provision

Education Partners Group (EPG)

While the intention of the EPG is not to provide a threat, its numbers and the size of the resource base that it represents could be viewed as such. To date the EPG and MoE have not engaged regarding policy dialogue. The EPG has an important role to play regarding education sector policy in Vanuatu but decisions regarding policies to be adopted will be taken by Vanuatu. The EPG can contribute to the policy debate through contributing factual and well analysed information, including the costs and likely impacts of policies, on which decisions can be made.

Part C: Key organisational, capacity and institutional strengthening requirements

The organisational capacity needs, restructure, develop and submit legislation regarding the merging of VIT and VITE, and legislation that might relate to the operations of the TSC. Additionally the seven policy areas need further development to the point where they can be implemented

Institutional Strengthening for the MoE is required through the strengthening of systems. VITE and the TSC also require institutional strengthening to enable them to effectively fulfil their roles. The VEMIS is currently being supported through development partner funding which is scheduled to cease at the end of 2007. Further support to develop the analysis and reporting of statistics collected by VEMIS will be required.

Human resource development needs identification exercises have been undertaken in MoE and VITE. They identify the operational, management and specialist knowledge required in these organisations. Capacity Building of skills and knowledge is required by teachers, Provincial Education Boards and School Councils and Committees

Capacity building will be of no benefit if people do not have the necessary operational tools. These include the teaching and learning resources in schools, readily available communications, minimum standard facilities and access to regular and affordable transport and delivery systems.

Risks

There are several risks to the implementation of the VESS including the risk that there will not be political support for prioritization of the budget, the slowness of agreeing and implementing a sector-wide approach, the need to address priority and cost issues and the lack of reliable statistical data on which to plan and make decisions. These risks are all being addressed.

Sequencing Issues

Priority activities in terms of timing are support for the approval and implementation of the restructure, development of the policy framework so that it can be implemented, creation of the strengthened Internal Audit Unit and support for the development of financial management training at the school level to facilitate accountable management of the proposed school grants.

Strategic Approach

The overall strategy approach should focus on a Vanuatu owned approach which builds on existing initiatives, uses existing systems and local services where possible, is structured, sequenced and monitored. On the job training combined with coaching and mentoring should be priority tools for capacity development and always supplement training activities.

Conclusion

The current organisational structure, management arrangements, systems and skill-sets need development to effectively implement the VESS. With the development of the MTEF, the logframe, and the implementation framework however, there is a foundation for a staged implementation of the VESS.

There is some uncertainty among stakeholders about the capacity of MOE to implement the VESS. This uncertainty evolves from past experience. Current MOE senior staff are committed and focused on delivering the results identified in the VESS. A staged approach to the implementation of the VESS with a parallel capacity strengthening program would be an appropriate strategy.

A sector approach in which development partners commit funds to a sector policy approach will require frequent and meaningful dialogue between partners. Progress in implementing sector policies and support to overcome barriers to implementation will provide a focus for such dialogue between MoE and the EPG.

Recommendations

Because of the current capacity of MoE, the need to provide some education interventions in the short term that are positive while there is still a need to further develop the policy framework and implementation details of VESS activities the following recommendations are made.

- A program of capacity building for MOE be developed with strategies, activities, an implementation plan and budget and with reference to past HRD reports and the current Financial Management Assessment Report. This program could work towards MoE implementation of an Approved TA contractor scheme and provide support to VEMIS as a key tool in decision-making and monitoring of the VESS. Strengthening of the internal audit unit

will be a priority activity if a grants program is to be implemented. Draft TORs for such a program can be found in Appendix 10.

- A smaller scale sector-wide approach that focuses on identified strategies, such as restructuring, developing the policy framework, implementation of grants scheme, curriculum review and VITE strengthening, and results, be implemented in the first instance, while a parallel capacity building program directed towards complete implementation of the VESS continues
- If a grants program is to be implemented the strengthening of the internal audit unit is a priority activity
- Allocation of financial/corporate services officers to the PEOs to strengthen financial accountability and transparency at the school level with regard to school grants, fees and raised funds.
- VESS policies be analysed, costed and prioritised prior to implementation
- All managers develop implementation plans based on identified VESS activities with budgets and results and monitor them

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Background

Vanuatu faces challenges of providing access to education for all children while there is pressure on the education system to continually provide more places for an increasing population. There is agreement from all key stakeholders that the quality of education could be improved, that the curriculum at both the basic and secondary level needs revision and that the system could produce improved outcomes at less cost per student. The Ministry of Education (MoE) and donor partners agree that a joint programme of support for education could be implemented in 2008. The appropriate funding and support for implementation of a sector approach as outlined in the Vanuatu Education Sector Strategy (VESS) will be agreed on following several appraisals, including this joint assessment of the institutional capacity management of the government of Vanuatu for the implementation of the VESS.

The VESS was developed through a consultative process from 2005. The VESS describes the desired goals that the Vanuatu education sector should reach over the next 9 years and has been presented for “submission through the normal Government of Vanuatu (GoV) planning and budget processes, and for donors to assess and consider how they can pool funds into a long-term sector-wide approach commencing in 2008”¹.

Development of the VESS has been led by the Ministry of Education, which has used a broad consultative approach. The Council of Ministers (CoM) approved the general directions of the VESS in April 2007. The Public Service Commission (PSC) approved the concept of a two Division Ministry in June 2007 as a first step in the proposed restructure of the MoE.

The purpose of this Institutional Capacity Assessment was to identify institutional and organisational needs, determine appropriate support mechanisms and contribute to the development of a Capacity Development Strategy, for the implementation of VESS priorities. The Terms of Reference for this activity can be found in Appendix 1. A list of People met can be found in Appendix 2. This assessment was prepared at the same time as a Financial Management Assessment and would benefit by being read in conjunction with that report.

Part A: Proposed Structure to Implement VESS

1.1 Rationale and purpose of VESS including priorities

The mandate for the VESS generally is the 2001 Education Act, the implementation of which it addresses. This Act envisages parents, local communities and School Authorities as partners with responsibility for delivery of services resting at the Provincial level, supported by Provincial Education Boards. This mandate is consistent with the decentralisation thrust of the VESS and the Government of Vanuatu (GoV). Achievement of the vision of the VESS will see every young person equipped with all the skills, values and confidence they will need to for life-long

¹ VESS Introduction, page 3

contribution to the development of Vanuatu. These will be provided through a caring education system which will work in partnership with all stakeholders to provide well-managed schools.

Some of the VESS strategies such as the merging of the Vanuatu Institute of Technology (VIT) and the Vanuatu Institute of Teacher Education (VITE) and relocation of the Teaching Services Commission will require legislative changes. The mandate for the bilingual language policy comes from the Prime Minister's speech that accompanied the 2007 Budget. The VESS vision is ambitious and will be further developed through implementation planning and sequencing of activities prior to implementation.

The VESS proposes that the MoE will continue to deliver educational services while the reforms and transformation envisaged under VESS take place. The priorities of the VESS are to transform the education sector so that access, equity, quality, relevance and efficiency are improved while the education provision is expanded to provide a full eight years of basic education to each Vanuatu student. These priorities are not useful for developing an approach to implementing an education program with limited funding where funds need to be targeted to achieve the best results.

1.1.1 Current Structure

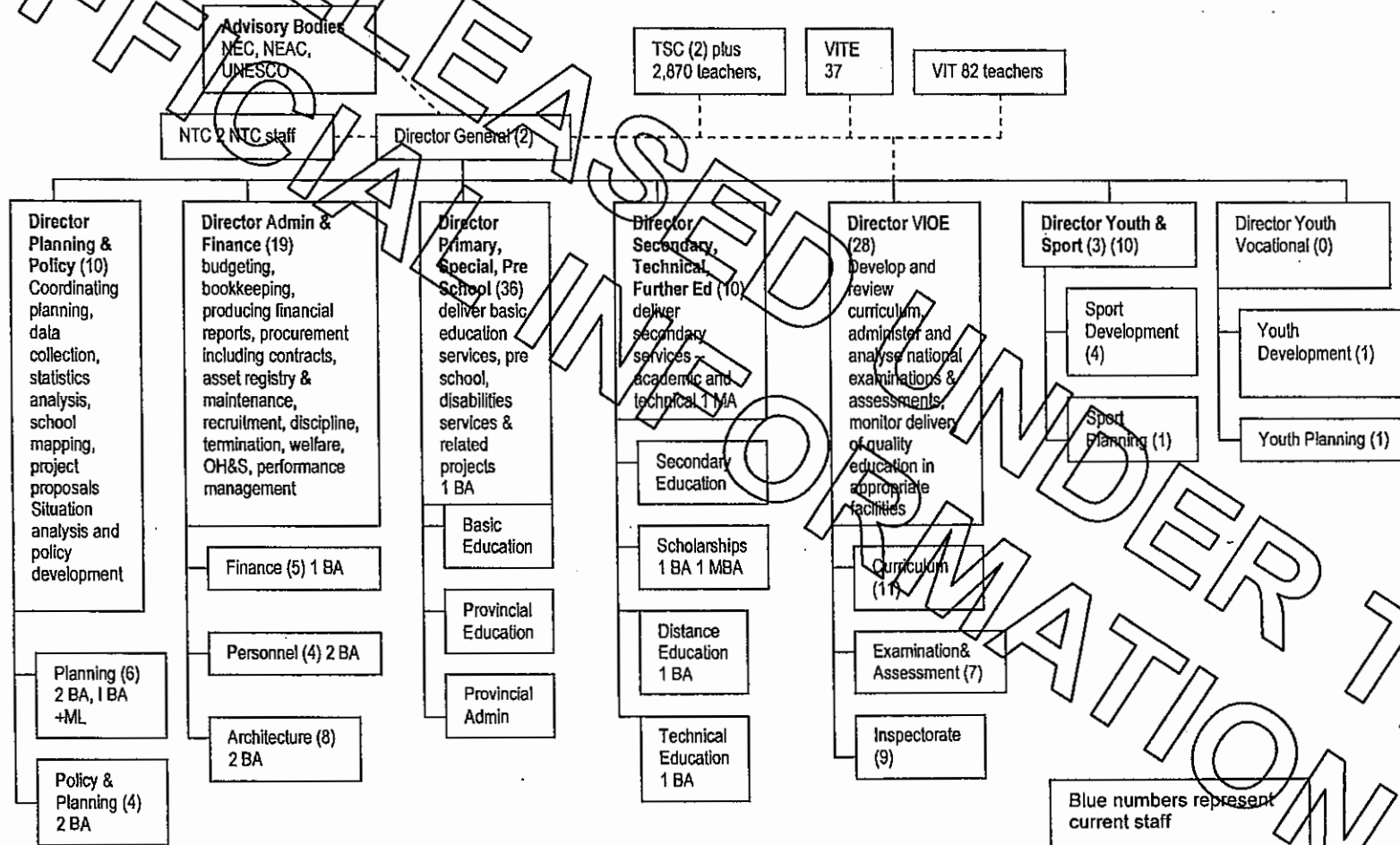
The current structure which can be found in Table 1: Current MOE Structure, is regarded by MOE as a transitional model in the move towards decentralisation. MoE currently has about 111 permanent staff, of whom about 32% are female. They are located across five Divisions: Planning & Policy (10), Administration & Finance (23), Primary, Special, Pre School, Provincial Offices (36), Secondary, Technica, Further Education, Distance Education (10), Vanuatu Institute of Education (VIOE) (28) with the Director General's Unit and the Teaching Service Commission (4).

The five Education Directors, one of whom is female, report to the Director General². There are no reporting accountabilities between the DG and other key institutions in the sector such as VIT, VITE and the TSC. These key institutions report directly to the Minister as does the DG, necessitating highly developed teamwork among these institutions and the DG. If the sector is to perform in an integrated and cohesive manner there is an important role to be played by the Minister of Education in nurturing and developing this teamwork. Past performance of the sector indicates that this cohesion and integration has not been evident. A teaching service that appears generally to be over-staffed and underqualified has evolved and VITE has been unable to produce the required number of qualified linguistically skilled teachers. It was reported in the VESS that about 53% of teachers are not qualified.

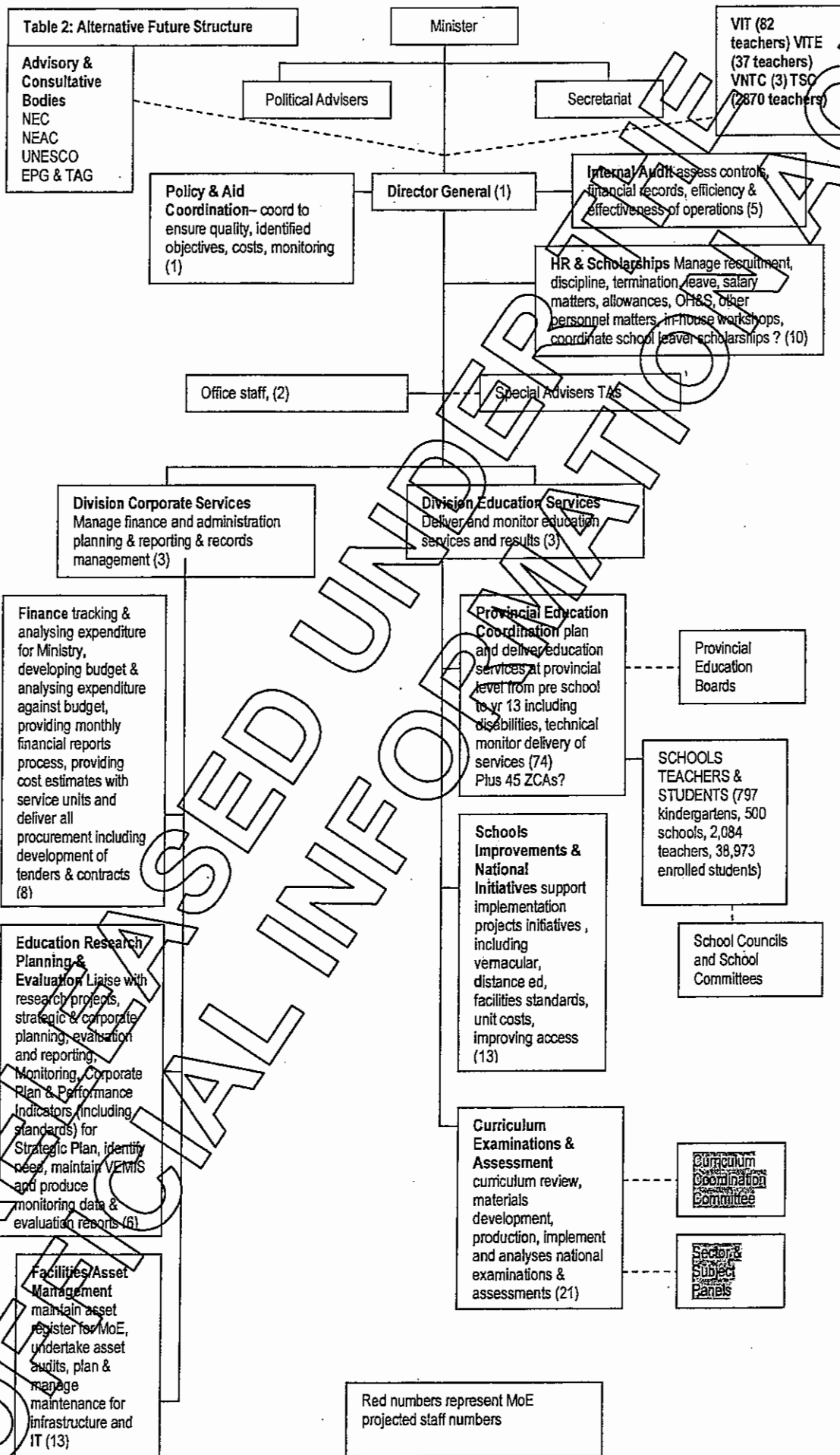
In addition there is no policy function in the current structure, internal audit is located within financial management, rather than separate from it and focuses on financial audit, with no performance audit. There is no allocation of the monitoring and

² There is a sixth Director who is in the Ministry of Youth Development and Training but reports to the Director General of Education.

Table 1. Current MOE Structure



Blue numbers represent current staff



evaluation roles or identification and costing of needs provision to achieve Education for All. These considerations have been addressed in the proposed future structure.

1.1.2 Restructure

A key feature of the VESS is the move to decentralise services to the provinces and a proposal to restructure the Ministry as part of this strategy. An organisational diagram representing the proposed restructure of MoE appears in the VESS and can be found in Appendix 3. The proposed restructure represents the concept of the two Directorate Ministry that has been accepted by PSC. The details of the proposed structure have not yet been approved by PSC and it is intended that the two Directors will finalise the detail of the structure once they are in place. The broad concept of the proposed structure is compatible with VESS priorities, particularly in its two directorate separation into corporate support and delivery services. MoE states the objective of the revised structure is “to decentralise service provision by strengthening staffing at the service level that is at the provincial level. The result will be that schools are central to the work of the MoE.”

The core roles of MoE, as stated in the VESS are policy, planning, standards, budget allocations, monitoring and evaluation, and reporting. The location of the policy and standards setting roles are not identified clearly in the proposed VESS structure. MoE have developed creative responses to many of the constraints to decentralisation. These include the training and use of maintenance teams at the provincial level, the use of the Maritime Training College ship for provincial delivery services and the creation of a provincial communications officer position in the DG’s office.

An alternate but similar option for the revised structure can be found in Table 2: Alternate Future Structure on page 4. The alternate structure includes the functions (based on the core roles) that divisions would be expected to fulfil, draft proposed numbers supplied by MoE, clarifies some lines of responsibility and cooperation, includes a policy and aid coordination function and has the HR and Scholarship Unit reporting directly to the DG³. The functions included in the alternate model, which were not included in the current or proposed VESS structure include: needs identification, costing, policy formulation, production of monitoring data and evaluation reports.

The revised structure represented in Table 2 retains the VESS Coordination Unit, named the Schools Improvements & National Initiatives Unit. The general function of this unit has been based on the identified priorities of the VESS eg bilingualism, enterprise skills and N, together with recently completed or continuing projects which address these priorities eg vernacular, literacy, numeracy, community liaison. It could be anticipated that an amount of policy formulation and regulations could ultimately come from this unit, though its purpose and functions are not well developed at this stage. Assistance in the first instance to define the purpose and tasks of the unit, along with its priority activities and an ability to research, analyse and cost a variety of options, and then develop implementation plans with relevant staff would be appropriate for this unit.

³ It is anticipated by the DG that once the restructure has been implemented that HR and Scholarship Unit would become part of the Corporate services Directorate.

There are 157 permanent staff proposed for the alternate structure. The cost of these staff needs to be justified against the current MOE establishment and position descriptions need to be developed before PSC will approve the proposed restructure. It is anticipated that the two Directors when appointed will further develop the details of the proposed structure. In the alternate structure the DG would have 5 Heads of Directorates/Divisions reporting to him. The Corporate Services would have approximately 40 staff, Education Services about 113 and 47% of the MoE staff would be located at Provincial level. There is an imbalance in the two directorates in terms of staff numbers and workload. This has not been addressed at this point and could have implications for the selection criteria and level of appointment for the Directors. A draft future structure for Provincial Education Offices can be found in Appendix 4.

The alternate structure does not change the reporting relationships between the DG and the critical VITE and TSC organisations. The need for very cooperative relationships and at this level remains vital.

TABLE 3: COMPARISON CURRENT, VESS AND PROPOSED STRUCTURES

	1. Current	2. VESS	3. Proposed
HR Implications			
Numbers	102 + 10 MYT&D	157 + MYT&D	(157 + MYT&D)
Functions	developed with MoE HR during TA	not available	developed with MoE HR during TA
Job Descriptions	available	approved for two Directors	approved for two Directors
Transfers	none	Staff may resist transfers to PEOs	Staff may resist transfers to PEOs
Implementation of VESS implications			
Location	28 plus 45 ZCAs in Provincial Education Offices (PEOs)	44 plus 30 school improvement officers in Provincial Education Offices	There is not enough information to identify final numbers in PEOs
Policy	Appears in name, no incumbent	not in structure	Policy Coordinator/Aid Coordinator reporting to DG
Internal Audit	Located with Financial Management	Reports to DG	Reports to DG
Teamwork	Traditionally officers have reported to their Directors so information has travelled up then down the hierarchy	Closer relationship between curriculum and assessment with service delivery as they are in the same Directorate Director Education Services should have	Closer relationship between curriculum and assessment with service delivery as they are in the same Directorate

		a more broad view of activities	Director Education Services should have a more broad view of activities
Statistics	Depends on input from projects		Allocation of maintenance of VEMIS to Planning
Planning	No responsibility for costing of activities No responsibility for identification of needs		Coordination of costing allocated to Finance identification of need allocated to Planning
Provincial Education Offices	PEOs are built to house current numbers of staff	PEOs will need to be expanded, equipment will need to be increased, Assumption that approval for LPOs is expected to be delegated to provincial level	PEOs will need to be expanded, equipment will need to be increased Assumption that approval for LPOs may not move to provincial level in the short term
Relationships VITE and TSC	Performance of MoE is closely related to performance of VITE and TSC, relationships are advisory and determined by legislation	Relationships continue to be advisory in structure	Relationships continue to be advisory in structure
Issues for Capacity Development			
Capacity development needs remain the same regardless of the structure. The decentralised structures (2 and 3) may put more pressure on the systems to deliver and therefore make the needs more obvious. When decentralisation occurs capacity development will take place at a slower pace and be more expensive.			

Staff numbers and budget for restructure

Based on the available statistics, which are not necessarily reliable, the current ratio of support staff to teachers in Vanuatu is 1:20 (see Table 4 below). This ratio is very high when compared to Kiribati, New South Wales (NSW), Australia and New Zealand. Once again these numbers are estimates that have been taken from annual reports in NSW and New Zealand and available statistics in Kiribati. Estimates were not available from other Pacific countries. Based on these estimates the Vanuatu MoE could justify the employment of some additional staff to support their schools, particularly from the point of view of teachers support, procurement, data collection and reporting.

The problem in Vanuatu is that the current expenditure on salaries is more than 90% of the Education budget and an increase in the salary budget is difficult to justify. The budget expenditure on salaries is very high because of the low teacher student ratio. Consequently there is an immediate need to prioritise the budget so that the percentage spent on salaries decreases. In order that this can happen there is a need for political will and support, including from the teachers' union to do so. The MTEF

proposes that more affordable models need to be explored. This could provide the necessary information and financial projections to enable political support for prioritisation of the budget.

TABLE 4: Ratio of Head Office staff to teachers

	Vanuatu (current)	Vanuatu (proposed)	Kiribati (2004)	NSW, Australia (2000)	New Zealand (2004)
Teachers	2,084	2,084	1,245	50,636	43,777
Head Office staff* (equivalent full time)	111	157	95	3,023	2,463
Ratio HO staff:teaching staff	1:18	1:13	1:13	1:17	1:18

*Not all staff are stationed in one Head Office

Consequently an increase in staff at the MoE Head Office and PEOs can be justified from a support point of view but not from a financial perspective. It is unlikely that MoE will be able to justify the employment of the numbers of proposed support staff to MFEM and PSC and they cannot be accommodated under the recurrent budget. It is recommended that any additionally employed staff should be employed on a temporary basis until more reliable data is available and more affordable models of schools can be implemented.

Another problem with estimating the numbers for the proposed models is that the situation of the School Improvement Officers is not clear. There are currently 45 Zone Curriculum Advisers (employed as teachers), with the School Improvement Officer numbers proposed to be 30 and to include the current Inspectors (currently 9). The proposed roles, responsibilities and reporting lines of these officers is not clear and was not able to be clarified in the time available.

It is not possible at this stage to estimate the numbers of staff that might be required at Head Office and the Provincial Education Offices, beyond the projections already done above, because there is a desire but not the financial or institutional capacity to implement the VESS in its entirety. The actual numbers to be employed can be tailored to the activities to be implemented, but agreement needs to be reached on activities to be implemented before staff number projections can be presented. A small increase in staff numbers by up to 20 staff could be justified based on provision in other countries.

Part B: Capacity Building to implement the VESS

2.1 Minimum requirements for a sector approach:

The OECD/DAC definition of a sector-wide approach is “a way of engaging in development cooperation based on the principles of coordinated support for a locally owned program of development”. If a sector approach is to be implemented it must be accepted by the whole of government, especially those central agencies such as the

Ministry of Finance and Economic Management and the Public Service Commission who could be instrumental in supporting the implementation of the SWAp and who may be signatories to the Memorandum of Understanding along with key sector agencies. It is not feasible to jump from a project approach to a fully fledged SWAp approach overnight⁴. Institutions need time to evolve. There are however, minimum requirements for a sector approach and they include:

1. A sector policy which is consistent with the higher national development objectives
2. A Program Implementation Plan (PIP) with indicators for measuring (and the means to measure) outcomes, outputs, reform milestones and financial benchmarks consisting of:
 - o Medium term strategic plan
 - o Medium term expenditure plan which is linked to the national budget with a clear expenditure framework and which is linked to the results based framework or implementation plan and includes a notion of cost effectiveness⁵
 - o Medium term sector-financing plan
3. Agreed arrangements for institutional implementation, this should include agreement on the annual implementation plan with development partners.

The first two of these requirements (other than the means to measure) have been met and the third is under discussion. The VEMIS will provide the means to measure.

2.1.1 Current VESS Status in relation to a SWAp approach

In the VESS there are several policies articulated. There is not a sector policy as such which could give further guidance to the priorities for implementation and funding. The Program Implementation Plan is not yet complete though TA has been contracted to assist in the completion of the PIP. Indicators for measuring the results of VESS implementation have been identified and the means for measuring them is being developed with the assistance of TA. The Vanuatu Education Management Information System (VEMIS) is being developed specifically to measure the results of VESS implementation. In addition the VESS Logframe, the Medium Term Expenditure Framework (MTEF) and the Institutional Capacity Building Assessment are being developed largely by TAs. In many instances time constraints have necessitated the TA developing aspects of reports without full involvement of MoE staff.

At this stage the requirement for agreed arrangements for institutional implementation, including agreement on the annual implementation plan with development partners is not in place but it is anticipated that this could be achieved. The pattern of TA involvement in the development of the VESS to this stage has been necessary so that it can be used as the basis of a sector wide approach. Continued support will probably be needed until MoE builds the staff capacity to undertake these tasks. This is likely to take some years.

⁴ The Health and Population Program Project in Bangladesh is often held up as a model of a successful SWAp (not without its faults) and it took 20 years of coordination to implement the approach.

⁵ The requirement for cost effectiveness comes from national governments, as well as development partners

2.2 Institutional Setting Ministry of Education

The current institutional setting for the implementation of VESS comprises an organisational structure which includes Youth Training and Development staff (not included as part of MoE in the VESS). The Ministry of Education has about 111 public service staff of whom more than 75% are located in the Headquarters in Port Vila with the remaining <25% located in Provincial Education Offices where the delivery of services takes place. There are also about 45 Zone Curriculum Advisers (ZCAs) allocated to the Provinces. The Ministry retains staff with a low turnover rate of about 4-5% /year⁶.

2.2.1 Strengths

Some of the more important strengths of the Ministry at this stage are the attitudes and commitment of the senior management team to the implementation of the VESS. They recognise the importance of their partnership with the community and the benefits to be gained from communicating with stakeholders. The DG leads this team with commitment and enthusiasm and has confidence in their abilities.

Ministry staff, particularly at the senior management level, have strategic planning skills, thorough knowledge of GoV procedures and processes and have proven experience in working in schools. There is a high level of financial administration capacity in the Finance Unit⁷ that enables finance tasks to be undertaken in a reliable manner.

This commitment, vision and knowledge are not sufficient to effectively implement the VESS at this stage. The capacity that is demonstrated by very competent individuals is a thin layer without the depth that is needed to implement the VESS. There also seem to be some critical gaps in the skills and knowledge of some individuals and in the application of processes.

2.2.3 Weaknesses

MoE has obtained data, research information and analysis of it through using the specialised skills of Technical Assistants. MoE itself has weak capacity to research, analyse, plan and organise. Currently, management arrangements focus on the processes implemented at headquarters with systems and procedures reflecting a hierarchical culture. The reviewed VESS structure seeks to address this issue by moving the focus to service delivery at the Provincial level. Communication also moves up and down Divisions. Cross Division communication regarding service delivery tends to be done formally and in a time consuming manner.

There is no formal performance management system in place in the Ministry at this time with no specific incentives for performing for either PSC employees or teachers⁸. The presentation of medals for years of service has been introduced which provides recognition but not recognition for performance at this stage. The end result is that there is no accountability for performance. The planning and budgeting functions do not interact. This is reflected most obviously in the narrative volume of the Ministry's

⁶ Teacher retention rate is even higher with a turnover rate of less than 1% /year

⁷ This capacity does rely heavily on one individual

⁸ The PSC launched a performance management system during the week of 16th July 2007.

Budget documents where performance indicators are out of date and progress against performance indicators has not been reported.

Policy Framework

The VESS proposes implementation of service delivery at the provincial level to achieve results in seven comprehensive policy areas of need. These are Basic Education, Bi-lingual Schools, Teachers Curriculum, Secondary Education, Sustainable School Models, Decentralisation and Aid Effectiveness. The wide ranging policy descriptions in the VESS don't define clear strategies for addressing the access, equity and quality issues which have repeatedly appeared as problems for the education system since the mid 1990's. Enrolment rates have remained stagnant, exam results have been disappointing and the gap in both education quantity and quality between the urban and remote areas has remained wide. The VESS presents a large range of policy initiatives which could contribute to addressing the identified problems in the education sector. These initiatives need to be further analysed, clarified and prioritised in terms of their likelihood to contribute in addressing key issues and their cost effectiveness. The Draft MTEF allocates funds to a range of special policy initiatives and outlines the need for "careful and thorough analysis of (these) options and studies of best practice and experience elsewhere regarding these policy initiatives".

At this stage the policy framework for the VESS requires further development in order that policies are articulated clearly, have objectives, accompanying legislation if necessary, costs and monitoring processes, can be turned into programs for implementation and their achievements monitored. Issues of prioritisation for policy implementation together with budget prioritisation also need to be addressed. Some of these policies have been initiated at Ministerial level and will have whole of government implications. It is appropriate for MoE to plan and cost the implementation of these policies in particular in the context of a whole of government approach. The Bilingual School Policy and decentralisation are two policies which have particular whole of government implications.

Systems

While officers tend to focus on the process when using systems such as the approval of Local Purchase Orders, or the delivery of goods to the provinces, the systems themselves seem adequate, especially those which have come from central agencies such as MFEM and PSC. There may be simple ways in which current systems can be streamlined but it would be preferable to focus on making those systems work with greater speed and with a view to serving the needs of the client population in the Provincial Offices and Schools. Supervision by managers to ensure results could also improve the speed of response to provincial needs. There are however some important management systems that are not yet fully operational in MOE. These include the policy formulation systems, the planning and reporting systems, the financial management systems, the records management system and the asset management system.

Policy Formulation and Implementation Systems

An organisation as large as, and with an important a role as, the Ministry of Education and with as much to achieve has need for systems and procedures that will result in policy formulation, development and implementation. There is a need to re-activate the policy function role and to put in place a system with procedures that will result in

the formulation of policies with objectives, procedures, costs and results. Broad policy statements about the need to increase the numbers of schools/classes and the need to improve remote schools need to be accompanied by more detailed implementation planning with sequences of provision related to agreed priorities. Historically donor partners have provided assistance to address these issues but sometimes on an ad hoc basis. Without the systems and skills in the Ministry to analyse and identify these needs in detail such that specific results can be identified MOE will continue to need specialised assistance in these areas. Where resources are scarce priorities need to be identified and targeted for funding. The VEMIS has been designed to provide the data needed for policy development and decision making but it will take up to another two years before reliable and comprehensive data will be available.

Planning and Reporting Systems

There is a ministry-wide planning and reporting system which has been successful in planning and monitoring expenditure. National performance planning is not as well developed. MOE produced a Master Plan in 1999 which has many elements in common with the Current VESS. There has been some implementation of this plan but in hindsight it appears to have occurred in an ad hoc manner and there has been no evident monitoring of progress. The data which might have provided the basis for monitoring was lost when system was unable to be sustained. The introduction of the Vanuatu Education Management Information System (VEMIS) is proposed to provide the basis for future decision making and monitoring but is currently operating in parallel with the UNESCO Basic Education Information System Tafea (BEIST) system and the OPAD system which is currently based in francophone secondary schools. VEMIS could provide the foundation on which to base planning and monitoring systems in MOE.

Financial Management Systems

The Government wide financial systems are implemented in MoE. It was reported that the senior management team could make more use of the monthly financial reports to assist their management decision-making. A simple bookkeeping format designed to be used by primary schools is described in the Primary Teachers Handbook but this is not commonly used by primary schools. It would be essential that a bookkeeping system be implemented and randomly audited at the primary level if school grants are to be increased. The very high workload of primary head teachers dictates that the simple approach described in the Handbook is appropriate, that primary schools should be equipped with a simple cash book, receipt book, stamp, a lockable box and training. Where the competence exists in the school council, assistance could be provided from that source. The financial systems in secondary schools are based on a system known as OPAD, most have a bursar and implementation of the systems needs continued strengthening.

There is a need to provide both training and implementation support to schools, and to Provincial Education Boards so that they can understand and use simple bookkeeping systems. These systems, which are described in the Primary Head Teachers Handbook, need to be supported so that accountability can be provided when the school grants are disbursed. It will likely be some years before these systems are fully reliably and accountably implemented.

There has been an inability to prioritise the budget which has seen the proportion of budget expended on salaries grow until it is now more than 90% of the total budget. The result is that minimal funds are available to support school operations.

The ITC environment

There is an IT Unit as part of MoE establishment. Oversight of its functions and support come from the Department of Finance because of the priority need to maintain the financial management system. The IT unit will also service the needs of office computers. The VEMIS computers are serviced by the VEMIS project and there have been thoughts expressed that MoE would like perhaps to modify the software to be flexible to meet its needs. A note of caution has been raised by the VEMIS team because the VEMIS is part of a Pacific wide system that has developed a user group and can be supported while the software remains consistent. It is likely that the completion of the VEMIS input later in 2007 will see the need for further IT support for VEMIS, there will also however, be a need for analysis of data and report writing.

Additionally there is no capacity at this time to provide the telecommunications necessary in the provinces to network financial or VEMIS computer systems with headquarters in Vila. It is anticipated that a development partner will provide this capacity but there could be legislative impediments to this happening. In the short term, MoE plans to enter the required financial and statistical data at the PEOs, copy the data to memory stick and transport it to Vila for entry on the main system.

Records Management System

There are plans to introduce a records management system across the Ministry which would assist with the management of information.

Asset Management System

An asset management system is being implemented under the EU Vanuatu Education Development Program. It addresses the assets in four provinces and needs to be expanded and implemented across all provinces.

2.2.4 External Barriers to Effective Implementation of VESS

The central agencies of GoV have concentrated on strengthening their centralised systems. As a result service provision at the provincial level has not yet been achieved. At the same time investment in infrastructure, services and transport has been focused on large population centres. The result is that the following constraints exist outside MoE that will affect implementation of the VESS.

- MFEM has not decentralized its services and the problems which surround faster release of funds will not be addressed until MFEM is able to provide a financial officer and LPO approval at the provincial level. This is unlikely to be available for about three years.
- Communications, power and transport infrastructure need to be upgraded to support the decentralisation process. The current communications system will not support the relay of computer information from the

provinces, many schools have no telephone service, shipping services are slow and unreliable and provincial travel is expensive and slow. These barriers will not prevent implementation of VESS activities but realistically progress will be slowed because of the quality of these services in the provinces

- Although the budget process provides for planning and reporting activities with identified performance indicators, this has not happened. There is a need for both support and supervision of these planning and reporting activities from DESP in MEFP.
- Expansion of universal primary education and improvement in schools facilities will require increased capacity in tender evaluation and contract monitoring skills, construction and building maintenance skills and construction business management skills at provincial level
- The TSC has not been able to perform its roles as indicated in the Teaching Services Act of 1983. These include providing officers and employees to the Minister to perform educational duties, reviewing the efficiency and economy of the service, acting as the personnel authority for the service.
- VITE has not been able to provide sufficient qualified teachers with appropriate teaching and linguistic skills to service the education needs of the population
- The role and responsibility of MOE in relation to the Ministry of Youth Training and Development need to be clarified.
- Stakeholder support for the VESS programme is mixed with community support, particularly at the provincial level being strong. There are high expectations that implementation of the VESS will bring additional staff, increased resources, improved facilities and better quality education in the foreseeable future. At the same time the central agencies of MEFP and the PSC have reservations about the readiness of both the VESS to be implemented and the capacity of MoE to implement the VESS. These reservations have made them cautious about ready acceptance of the VESS
- Political support for the MoE varies with frequent changes in Ministers. There have been three Ministers to date in 2007. Given the number of advisory bodies that report to the Minister plus the two political advisers, many of whom change with changes in Minister, it is difficult to achieve stability in service provision.

2.2.5 Education Partners Group (EPG)

The EPG consists of eight development partner members. The EPG members are concerned with upholding the Paris Declaration principles on aid effectiveness and

moving towards more effective delivery and management of development assistance. The result of their functioning should be more shared missions and analytical work which are better coordinated and a consensual view being presented to GOV on major issues of concern.

While the intention of the EPG is not to provide a threat, its numbers and the size of the resource base that it represents could be viewed as such. To date the MoE has not engaged with the EPG regarding policy dialogue. The EPG has an important role to play regarding education sector policy in Vanuatu but decisions regarding policies to be adopted will be taken by GoV. The EPG can contribute to the policy debate through contributing factual and well-analysed information, including the costs and likely impacts of policies, on which decisions can be made.

It is often not politically acceptable to take time to analyse and cost policy decisions. They are sometimes announced without sufficient background information. While policies can be easily adopted they cannot always be easily implemented. In Vanuatu the EPG is seen to hold the resource key to implementing the multiple policy implementation demands of the VESS. Given the accountability and political demands on both the EPG and the MoE there is a need for support for MoE to develop the VESS to the point where the EPG members can justify investment in the priority policies of the sector and where MoE can comfortably discuss the priorities for investment, their costs, the activities that need to be undertaken and their sequence. These needs are currently being met through development of the MTEF, the logframe development, the activity implementation plan and this institutional capacity assessment. They will provide a good foundation for discussion between MoE and the EPG.

2.3 Management and Administration of VESS

The most immediate skills gaps required to implement the VESS are the skills to manage and administer the sector wide approach. The development of the VESS to date has been achieved with TA skills support to coordinate and produce the VESS, develop the VESS logframe, the Medium Term Expenditure Framework, the implementation plan and to identify the institutional capacity building needs. Experience in the development of the VESS to date has highlighted the gaps in skills in implementation planning, costing of inputs, monitoring, identification of outputs and performance indicators. There is likely to be a need for continued TA input to provide these skills in the medium term.

Prioritisation of Budget

There has been a long term inability of MoE to prioritise its budget to focus on the delivery of services, (student learning) rather than the resources for delivering the service (staff costs). There has been an amount of dialogue about this need but the Ministry needs to develop costed alternative strategies to address the key to the problem which is low teacher student ratios, particularly at secondary levels. The VESS aims to achieve this re-prioritisation but does not address the strategies to improve teacher student ratios. MoE needs to provide well-structured, data-based discussion papers to the Minister who has the approval role in teacher appointments and to develop ways to address a situation where over 90% of the education budget is being allocated to teacher salaries.

Expansion of Universal Primary Education

There is no costed implementation plan, based on identified need to achieve this policy priority at this point. Needs identification currently occurs through community requests for establishment of schools and historical data of students previously enrolled against SPC national population projections. VEMIS can assist in the identification of future needs based on present provision in some areas. There is no ability at this stage to identify the education provision need at the provincial or district level. VESS priority area needs support to develop a costed implementation plan that would be based on VEMIS data in the first instance, on district and provincial population projections from the 1999 census and on community requests. These identified needs will require physical verification.

There are also reservations about the capacity of VITE to contribute to both the expansion of primary education and to improving the quality of universal primary education. There is a need to develop an implementation plan to expand universal primary education which takes account of the infrastructure, educational materials, teacher provision and the qualifications and quality teaching skills of those teachers.

Monitoring and Evaluation of VESS Implementation

The VEMIS has been designed specifically to collect data that will monitor the performance indicators identified in the VESS. The Vanuatu EMIS is the same system which operates in 7 countries in the Pacific and shares the combined support and lessons learned from a depth of experience. It has had one year to become operational. The advantage of this situation is that both the contractor and MOE staff are committed to completing the task in the short timeframe. The reality is that there is a risk that VEMIS will not be able to produce the range of performance indicators required or be sustainable without some further support. Indicators such as cost/student and teacher contact time will need further time to develop. By the end of 2007 MOE staff should have acquired most of the skills and knowledge to collect that and manage the VEMIS to produce basic reports. The production of the statistics report which requires analysis and evaluation of the data will need further support to be completed. It will take two to three years for the data collected to be almost universal and reliable.

2.4 Overall Needs and Possible Support

The most immediate organisational needs include planning, monitoring, policy formulation and management supervision. Capacity development is required to increase the organisation-wide capacity of MoE to develop a corporate/annual plan and to undertake operational planning and monitoring of both performance and financial management. This capacity will help MoE to determine if it is achieving the results it anticipates.

In order to monitor performance progress and financial management MoE needs reliable, well operated computer systems. The IT unit adequately provides IT support to office computers, the financial IT system is centrally maintained with minor interruptions. The Vanuatu Education Information Management System will however, provide the bulk of information required for monitoring the performance of MoE. The

system is not yet fully established (see Monitoring and Evaluation of VESS Implementation page 15 above). Current data for 2007 is being entered for the 70% of schools that have responded to VEMIS surveys. Currently schools and Provincial Education Offices receive virtually no financial monitoring information. Additionally monitoring of quality aspects of education can only be conducted through school visits. This includes monitoring of facilities as well as teaching activities. The monitoring of facilities standards is included in VEMIS data collection. The relationship between the Inspectorate and the Zone Curriculum Coordinators, both of whom conduct school visits to support quality, is neither complementary nor clear.

The complexities of policy formulation and implementation are not appreciated in MoE as reflected in the current and proposed VESS structure and staffing. It seems they are not appreciated at the higher political levels where Ministers can (and do) announce wide ranging policy initiatives, sometimes without adequate background information and planning. The Minister and DG receive advice on operating and funding the education system from the National Education Advisory Council (through the Education Act of 2001). Appointments to the council generally change as Ministers change. MoE has experienced multiple changes in Ministers over the last five years including three different Ministers in the first eight months of 2007. It is incumbent upon MoE to provide well analysed and researched policy options to the NEAC for their consideration and advice. This could be provided through the Policy Planning Unit if it were staffed and tasked to do so with some capacity building support. The model proposed in the restructure suggests coordination of policy formulation by a high level qualified officer, based on input from planning and delivery services. At this stage MoE does not have the capacity to research and analyse policy options and provide well constructed policy options to the National Education Advisory Council and Minister to consider.

As managers are clear on priority policies the activities they are undertaking to implement them and able to monitor progress in implementation they will have the tools to supervise and support workers. This will require a change in approach from issuing instructions to ensuring staff have the skills and tools to undertake tasks, and will also require that managers are present in the Ministry most of the time to constantly observe what is happening and to support their staff.

The wider institutional setting places the same constraints on MoE as other service delivery Ministries. While most services need to be delivered in the provinces, the infrastructure and human resource support are costly to provide and generally do not exist. The telecommunications capacity does not exist in the provinces to establish the computer network systems to utilise financial management and VEMIS systems on a day by day basis. GoV generally relies on development partner support to provide these telecommunications and infrastructure services.

The enabling environment for the VESS includes GoV support at the macro level and development partner support. At this stage there is only reserved GoV support for both the VESS and the SWAp approach and the CoM have approved the "broad directions" of the VESS. Development partners, particularly NZAID and AusAID support a SWAp approach but with some concerns that the VESS needs to be

developed to a more detailed level to support implementation. MoE senior staff are keen to implement the VESS, understand that there will be a need for support, particularly financial support but are impatient at the requirements for further detailed development.

The overall result is that there have been some communication complications amongst the key supporters and implementers of the VESS. There is general agreement that a sector wide approach needs an annual plan of work that is approved by both partners and that while the sector-wide approach is being implemented there could be a need for accompanying capacity building measures. The Prime Minister of Mozambique, which has developed and implemented a successful SWAp over several years, states that “an essential factor in dealing with the donors is dialogue, the issues can be raised by either side but should be discussed in a clear and transparent manner and the agreement that is reached should assuage the donors’ concerns and guarantee ownership to the receiving country”.

A summary of the capacity building needs of the education sector and possible programmes of support appears below.

TABLE 5: NEEDS AND SUPPORT PROGRAMS

Priority Organisational Needs	Program of Support
Planning, Monitoring, Policy Formulation, Restructure (Clarification of roles of ZCAs and Inspectors, functions of VITE and TSC needed)	Development of long term program of capacity building with long term direction, inbuilt flexibility, costs and time frames. Organisational long term capacity building support (based on program) with long term experienced TA and access to funds to bring in specialised TA as needed.
Wider Institutional Setting Needs	
Performance Management across the Public Service	Support to development of public service wide performance plans, indicators and monitoring systems for activities and personnel
Provincial transport, infrastructure and telecommunications	Assistance to provide provincial transport, buildings, roads, telecommunications through financial and technical support
Vanuatu Institute of Teacher Education	Assessment of situation regarding merger with Vanuatu Institute of Technology, support for strengthening VITE
Decentralisation of central agencies	A pilot decentralisation program is being considered for MFEM, support this program through financial and technical support and complement its provision through MoE restructure
Teacher Services Commission	Assessment of situation regarding legislative changes, support for strengthening structure, functions through financial and technical support
Enabling Environment Needs	
Dialogue	Dialogue involves at least two partners and if a SWAp approach is to be implemented then dialogue needs to involve MoE, development partners and key GoV

	agencies such as MFEM. Support can be provided through support to hold meetings in a relaxed, non-threatening and supportive environment but it cannot be forced.
Financial Resources	Financial support provided within the strategic framework for the sector, in this case the VESS

2.5 Risks

Several risks exist regarding the implementation of the SWAp approach and most of them relate to perceptions of the weak capacity of MoE to implement such an approach. MFEM and PCS as key central agencies need to support a sector wide approach and each of these agencies require demonstration by MoE, through the production of particular planning documentation⁹, that it has the capacity to implement a sector-wide approach. The production of this documentation is being undertaken with assistance from TAs.

Risks that need to be addressed include risks to prioritisation of the budget, the slowness of implementing a sector-wide approach and identification and agreement on priorities to be addressed. A description of these risks and a risk analysis can be found in Appendix 5.

Part C: Key organisational, capacity and institutional strengthening requirements

3.1 Summary of Capacity needs

Organisational

Organisationally there is a need for MoE to **submit** and receive approval for its organisational **restructure** so that it can move staff to the provinces to deliver services. The restructure requirements are large and there is likely to be resistance from many staff regarding relocation. Some aspects of the restructure have not been finalised because of time constraints eg merge of VIT and VITE, clarification and implementation of TSC role, ZCA and inspector roles. Responsibilities and detailed costs and position descriptions will need to be developed and substantiated before PSC approves the restructure.

The **policy framework** for the organisation needs further development so that policies are clarified, costed and prioritised. The research, analysis, financial and policy formulation knowledge and skills to develop the policy framework need strengthening. In addition MoE needs the capacity to present these policies to key stakeholders such as the Minister for Education, NEAC, MFEM and PSC with evidence regarding their recommendations, implementation and funding.

⁹ This documentation includes the restructure proposal and specific planning and monitoring documentation

The planning unit has well qualified staff but they don't yet have the data collection systems and team support at both the head office and provincial levels to support their tasks. There is not at this stage an **organisation-wide acceptance** of the need for **accountability**, and the energy and activities required to work together to operate the systems that will provide both the quantitative and qualitative data required to **monitor** progress and accountability. This lack of attentiveness to accountability could relate to a weakly developed organisational culture.

There may or may not be approval for the **merge of VIT and VITE**. Once a decision has been made then strengthening of VITE so that it can improve the quality of teaching in schools needs to take place. There have been many **attempts to strengthen VITE** in the past but **it remains weak**. Further strengthening attempts will need to be justified in the historical context and adopt creative approaches. Strengthening will be more effective in the event of a merge with VIT which will provide some good performance examples.

The **functioning of the TSC** affects the organisation performance of MoE as it provides teachers that are often not qualified and has not been effective in disciplining and counselling poor performing teachers. There are thoughts that the legislative framework for TSC may be able to be **changed**. This may or may not occur and regardless MoE will need to work closely with the TSC and support it. Given its own capacity needs MoE may find this difficult.

There are numerous external issues that will affect the ability of MoE to decentralise and deliver its services. These include:

- the lack of financial resources to do so (in the context of MoE's past inability to prioritise its budget to lessen the salary component and increase the operations);
- the lack of decentralisation by other GoV Ministries, especially MFEM;
- the lack of provincial infrastructure such as transport systems, roads, telecommunications and buildings;
- the lack of Government wide performance planning systems
- the weakness of construction skills available at the provincial level.

3.2 Institutional Strengthening

The existing **financial systems** are robust but their implementation proceeds slowly. There are however, no financial systems reliably operating at the school level. MoE considers that the existing **recruitment and discipline systems** are working well. The existing **asset management system** is focused on the needs of the European Union Project but could be expanded to include all provinces. The **Vanuatu EMIS** is still in the process of development. It is not yet sustainable but has the potential to contribute greatly to the policy formulation, monitoring and evaluation processes.

The systems which are not articulated and operating organisation-wide are **the policy formulation and planning, implementation and monitoring systems**. At this stage there is no **records management system**.

3.3. Human resource development needs have previously been identified in MoE and VITE through the NZAID Education Assistance Project (EAP). They identify the

operational, management and specialist knowledge required in these organisations. Capacity Building of skills and knowledge is required by teachers, Provincial Education Boards and School Councils and Committees. These officers require capacity in a range of areas such as organisational unity, leadership, coordination, influencing others, statistics and research analysis, policies-making and knowledge, prioritisation according to need, supervision, regulation, policy development, implementation planning and reporting, student centred learning, curriculum review and costing of services. Additionally capacity building in the areas of meeting procedures planning, financial management, monitoring and accountability obligations would improve financial management and accountability at the school level.

Additional information on the capacity building needs for financial management can be found in the Assessment of Financial Management Report developed in July 2007.

In summary the capacity building needs of MoE which will be highlighted through adopting a sector-wide approach need to be consolidated into plan of program implementation with time frames, costs and performance indicators. A preliminary framework for the implementation of institutional capacity strengthening in MOE can be found in Appendix 6.

3.3. Strategic Approach

The overall strategy approach should focus on a Vanuatu owned approach which builds on existing initiatives, uses existing systems and local services where possible, is structured, sequenced and monitored. There are several features of successful capacity building, many of which can be found in Appendix 9

3.3 Priorities and Rationale

Sequencing

There are sequencing issues in the implementation of capacity strengthening to support implementation of the VESS. The VESS itself prioritises every aspect of every area for implementation (VESS, Four Key Challenges, page 16) from 2007 to 2009). Given the resources available and current capacity of MoE staff it will not be possible to achieve all these priorities. The MFEM has divided activities into four phases with the expectation that the Four Key Challenges will be implemented from 2008 to 2010. An amount of analysis needs to be undertaken before sequenced capacity development interventions can be determined. There are however, some sequencing issues that need to be addressed with the implementation of the VESS.

Priority activities for implementation are submission of the restructure for approval and its implementation, creation of the strengthened Internal Audit Unit and support for the development of financial management training at the school level (including both school staff and community members) to facilitate accountable management of the proposed school grants. These activities should be implemented from 2008 to 2010 with continued supervision and strengthening after that.

At the same time the further development of policy options to the point that costed plans can be implemented should be undertaken from 2008 based on priorities agreed

by MoE. One of these policy options which has already been announced is universal access to years 7 and 8 education. An implementation and investment plan to enable universal access to years 7 and 8, particularly in remote communities should be developed and implemented as soon as is practical. Research and analyse effectiveness of models of provision 2008, plan and implement models 2009-2010 +

Arrangements for the merging of VIT and VITE should be put in place as soon as is practicable with the plan to strengthen teacher pre-service and in-service being developed and implemented in 2009. The proposal for merging should be presented in 2008 with the strengthening activities to continue regardless of whether approval is granted or not.

The proposal for improving TSC performance through changing its lines of accountability could be presented in 2009 with a strengthening program to be implemented as soon as its status is decided.

The review of year 8 curriculum with development of accompanying books should be completed as soon as is practical. This is already underway and should be completed by 2009.

Additionally a program of capacity development accompanied by an implementation plan and costs to accompany the implementation of the VESS should be developed as soon as possible. This program should include development of capacity of MoE to implement its own Approved TA contracting Scheme. Develop costed resourced plan in 2007, implement 2008-2010 + in parallel with VESS implementation

In addition there will be a need to refurbish and possibly expand many of the PEOs, equip them with computers etc from 2008.

TABLE 6: ISSUES PRIORITIES & RATIONALE

Issue	Priority*	Rationale
1. Organisation has most staff at head office in Vila and some key functions missing	5	The policy and restructure approaches in VESS have driven many senior MoE staff who see it as crucial to revitalising MoE, approval of the restructure will not be automatic, work should continue on the restructure as it will take some time to implement and should result in more staff located closer to schools throughout the country. A small increase in staff numbers e.g. up to 20 (on a temporary or contract basis) could be justified if financial resources were available.
2. The policy framework of the VESS needs further development to enable decision-making.	5	There are too many policies and priorities to implement at once, alternative approaches and costs have not been considered and presented to funding agencies. It is imperative to start acting on improving the Vanuatu Education System and the VESS

Issue	Priority*	Rationale
		presents a number of policies which have the potential to do this. Some straight forward actions such as the school grants scheme will be easy to identify and implement but others will take some time to investigate so action should start sooner rather than later. Implementation should start as soon as costed plans are approved
3. Schools, especially rural schools are very poorly resourced and consequently are in poor condition and have few books and stationery resources	5	Improving school conditions has the potential to act as an incentive for teachers to better perform, providing grants with community involvement will foster more community ownership of schools, a factor in better school performance.
4. Planning systems are not articulated and integrated with other decision making areas such as statistics (VEMIS) and finance.	4	Developing, implementing and monitoring plans with colleagues will enhance ownership, assist identification of successful interventions and give information on the cost-effectiveness of results. The plans can also be used as part of the basis of a performance management system
5. The VEMIS which will provide planning and monitoring information is not yet sustainable	4	The VEMIS will be crucial in providing information for both MoE and development partners regarding results of interventions and baselines for planning. It will not be sustainable if support is withdrawn at the end of 2007.
6. Organisation-wide unity and attitude of accountability is not in place.	5	There are a vital group of strong supporters of VESS implementation with a "can do" attitude. This attitude needs to spread and a conscious involvement of all senior managers in problem solving and monitoring the results will assist this.
7. The financial systems operate slowly; managers are not using financial reports for decision-making, financial systems are not operating at the school level.	5	MFEM systems work well and GoV has made efforts to maintain a responsible financial management approach. This attitude has not yet permeated all of MoE senior management and is not evident at the school level. Any additional contribution of financial resources to MoE by GoV or development partners will need to be accounted for through the GoV financial systems, including at the school level.
8. A policy formulation system, performance management and records management system is not yet in place, asset	3	There is a need for clear procedures in the formulation of policy that will involve all key stakeholders and develop the best policy approaches. Development of the current policy framework is critical and

Issue	Priority*	Rationale
management system concentrates on EU project:		development of a policy formulation system can be undertaken later, based on the lessons learned from the policy framework development activity. Likewise records management and asset management systems need to be implemented ministry-wide.
9. VITE has not demonstrated the capacity to produce enough qualified good quality teachers and to support them with in-service development.	4	The merging activity should be undertaken sooner rather than later in case a merge is not able to be implemented. Regardless of a merge occurring it is essential that VITE improve its performance in producing well qualified and skilled graduates in a cost effective manner, and in servicing the ongoing development of other teachers.
10. TSC has not demonstrated the capacity to hire qualified teachers, to implement discipline measures, to maintain a valid teacher list.	4	TSC reports to the Minister, not to the Director General. There have been several Ministers of Education over the last few years and TSC has not been fully supported by the Ministers or by MoE. Because of the importance of hiring, disciplining and maintaining teacher lists the role and functions of TSC need to be examined and supported
11. Year 8 curriculum review has not been completed.	5	Existence of a relevant year 8 curriculum with accompanying books and trained teachers is essential to complement year 7 curriculum and for workforce education of youth (both in the urban and rural areas)
12. Financial resources are not sufficient while 90+% of budget is allocated to salaries.	5	MoE does not have the resources to implement VESS activities while such a large proportion of its budget is allocated to salaries
13. Provincial transport, infrastructure and telecommunications is weak and will hamper decentralisation efforts	2	This activity is not under the "control" of MoE but decentralisation will not be successful without appropriate infrastructure.
14. Government wide planning has not been effective and Ministries have not been supervised in their planning.	2	There is a need to integrate MoE performance indicators and achievements with those from other Ministries. Weak government wide planning does not support this integration
15. Need to work closely with MFEM in their decentralisation pilot	3	MFEM proposes to pilot decentralisation in identified provinces (probably not for two years), coordination with MFEM decentralisation will strengthen MoE activities
16. Reactivation of regular	5	Dialogue with development partners,

Issue	Priority*	Rationale
EPG meetings with MoE		especially those providing resources for a sector wide approach is regarded as critical by successful SWAps. Development partners can support the sector and achievement of results while respecting the need for the sector to lead the approach.

- 5 = most critical, 1 = least critical

The preliminary Framework for institutional strengthening and capacity building of MoE and associated organisations can be found in Appendix 6. This framework takes account of the fact that the current institutional capacity of MoE to implement a SWAp approach is weak and that parallel capacity building activities could take place while a SWAp approach is introduced. The framework relates to the capacity weaknesses identified in MoE but also includes management approaches that have been shown to achieve results in other Pacific countries such as Samoa and PNG. The framework also includes only those activities over which MoE has some direct control or activities which are crucial to MoE achieving expected educational results. For example, while the transport, telecommunications and infrastructure at provincial levels will hamper the decentralisation process, MoE is unable to directly control the development of those provincial services. MoE will be unable to provide quality educational outcomes however, unless VITE can cost effectively graduate sufficient, well trained teachers.

4 Conclusions

The current organisational structure, management arrangements, systems and skill-sets need development to effectively implement the VESS. With the development of the MTEF, the logframe, and the implementation framework however, there is a foundation for a staged implementation of the VESS.

There is some uncertainty among stakeholders about the capacity of MOE to implement the VESS. This uncertainty evolves from past experience. Current MOE senior staff are committed and focused on delivering the results identified in the VESS. A staged approach to the implementation of the VESS with a parallel capacity strengthening program would be an appropriate strategy.

Internal institutional barriers to the implementation of the VESS relate to the need to develop systems for policy costing and implementation, the need for stronger financial accountability at the school level and the need to develop division based implementation plans that are displayed and monitored. A commitment to accountability and transparency through the reporting of results (assisted by the VEMIS data) will help to raise the capacity, profile and image of MOE management skills. The VEMIS data collection processes have only been implemented once. Past experience indicates that this is not sufficient for the processes to be strong and independently sustainable. MoE staff feel that the collection of data is independently sustainable but more support is needed in the analysis and reporting of data.

A sector approach in which development partners commit funds to a sector policy approach will require frequent and meaningful dialogue between partners. Progress in implementing sector policies and support to overcome barriers to implementation could provide a focus for such dialogue between MoE and the EPC.

4.1 Recommendations

The VESS prioritises every aspect of every education area for implementation. Because of the current capacity of MoE, the need to provide some education interventions in the short term that are positive while there is still a need to further develop the policy framework and implementation details of VESS activities the following recommendations are made.

- A program of capacity building for MOE be developed with strategies, activities, an implementation plan and budget and with reference to past HRD reports and the current Financial Management Assessment Report. This program could work towards MoE implementation of an Approved TA contractor scheme and provide support to VEMIS as a key tool in decision-making and monitoring of the VESS. Strengthening of the internal audit unit will be a priority activity if a grants program is to be implemented. Draft TORs for such a program can be found in Appendix 9.
- A smaller scale sector-wide approach that focuses on identified strategies, such as restructuring, developing the policy framework, implementation of grants scheme, curriculum review and VITE strengthening, and results, be implemented in the first instance, while a parallel capacity building program directed towards complete implementation of the VESS continues
- If a grants program is to be implemented the strengthening of the internal audit unit is a priority activity
- Allocation of financial/corporate services officers to the PEOs to strengthen financial accountability and transparency at the school level with regard to school grants, fees and raised funds.
- VESS policies be analysed, costed and prioritised prior to implementation
- All managers develop implementation plans based on identified VESS activities with budgets and results and monitor them

Appendix 1: Terms of Reference for Technical Assistance

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TERMS OF REFERENCE

JOINT ASSESSMENT OF THE INSTITUTIONAL CAPACITY MANAGEMENT OF THE GOVERNMENT OF VANUATU FOR THE IMPLEMENTATION OF THE VANUATU EDUCATION SECTOR STRATEGY (VESS)

Background

Vanuatu is an archipelago of more than 80 islands, of which 68 islands are permanently inhabited. It is part of the Melanesia group of countries in the Pacific. The population is growing rapidly and has recently been estimated to be approximately 220,000 (2006 Agriculture Census?). Population growth is occurring more rapidly in urban than in rural areas. Prior to independence in 1980, Britain and France jointly ruled the former New Hebrides via a colonial condominium. The result for education was the development of a dual (British and French) system.

The Vanuatu government gives high budget priority to education. The total public expenditure on education is about 5.7% of GNP. Education receives approximately 25% of total government expenditure, with 44% of the education budget going to primary education. The bulk of the education budget (94%) is spent on teachers' salaries and education personnel.

Vanuatu has faced some challenges in achieving universal primary participation. In 2003, 84 per cent of primary school age children were in school, with boys and girls equally represented. Sixteen per cent of children are not attending primary school and 13 per cent have never attended.

The Ministry of Education is responsible for the management the education budget and for the delivery of educational services for schools, teacher training and post secondary technical and vocational training. The growing population and "youth bulge" is already placing pressures on the system. There is good public support for prioritising education but there are some key challenges, including access, quality and curriculum issues, and poor outcomes on a cost basis. Education services are not equitably distributed with remote and rural areas most disadvantaged.

The government of Vanuatu and education donor partners have commenced a sector wide approach (SWAp) to support educational reforms proposed in the Vanuatu Education Sector Strategy (VESS). It is anticipated that a joint education support programme will be implemented in 2008. The SWAp will involve strategic dialogue between partners to ensure that an agreed programme of support to education contributes to Vanuatu's education vision and national development goals. As part of the process, donor partners will undertake several appraisals of the government's systems, policies, practices and capacity, in relation to the implementation of VESS, to determine appropriate funding and support. Some of the appraisals will be conducted jointly by donors and government.

The Capacity Assessment is a requirement of NZAID (as a result of past lessons learned from within the Pacific region where sector reform programmes have outpaced local capacity development).

Purpose

The purpose of the **Institutional Capacity Assessment** is to identify institutional and organisational needs, determine appropriate support mechanisms and contribute to the development of a Capacity Development Strategy, for the implementation of VESS priorities.

It is anticipated that the government will take the lead for developing the Capacity Development Strategy with appropriate support from other development partners.

Scope and Objectives

The Institutional Capacity assessment will be carried out in conjunction with the Financial Management assessment and the development of the MTEF.

The assessments will comprise an analysis of key documents, including the VESS, and interviews with staff in the Ministries of Education (MoE) and Finance and Economic Management (MFEF), the Departments of Economic and Sector Planning (DESP), Provincial Affairs (DPA) and Foreign Affairs (DFA), the Prime Minister's Office (PMO), Department of Strategic Management (DSM), the Public Service (PSC) and Teaching Service Commissions (TSC), and other relevant agencies and the informal education sector.

The VESS is a 10 year plan which provides a comprehensive framework for improving the access to and quality of education. There are seven goals and nine major policy initiatives. Eight priority initiatives have been identified for implementation in 2007. It is very likely that the same eight priorities will be the focus for the first cycle of funding support by government and donor partners - to commence in 2008.

The assessments should therefore focus on the education sector's ability to implement the following:

- a) Management and administration of SWAp
- b) Decentralisation of MoE services
- c) Policy Development of key policy options
- d) Expansion of universal primary education
- e) Monitoring and Evaluation of VESS Implementation

The Capacity Assessment should also take into account previous and current work of the Ministry of Education on HR, including work provided via EAP and the MoE HR Task Force.

The Capacity Assessment will be undertaken concurrently with a Financial Management Assessment. It is expected that the consultants will work closely together and reduce the transaction costs on the GoV as much as possible. This should include as many joint activities as possible. It is also expected that the

consultants will work with the TA who will be assisting the MoE to develop an MTEF. A local consultant will also be hired to ensure that both the Institutional Capacity and Financial Management assessments reflect a good understanding of the national/local context.

Objectives of the Institutional Capacity Assessment:

A Government Implementing Partners

Objective 1: Capacity and capability of key implementing partners to implement the VESS priorities identified including gaps in organisational systems and human resource requirements.

Questions:

- What is the current organisational structure, management arrangements, systems and skill-sets? Are these suitable for the effective implementation of the VESS?
- What is the incentive environment for staff?
- What is the staff retention and turnover rate of the MoE/DoE.

Objective 2: Institutional barriers to achieve the agreed objectives and appropriate responses, identified.

Questions:

- What is the VESS mandate and vision to provide context for capacity development and financial management requirements? What is the institutional setting – including the supporting policy framework and resources, external barriers to effective implementation and stakeholder support for the programme?
- Does the EPG function effectively to support the partnership with MoE and other stakeholders?

Objective 3: A framework that identifies key organisational, capacity and institutional strengthening requirements along with indicators of progress as a basis for development of a Capacity Development Strategy.

Questions:

- Is the new proposed MoE structure compatible with VESS priorities?
- What other options could be recommended for a new MoE structure that would best support the implementation of the VESS?
- What are future human resource requirements - both staff establishment and capability?
- What sequencing issues need to be considered between VESS implementation and capacity development?
- Are data collection processes robust?

Outputs

1. A report comprising:

Part A providing an assessment of the newly proposed MoE structure to implement the VESS. Other options for restructuring the MoE at the HO (below the level of the Directors) and in the Provinces should be discussed. The recommendations must take into account the MoE policy of decentralisation of service delivery.

Part B addressing the achievement of objectives presenting a clear view as to whether the institutional capacity and management environments meet the *minimum requirements* for a SWAp approach in the Education Sector in Vanuatu. The reports will identify strengths and weaknesses inherent in the existing structures and identify areas where capacity building and risk mitigation actions would be required.

Part C a Framework that identifies key organisational, capacity and institutional strengthening requirements along with indicators of progress as a basis for development of a Capacity Development Strategy.

2. Workshop

Presentation of draft report (key findings and recommendations) to the EPG and MOE.

Process

The assessment will be jointly undertaken by the funding donors and the Government of Vanuatu. An international consultant will be commissioned by NZAID to undertake the Institutional Capacity Assessment. The consultant will be required to work in close collaboration with the review team undertaking the Financial Management Assessment and the consultants working on the logframe and the MTEF.

The consultants will:

- Develop and agree a work plan for the analyses of key documents and interview schedules with MoE, DoF and NZAID.
- Work closely with the DG of Education, Directors of DESP and DoF, and senior management teams in relevant agencies (including the relevant MoE Task Forces).
- Prepare draft reports and incorporate feedback from key stakeholders.
- Provide regular briefings to the Government (including MoE, PMO, DESP, DoF, etc.) and the Education Partners Group (EPG).

Reporting

The consultants will report to a Steering Committee comprising the Ministry of Education, Department of Finance, Prime Minister's Office, DESP and the funding donors (AusAID, NZAID and the World Bank). The consultants will present their

draft report of no more than 20 pages excluding annexes to the Steering Committee on 27 July (tbc).

The final report incorporating feedback from the Steering Committee should be provided in electronic format to NZAID by 20 August. The final report should be no longer than 20 pages plus annexes.

Key Dates and Milestones

Date	Event	Milestone	Fees Due
29 June	Start of contract		
3 July	Pre-assignment Briefing Port Vila	Briefing completed	
4 July	Work plan development Port Vila	Work plan agreed	
5 July	Fieldwork Port Vila and up to three outer islands	Interviews and analysis completed	
	Report writing	Briefings to key stakeholders	
27 July	Draft report submission	Feedback from key stakeholders on draft report incorporated	
13 August	Steering Committee provides comments on draft report.		
20 August	Final reports submission	Reports submitted	
15 October	End date of contract		

Key Competencies of the consultants

Institutional Capacity Assessment Consultant

The assessment will be carried out by a consultant with the following competencies and characteristics:

- Research and analytical skills
- Expertise in evaluation systems and quality
- Knowledge of Institutional Strengthening
- Experience in participatory methodologies
- Excellent analysis and writing skills
- Experience of education and/or social sector interventions in developing countries

Timeframe

The assignment will be undertaken during June-August 2007. It will involve up to 5 weeks of work, including one country visit to Port Vila and visits to up to three (3) provincial centres (Malampa, Penama and Sanma). Details and arrangements for the

assignment will be negotiated with the successful contractor in consultation with the Government of Vanuatu.

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Appendix 2: People Consulted

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PEOPLE CONSULTED

Person	Organisation
	First Secretary (Development Cooperation) AusAID Vanuatu
	Team Leader – Education NZAID
	NZAID Manager/First Secretary
	Education Sector Program Manager, NZAID
	Program Officer, AusAID
	Director General, Ministry of Education
	Senior Program Officer, AusAID
	PEO Personnel, Ministry of Education
	PEO Inspection, Ministry of Education
	SEO Finance, Ministry of Education
	Acting Director Education Services, PEO Secondary, Ministry of Education
	Systems, costings and monitoring, Ministry of Education
	Acting PEO Curriculum, Ministry of Education
	SEO Procurement and Asset Management, Ministry of Education
	Secretary, Public Service Commission
	Medium Term Expenditure Framework Adviser
	Executive Officer, Provincial Education Office, Malampa, Ministry of Education
	Principal, Lakotoro Central School, Malekeula
	Principal, Norsup High School
	Vice Chair Provincial Education Board, Malampa
	Acting PEO Malampa, Ministry of Education
	Director Vanuatu Institute of Education
	Project Formulation Adviser (Aid Coordination) JICA
	Acting Director Basic Education, Ministry of Education
	Executive Officer National Training Council
	Acting Director Policy and Planning, Ministry of Education
	Acting Director Administration and Finance, Ministry of Education
	Statistics Officer, Ministry of Education
	TA, VEMIS implementation
	Technical Vocational Education and Training Sector Strengthening Program
	Director Ministry of Finance and Economic Planning
	Principal Education Officer, Inspectorate Unit, Ministry of Education
	Education Consultant, PINZ
	United Nation's Children's Fund
	Adviser, Ministry of Education
	Millennium Challenge

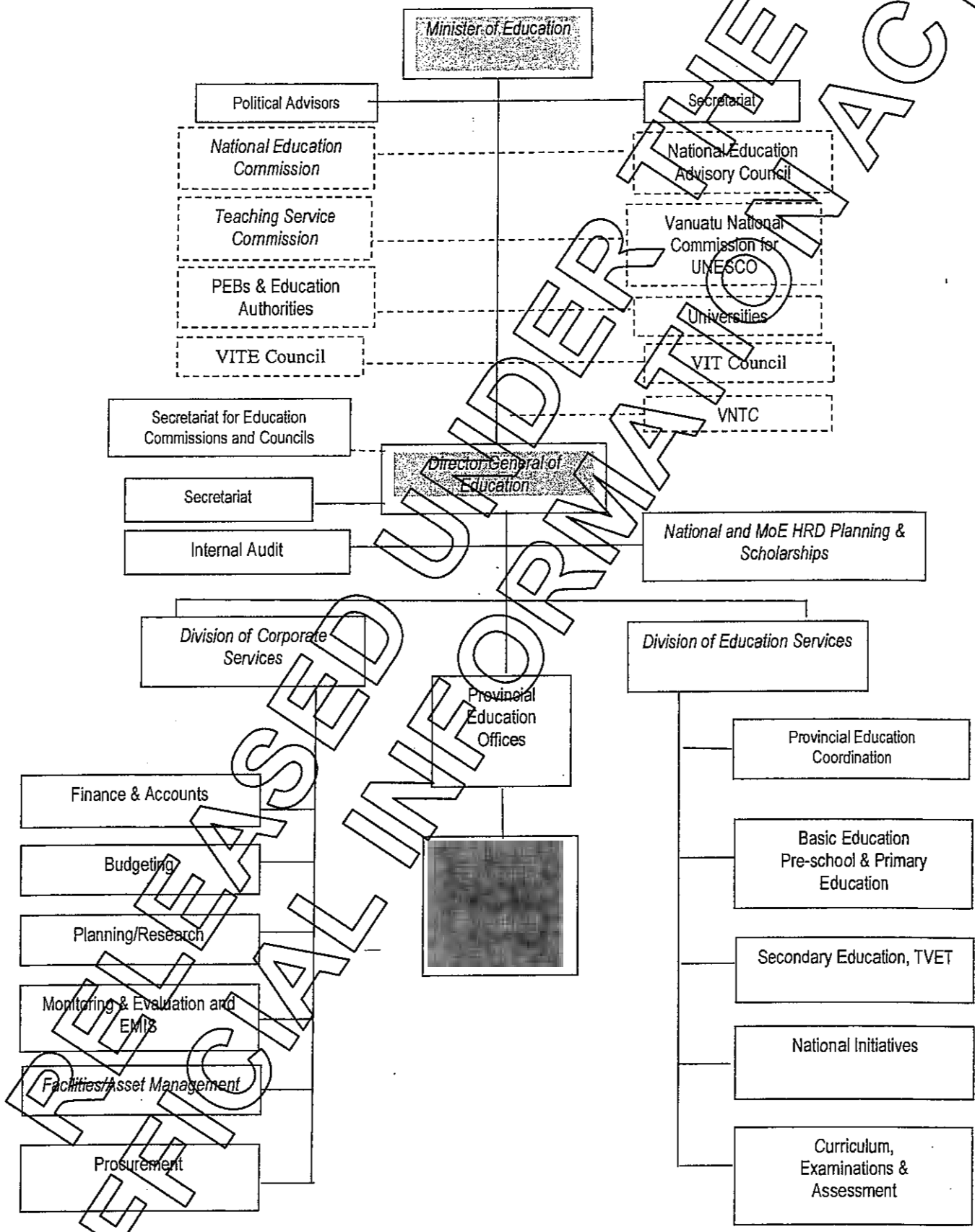
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Appendix 3: Restructure Proposed in VESS

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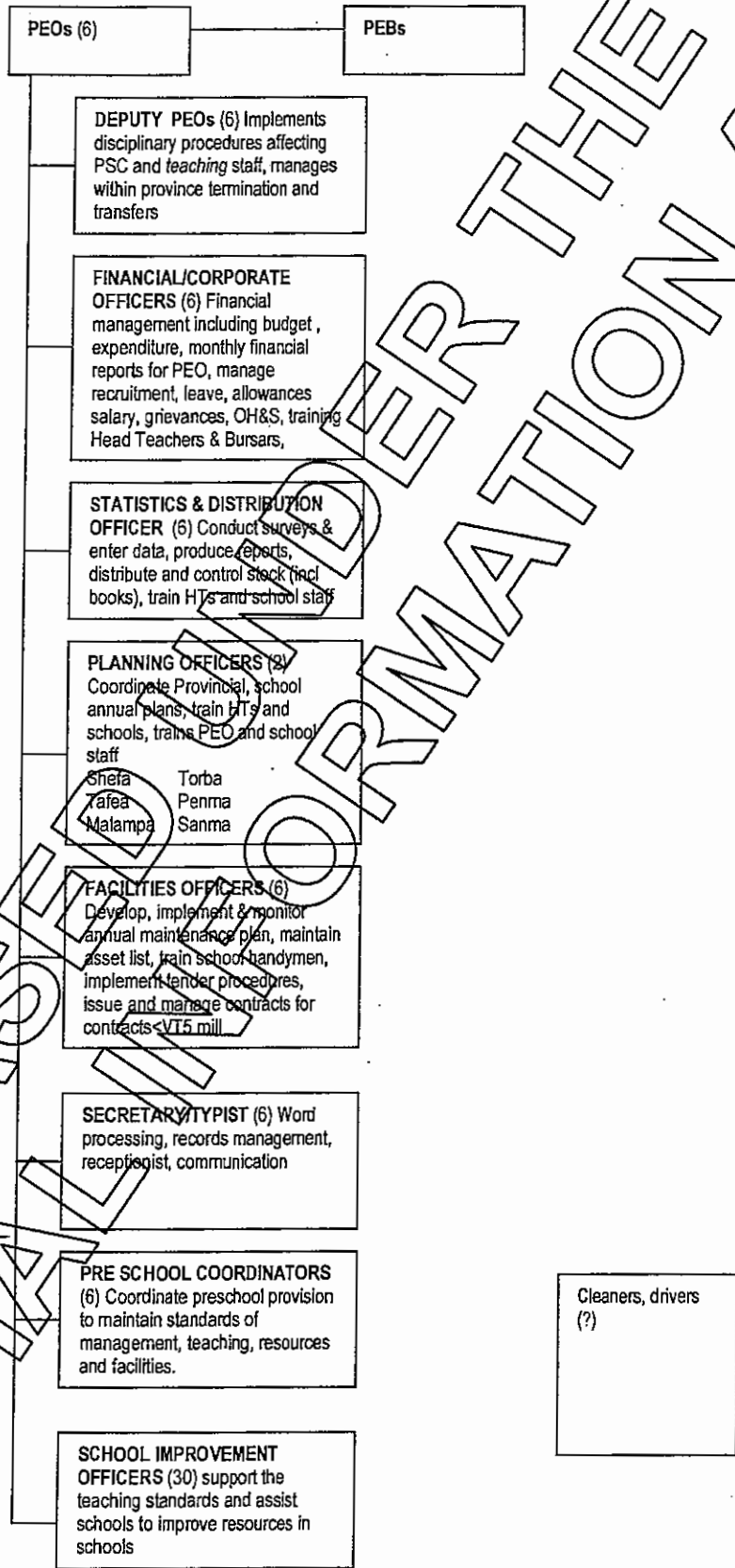
Fig. 1 An Overview of the Revised Structure of Education



**Appendix 4: Draft Future Structure for Provincial
Education Offices**

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DRAFT FUTURE STRUCTURE FOR PROVINCIAL EDUCATION OFFICES



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Appendix 5: Risk Management Matrix

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RISKS

The history of education provision since the mid-nineties has seen access remain stagnant, quality remain poor and equity between rural and urban areas remain a problem. At the same time the proportion of budget allocated to teachers' salaries has continued to rise and the unit cost of education in Vanuatu is the highest in the Pacific. A combination of political considerations¹⁰ and the weak capacity of MoE, TSC and VITE have resulted in a situation where there is a need for additional funds to address the access, equity and quality problems while the capacity of MoE, TSC and VITE are strengthened. There is a risk is that the strengthening of MoE, TSC and VITE will not result in a lowering of unit costs because of political considerations. Communication with key stakeholders with reliable data and local stories about the implications of that data, along with planned activities to address the issues will help influence those key stakeholders to support MoE's activities.

There is a risk that slow progress will interfere with dialogue between key stakeholders, particularly MoE and the EPG. Progress to implement the VESS through a sector-wide funding approach has been slower than anticipated. Lessons learned from implementing a SWAp approach in other countries is that implementation slows down from the development partners' perspective. It is unlikely that the SWAp approach originally envisaged by all parties will be able to be implemented by the beginning of 2008. This situation could however provide an opportunity to implement a proportion of the VESS activities through a sector-wide approach while building the capacity of MoE in particular. (See Recommendations)

There is also a risk that addressing the French-English language situation in education could interfere with achieving improvements in access, quality and equity. The language question must be addressed and appears as a policy area to be addressed in the VESS. There has not been an analysis however of the costs and time required to implement the bi-lingual, or any other options. While it is important to clarify the policy to be adopted, the costs of the policy adopted will need to be included in future provision costs. An analysis of proposed language options needs to be undertaken before a policy is adopted and plans to implement a particular approach are formulated.

Other risks include the slow progress of key government organisations to decentralise, the slow progress or lack of approval for legislation needed to merge VIT and VITE, the lack of control that MoE has over teacher employment numbers and the lack of reliable data available to analyse policy options. A Risk Analysis Matrix follows below.

¹⁰ It is politically attractive to provide education services to as many small communities as possible, but it is not always cost-effective.

RISK MANAGEMENT MATRIX

	Risk	Likelihood	Impact on SWAp development	Responsibility	Method of Management
1	PSC will not approve structure	Moderate	Moderate - restructure cannot occur and decentralization will not be supported	MoE	Present the restructure with costs, functions and justification. Implement priority activities that do not rely on implementation of restructure
2	MFEM will not approve SWAp approach	Moderate	High - SWAp will not proceed	MoE	Ensure regular communication with MFEM and implement their recommendations as required.
3	There will not be political support for prioritization of budget	High	High - MoE will not be able to sustain changes to improve quantity, quality, access and equity	MoE	Research models of school provision to identify those that are most cost effective and present them in accessible format to the Minister for presentation to CoM
4	Council of Ministers will not approve legislation to merge VIT, VITE	Moderate	Moderate - The capacity of VITE will have to increase if teacher quality is to be improved.	MoE	Strengthening VITE can occur without amalgamation with VIT but staff accountability in VITE is important. Design a capacity support program for VITE with capacity support involvement by VIT where appropriate
5	Prioritisation of budget to reflect objectives of VESS (access equity quality) will not occur	High	High - Implementation of VESS will not be possible without continued donor support to transform MOE and to sustain transformation	MoE and TSC	Regular reports to Minister and Parliament regarding status of budget prioritization progress with rationale and implications.

	Risk	Likelihood	Impact on SWAp development	Responsibility	Method of Management
6	Lack of investment in infrastructure by transport and communications sectors	High	Moderate – Decentralisation will not result in effective service delivery	Vanuatu Telecom, Ministry for Transport, Ministry for Public Works	MoE to attend meetings and present papers to support investment in provinces
7	Other key agencies will not decentralise quickly or at all	Low	Moderate – Decentralisation of MoE will be slowed and there will be a risk of duplication of services	MoE	MOE will decentralize over several years and will need continued communication with Agriculture, Health, MFEM in particular to avoid duplication of provincial officers
8	Weak capacity of MoE, VITE and TSC	High	High – Implementation of VESS will not be achieved	MoE, VITE, TSC and PG	Develop and implement capacity development program for MoE, VITE and TSC which is appropriate to their needs
9	Data not be available to analyse and cost policy options	Moderate	Moderate – costs, results and achievements will be estimates	MoE	Support continued implementation of VEMIS
10	No control over teacher employment numbers	High	Moderate – continued employment of unqualified and large numbers of teachers	MoE and GoV	Develop discussion paper with data to illustrate the implications of low teacher student ratios. Share this paper with key stakeholders to influence them
11	Implementation of language policy will remove funds from need improve access, quality and equity	Moderate	High – scarce resources will be further stretched	MoE	Explore language policy options and costs and present to GoV for decision.

**Appendix 6: Framework for Implementation of
Institutional Capacity Strengthening**

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Framework for Implementation of Institutional Capacity Strengthening

Goal: MoE staff will have the skills, knowledge and attitudes to complete implementation of the VESS in a well-structured organisation with well-designed and smoothly functioning systems

Result	Actions	Outputs	Performance Indicators
Organisational Strengthening			
Restructure agreed and implemented	Paper of appropriate standard prepared for Council of PSC	organisational structure signed off by PSC by end 2007	approved structure in place
Policy framework clarified and prioritised	Prioritise policies for analysis and costing Development of prioritised policies	Prioritised policies presented with plans and costs	Policy implementation approved by MFEM and EPG for funding support
Approved TA scheme in place and operating	Tender developed and successful tenderer identified by Tender Board, procedures for TA contracting developed	List of approved TA with range of skills and knowledge to assist implementation of the VESS Approved TA contracting procedures in place TA produce results for MoE	Suitable TA contracted, results as written in TORs of TAs achieved
Required resources allocated for capacity development	Plan developed in consultation with MFEM, DESP, DPA, EPG etc based on logframe, implementation plan, MEFP, Capacity assessment and past HRD studies and financial management assessment	plan for implementation of capacity building agreed to by MOE, EPG	allocated resources for capacity development appear in MOE budget and/or development budget
implementation of approved capacity	according to plan	according to plan	number/% of activities successfully completed in plan

Result	Actions	Outputs	Performance Indicators
development plan decisions regarding merging and/or strengthening of VITE	discussion papers prepared for Council of Ministers, EPG	Relocation of TSC, merging of VIT/, VITE, approved capacity strengthening program for VITE.	TSC fulfilling role as legislated, VITE training required number of teachers with good teaching and language skills
Role of TSC clarified and supported	Development of proposal to improve performance of TSC to fulfil its role	Proposal for improved TSC presented to appropriate body – Council of ministers or EPG, depending on performance improvements recommended	Accurate teacher lists, qualified teachers employed, teacher discipline procedures implemented fairly
Institutional Strengthening			
financial systems realignment of budget	financial modelling of options to realign budget	decision made and implementation plan developed of chosen model	realignment of recurrent budget, decrease in proportion of percentage allocated to salaries
financial management in MOE and provinces	training and support to senior officers and finance in interpreting financial reports, costing activities placement of financial/corporate services officers in PEO training and support to identified financial managers from PEBs and schools (Head Teachers, Bursars, School Council/Committee member/s), bookkeeping materials provided	implementation plans are accompanied by budgets expenditure is approved if funds are available school financial income and expenditure summary is displayed on school noticeboard/publicly	% schools providing evidence of accountable use of school grants MOE operating within budget
planning and monitoring	planning and monitoring system developed MOE staff, including task forces	Annual implementation plan for Ministry, Directorates, Provinces and Divisions	senior officers (PEOs and above) have GANTT charts on display in office for annual implementation of Division's

Result	Actions	Outputs	Performance Indicators
	trained and/or supported in developing and monitoring implementation plans		activities,(budget available and monthly monitoring reports presented) based on allocated VESS priorities for Division and VEMIS data
VEMIS sustainable and operational	Second round of data collection undertaken Reliability of information calculated Statistical report produced	Regular statistical reports circulated to Directors and Heads of Units Annual informative statistical report produced	Government decision-makers (eg MFEM and Ministers) are aware of and use MoE statistical report
development and implementation of performance management system	liaison with PSC regarding introduction of performance management system, development of MOE performance management procedures training of MO staff in implementation of performance management system management supervision based on clearly defined performance expectations	procedures manual for MOE performance management, regular team meetings to discuss performance throughout MoE	Successful implementation of MoE plans at all levels Improvement in key indicators shown through VEMIS data
development and implementation of policy formulation system	policy formulation system developed	policy statements in agreed format with costs, implementation and monitoring procedures and performance indicators	identified progress data as collected through VEMIS
development and implementation of	expand EU asset management database across all provinces	asset database asset management procedures	all schools meet minimum infrastructure standards

Result	Actions	Outputs	Performance Indicators
asset management system	develop asset management procedures across all provinces		improved quality of school facilities
Year 8 Curriculum reviewed	complete review of year 8 curriculum produce books to accompany year 8 curriculum train teachers to implement year 8 curriculum	Year 8 curriculum Books to accompany year 8 curriculum for each year 8 student Year 8 teachers trained in curriculum	year 8 students prepared for future educational or work life
Enabling environment			
EPG functioning	EPG reviews purpose and code of conduct of group Regular meetings of EPG and MoE MFEM invited to relevant EPG meetings	MoE and EPG agree on purpose and code of conduct of EPG Minutes of meetings	Agreement and implementation of sector wide approach in agreed areas

PRELIMINARY INFORMATION UNDER THE ACCESS TO INFORMATION ACT

Appendix 7: The Ideal Adviser

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The ideal adviser

<i>Technical skills and ability (skills & knowledge)</i>	
<p>The ideal adviser should:</p> <ul style="list-style-type: none"> • Have the capacity to assist and support the development of useful procedures within the unit 	<p>The ideal adviser should not:</p> <ul style="list-style-type: none"> • Be technically incompetent or lack the appropriate technical skills, credentials, and expertise for the job • Lack specific professional experience in the area they are 'advising' on
<i>Methodology (systems & processes)</i>	
<p>The ideal adviser should:</p> <ul style="list-style-type: none"> • Use a cooperative approach when working with Timorese counterparts and staff • Try to transfer knowledge to staff • Adapt appropriately to the working environment, including finding solutions to any language barriers that exist • Have and follow a well-defined workplan that supports the work program of the unit/agency and counterpart staff • Maintain good relationships with all members of the team • Be flexible and responsive to the needs of the job and the situation • Share information 	<p>The ideal adviser should not:</p> <ul style="list-style-type: none"> • Intervene when it is not necessary for work objectives to be achieved • Favour an individualistic approach over a cooperative approach • Not follow or complete their own workplan • Participate in official meetings or represent the department/ agency /ministry without previous approval from a senior Timorese manager • Make decisions without consultation with counterparts
<i>Personal attributes (attitudes & behaviour)</i>	
<p>The ideal adviser should:</p> <ul style="list-style-type: none"> • Be transparent and foster a sense of trust • Be honest and open • Be disciplined • Adapt appropriately to the working environment and the Timorese culture • Be committed to supporting national staff to achieve outcomes/ objectives of department and ministry 	<p>The ideal adviser should not:</p> <ul style="list-style-type: none"> • Be undisciplined or lazy or late • Put private interests ahead of national interests • Be egotistical • Have a colonial or patronizing attitude • Present an attitude that demonstrates a lack of trust • Behave in an authoritarian manner.

Source: Developed by Timorese staff of MoPF and line ministries at a workshop held as part of the World Bank-led planning mission for the proposed Planning & Financial Management Capacity Building Program (PFMCBP), November 2004

**Appendix 8: Staged Model of Capacity Development
Planning and Progress Report**

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Capacity Building Planning Template

Function / work task	Current level of capacity	Target level of capacity in next x months	Strategies to build capacity	By when	Person responsible

Tool 1: Capacity Building Planning Example

Function / work task	Current level of capacity	Target level of capacity in next x months	Strategies to build capacity	By when	Person responsible
1: Register new taxpayers	Assisted	Assisted +	Focus on improving quality of work through weekly review meetings. Maintain current capacity level through refresher coaching.		
2: Develop and implement strategies to find taxpayers and encourage them to pay	Guided	Assisted	Identify small group of staff to take the lead on the task and arrange for them to attend short course on influencing and negotiation skills. Support the group to develop their work program Use short-term consultant to develop community education program. Hold monthly meetings of whole work team to review progress and make further suggestions (Learning circle)		
3: Interpret the tax laws governing taxpayers to determine tax liabilities	Dependent	Dependent +	Identify local tax expert (government or private sector) to provide ad hoc advice as needed Identify appropriate off-job training course for at least 3 staff, and provide follow-up on-job coaching (aim to meet over lunch every Friday)		
4: Respond to requests for information and provide information (for taxpayers and government)	Guided	Assisted	Each team member to seek customer feedback from 5-10 customers (customer survey) Establish small team to collate results, then review and improve the current processes for dealing with enquiries, including setting up a help desk		
5: Collect revenue from taxpayers (withholding tax, income tax, wages tax and VAT)	Assisted	Assisted +	Implement visible monitoring process, using data from finance IT system on revenue collected to produce graphs showing trends; coach individual staff member to update graphs monthly (encourage staff to take responsibility for increasing revenue collection) Explore alternate means of collecting taxes, eg through local councils Review taxpayer education program and strengthen if necessary (may become a separate function)		
6: Maintain an Excel spreadsheet on taxpayers, tax paid and tax debts for the 4 types of taxes	Independent	Independent (maintained)	Ensure independent level is sustainable by identifying and training back-up staff Encourage retention of current staff through incentives		

Annex C Tool 2: Progress Report Template

Function / work task	Starting level of capacity (date)	Level of capacity after 6 months (date)	Level of capacity after 12 months (date)	Level of capacity after 18 months (date)	Level of capacity after 24 months (date)

Tool 2: Progress Report Example

Function / work task	Starting level of capacity (date)	Level of capacity after 6 months (date)	Level of capacity after 12 months (date)	Level of capacity after 18 months (date)	Level of capacity after 24 months (date)
1: Register new taxpayers	Assisted	Assisted +	Assisted +	Assisted +	Independent
2: Develop and implement strategies to find taxpayers and encourage them pay	Guided	Guided	Assisted	Assisted +	Assisted +
3: Interpret the tax laws governing taxpayers to determine tax liabilities	Dependent	Dependent	Guided	Guided +	Assisted
4: Respond to requests for information and provide information (for taxpayers and government)	Guided	Assisted	Assisted +	Independent	Independent
5: Collect revenue from taxpayers (withholding tax, income tax, wages tax and VAT)	Assisted	Assisted +	Assisted	Assisted +	Assisted +
6: Maintain an Excel spreadsheet on taxpayers, tax paid and tax debits for the 4 types of taxes	Independent	Independent	Assisted +	Independent	Independent

Source: A Staged Approach to Assess, Plan and Monitor Capacity Building, May 2006, Australian Government AusAID

Appendix 9: Strategic Approach

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CAPACITY BUILDING STRATEGIES

Some successful capacity building strategies appear below.

Long term

Capacity development is a slow iterative process and adequate time should be allocated to build capacity. A realistic time frame for development of the capacities required to implement the VESS across the sector would be at least 10 years. Capacity building therefore requires long-term government and development partner commitment. It is expensive and difficult to monitor because of the nature of identifying the steps involved, the different pace at which colleagues will acquire "capacity" and the very nature of capacity itself which is multi faceted. It is generally accepted that a minimum ten years of capacity development is required where there is institutional and individual capacity weakness.

Congruent with national needs and priorities

Capacity development in a ministry should always be mindful of national priorities, activities and their timing and systems. There may be instances where a capacity development exercise can usefully be conducted with MoE and other Ministries. This will be particularly the case where decentralisation activities are being strengthened.

Nature of TA

A long term commitment does not require long term costly investment, especially in the later stages. Throughout the capacity development exercise, the relationships developed by the person providing the capacity development are more important than their high level technical skills. A profile of an "ideal" adviser that was developed by East Timorese officers can be found in Appendix 7. This profile will not apply exactly to Vanuatu but it demonstrates the importance of personal attributes.

A staged approach

A model for monitoring a series of stages has been developed by AusAID and could be useful in MoE. The identified stages are dependency, guidance, assistance, and independence. Implementation of capacity development activities needs to be monitored as any other activity. A proposed template for reporting on progress can be found in Appendix 8.

Use existing resources in Vanuatu and MoE

Existing government-wide systems should be used as a basis for capacity building. There may however be a need to develop or streamline (with MoE) processes to complement these systems, for example a procurement system already exists in MoE but the processes that accompany that system result in it operating in a slow and cumbersome manner. Use Vanuatu organisations to provide services where they are competent to provide them.

On-the-job training

The most effective form of training for skills development is on the job training with effective feedback. There may be a need for some intensive short training but real learning takes place in the job situation with supervision and feedback. Ideally this supervision and feedback needs to come from managers.

Developing the management team

Capacity development of the management team also needs to focus on their work tasks. These include knowledge of both the government and ministry organisations, planning for results, providing leadership in the workplace and work as part of a team, establish and manage effective workplace relations (communication), human resource management, implementing change, manage personal work priorities and professional development, manage workplace information, manage quality customer service and well developed literacy. In addition some manager will have technical skills needs. Mentoring and coaching will be particularly important at the management level. The relationship between the coach or mentor and the learner is of particular importance in which the learner needs to be developed and respected.

Training alone

Training alone is not effective. It needs to be accompanied structured and combined with practical work-related tasks, on-the-job training and coaching. Training alone can be a waste of resources, especially where attendees are not using the training skills in their jobs. Training needs to be structured, action oriented and relate directly to participants' work situations.

Formal qualifications

Careful consideration should be given to the need for formal qualifications to be acquired in some specialist areas. Where possible, accreditation should be awarded for completed training. This should be considered within the Vanuatu Qualifications Framework. Currently 13 MoE Head Office staff hold graduate qualifications and three hold post graduate qualifications

Access and Equity

Capacity development should be delivered with sensitivity to gender issues, providing access to males and females, material that is gender sensitive and to both anglophone and francophone participants.

Appendix 10: Draft TORs for Capacity Building Design

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DRAFT TORs FOR CAPACITY DEVELOPMENT DESIGN

Purpose

The purpose of the **Capacity Building Program Design** is to develop a structured program for capacity development so that the Ministry of Education has the structure, systems and skilled staff to successfully implement the Vanuatu Education Sector Strategy (VESS).

Scope and Objectives

The consultant will analyse key documents such as the VESS, the MTEF, the Logframe and implementation plan for the VESS, the Capacity Building Assessment of MoE, the Financial Management Assessment of MoE and previous HRD reports on MoE.

The consultant will work with a steering committee which consists of senior MoE management and representatives of the EPG because capacity development will encompass structure, policy issues, legislative issues, systems and procedures as well as the human resource development needs of staff.

The consultant will work closely with the Principal Education Officer HR and the HRD Task Force, conduct interviews with key MoE staff as well as staff in the Department of Finance (DoF), the Departments of Economic and Sector Planning (DESP), Provincial Affairs (DPA) and Foreign Affairs (DFA), the Prime Minister's Office (PMO), Department of Strategic Management (DSM), the Public Service (PSC) and Teaching Service Commissions (TSC), and other relevant agencies, development assistance, and the informal education sector.

The consultant should explore the inclusion of an Approved TA Contract approach in which MoE would identify a body of approved TA providers through the Government of Vanuatu procurement system, and then contract TA assistance from his body of approved contractors as required. It is anticipated that MoE would not have the capacity to implement such a system until the latter half of the initial three year program.

The objectives of the Capacity Development Program Consultancy will be to:

- Prepare a detailed analysis and costing for the capacity development for the next three years.
- In consultation with key stakeholders and MoE discuss key policy issues to be incorporated into the capacity development program;
- Make recommendations on the measurement of capacity development to ensure measurable improvement.
- The report should incorporate a detailed implementation plan
- Provide capacity building to the counterparts from the MoE;

The VESS is a 10 year plan which provides a comprehensive framework for improving the access to and quality of education. There are seven goals and nine major policy initiatives. Eight priority initiatives were identified for implementation

in 2007. The capacity development program will therefore need to focus on the implementation of activities in the Program Implementation Plan and legislation and the structures, policies, systems and knowledge, skills and attitudes that will be required to implement these activities.

Outputs

1. A report comprising:

Part A. A short summary of the capacity development needs of MoE followed by the objectives for a program of capacity development

Part B. The principles and strategies on which the capacity development program will operate. The strategic approach will need to allow the flexibility required in by capacity development programs. Ways in which the program will relate to other key stakeholders, including other Ministries. Method of implementation, e.g. the inclusion of an Approved TA Contract, the method of monitoring progress. The risks that might affect implementation of activities

Part C. A timetable for implementation, a description of activities to be implemented and TA or other service provision costs. A Framework that identifies key organisational, institutional strengthening and individual capacity requirements along with indicators of progress.

Duration:

It is expected that this activity would take six months. It would however be appropriate to combine it with a parallel capacity building design for financial management of a SWAp approach by MoE which will involve other Ministries