

**VANUATU PROGRAM REPORT: JOINT REVIEW OF ADVISER POSITIONS FUNDED BY THE
AUSTRALIAN AID PROGRAM**

Overview

Between June and December 2010, Australia and our partner countries jointly reviewed the use of advisers across the aid program in order to ensure that all positions are delivering clear development results and represent value for money. [A Joint Adviser Review Report](#) was released on 15 February 2011, which provided a synthesis of the findings and key recommendations from individual country reviews, including country specific adviser figures and narrative.

Australia worked bilaterally with a large number of partner country governments to review each adviser position. While the underlying Review methodology and the core content of country-specific reports is consistent across programs, in each case the final country-specific Review Report reflects decisions made by the joint Review teams as appropriate for the specific cultural and language context. As a result there are some presentational differences between reports.

This report presents the findings and recommendations of the joint Review process undertaken between the Governments of Vanuatu and Australia.

It is important to note that the Review process involved an assessment of the value and effectiveness of each adviser position – not the performance of individuals in those positions. The Review focused on the role of each position in meeting agreed country program objectives and development outcomes. On the basis of this assessment, the continued funding of adviser positions by AusAID was jointly considered and agreed with partner governments.

1. Executive Summary

There are currently 38 advisers in Vanuatu, working in law and justice (ten), health (ten), infrastructure (eight), economic and public sector governance (six) and education (four). There is strong support for the work of Australian-funded technical advisers in Vanuatu. Access to adviser knowledge and expertise is therefore integral to supporting the Government of Vanuatu's reform agenda.

Notable reform successes have been achieved in telecommunications, infrastructure and public financial management, with Australian advisers having assisted in the implementation of Vanuatu-led policy initiatives. There was broad consensus that leadership from Government of Vanuatu was essential to getting full value from adviser placements. Where Vanuatu leadership has been weak, notably in the legal sector, advisers have been less effective in developing capacity among counterparts. Specific mechanisms have been agreed to support greater Vanuatu leadership in the legal sector to supplement Australian funded advisers. Four nurse trainer positions will be extended over until December 2011 as staff are trained to take over their roles to address a shortage of qualified nurses in Vanuatu. The Economic Adviser position within the Reserve Bank of Vanuatu was identified as not being a high priority and alternative means of assistance will be considered in partnership with the Reserve Bank of Australia.

Other adviser roles have been identified as being high priorities. These positions will be subject to regular ongoing review to ensure effectiveness and relevance. It is expected that adviser numbers will reduce to a total of 37 in the next 6 months with further reductions in 2011-12, subject to the outcomes of the forthcoming design of Australian support to the Vanuatu Police Force.

Vanuatu is constrained by shortages of skilled technical personnel to implement the reforms it is undertaking, and it will be a long-term task to build the human capacity required for dynamic and internationally competitive private and public sectors. It is expected that access to specific technical skills will continue to be required over the medium-term to assist Vanuatu perform key public sector functions and take forward new initiatives to progress towards the Millennium Development Goals (MDGs). Australia has agreed to support the development of a human resource development plan to assist Vanuatu in meeting the long-term capacity needs for both the public and private sectors. This will incorporate existing AusAID support for scholarships and technical vocational training.

The Department of Strategic Policy, Planning and Aid Coordination has agreed to work closely with relevant departments in considering future adviser placements to ensure they align with Vanuatu's development priorities. The performance of advisers will be regularly reviewed through Pacific Partnership for Development Talks.

2. Background

As announced by the Minister for Foreign Affairs in the 2010-11 Budget the Review aims to:

- ensure that each adviser position is providing the most effective, value for money response to meeting agreed development needs and priorities; and
- establish an agreed process for regularly reviewing the use of advisers and for considering new requests for adviser positions.

AusAID has worked closely with Government of Vanuatu colleagues in completing the Review, which sought to look at the contribution of advisers to assisting Vanuatu achieve their development objectives.

Vanuatu faces ongoing difficulties in delivering services and providing adequate infrastructure to a population of 234,000 spread across 83 islands. Around 75 per cent of the population live in rural areas, although recently Vanuatu has witnessed increased urban migration. Almost 60 per cent of the population is under the age of 24 and Vanuatu faces challenges to provide job opportunities for its youth. Since 2004, Vanuatu has enjoyed strong economic growth, and while still positive, growth slowed in 2009. Vanuatu is not on track to fully achieve any of the MDGs, although it made good progress in reducing poverty, achieving gender parity in primary and secondary education and improving child health.

Since becoming an independent nation in 1980 Vanuatu has faced ongoing challenges in accessing skilled personnel for the delivery of services (education and health), design of infrastructure and all levels of public management. At the time of independence there were very few ni-Vanuatu university graduates, and it has been a long-term task to support the development of Vanuatu's human resource capacity. The Australian aid program in Vanuatu has had a long history of providing technical advisory support, including having funded specialist doctors at Vila Central Hospital since 1988. In 2009-10 technical assistance (including adviser and whole of government deployments) as a proportion of total expenditure was 18 per cent, which is lower than in 2005-06 when the country program began scaling up significantly. The Australia-Vanuatu Joint Development Cooperation Strategy 2005-10 acknowledged that where local skills were unavailable in Vanuatu, advisers would have a critical role in technical assistance and skills transfer to ni-Vanuatu counterparts in areas such as finance and economic management, public sector reform, law and justice, health planning and management, education and media.

A key feature of the Vanuatu aid program in recent years has been a move to more explicitly link support (including that provided in the form of advisers) to support Vanuatu leadership of its own reform efforts. Notable successes have come in education, media but also in infrastructure and economic governance through the Governance for Growth program (GfG). Leadership of GfG and its reforms is firmly vested with the Government of Vanuatu (GoV) and AusAID provides support to tackle obstacles to effective service delivery and economic growth caused by weak governance or lack of suitably skilled resources in the public sector for the government to draw on.

Notwithstanding the impact of these inputs, the costs of AusAID-funded advisers in the Vanuatu program attracted media attention in both Australia and Vanuatu in February 2010. It is these questions of cost effectiveness of advisory support to Vanuatu (and the aid program more broadly), which this review aims to interrogate.¹

Policy priorities for Australia's aid program to Vanuatu are determined through the Partnership for Development. The priority outcomes for the Partnership are to:

- support increased access and quality of education for boys and girls and equip them with relevant skills and knowledge;
- strengthen health services and accelerate progress towards health MDGs;
- develop essential infrastructure to support economic growth and service delivery; and
- progress reform on economic governance.

At recent annual Partnership for Development talks it was agreed to include future Australian support to the law and justice sector as a priority outcome within the Partnership.

In 2010-11, Australian aid to Vanuatu is estimated to be \$66.4 million. Australia is the largest aid donor to Vanuatu and our aid constitutes approximately 30 per cent of total Government of Vanuatu expenditure. Australia's aid to Vanuatu has increased rapidly in recent years in recognition of Vanuatu's efforts to improve governance and promote economic growth. The aid program provides support to build Vanuatu's human resource capacity through a number of approaches, including provision of advisers, training, institutional twinning arrangements and access to scholarships.

The methodology used for the Review is detailed at Annex 1.

3. Review Findings

3.1. Current use of Advisers in the Vanuatu Program

The total number of Australian-funded long-term advisers in the Vanuatu country program in 2010-11 as defined by this review is 38 (for the complete list of advisers see Annex 2). The majority of these advisers are working in the four priority outcomes of the Partnership for Development: education, health, infrastructure and economic governance. The highest number of advisers work in law and justice with ten (including the legal sector and police) and health, also with ten, infrastructure with eight, economic and public sector governance with six and education with four.

In law and justice, Australia is funding ten advisers in the legal sector and policing who work with the Vanuatu Government legal offices and the Vanuatu Police Force (VPF).

¹ Some headlines included 'Adventures in paradise with potholes' (*Bendigo Advertiser*, 17 February 2010) and 'Ex-AusAID adviser paid \$865,000 to oversee roads: PLUM POSTING' (*Canberra Times*, 17 February 2010) to describe the appointment of the Vanuatu Transport Sector Coordinator. The articles focused on the salary of the Transport Sector Coordinator and did not give an accurate description of the scale of his responsibilities or outputs.

There are four advisers funded through the Vanuatu Legal Sector Strengthening Program (VLSSP): State Prosecutions Adviser (Police Prosecutor), Senior Prosecutions Adviser, Senior Litigation Adviser and Litigation and Case Management Adviser.

Overall, the Ministry of Justice and Social Welfare was very pleased with the performance of the four advisers in the legal sector. However, it was acknowledged that there was a real risk of advisers becoming too involved on in-line activities at the expense of capacity building. Advisers engaged through VLSSP have contributed to the development of appropriate legislation and policies and the strengthening of national institutions involved in the delivery of legal services both to the Government of Vanuatu and the public. Vanuatu Ministers have strongly and publicly supported the work of VLSSP advisers in protecting the Government against vexatious litigation.

Feedback was that advisers were in the right places in working across the Government legal agencies, but that the performance of the advisers had been constrained by the current operating environment. Government of Vanuatu colleagues strongly supported being involved in developing the Terms of Reference and selection of advisers. Local skills in drafting, case file management and advocacy was poor due to broad weaknesses in education, in particular language skills. The quality of graduates from the University of the South Pacific was noted as a significant constraint to the sector, reflecting weaknesses in Vanuatu's education sector more broadly.

Future Australian support to the law and justice sector is currently being designed in consultation with the Vanuatu Government. The proposed program is intended to build upon support to individual agencies to support Vanuatu's leadership and coordination of the sector as a whole. The dominant approach to capacity development in the past decade has been the placement of a relatively small number of short-term and long-term technical assistance, in a mix of in-line and advisory positions. In the most recent phase, long-term placements have been funded in four legal agencies. Personnel have been recruited by an Australian state government department and have been largely supported by an in-country Team Leader. Staff placements with the NSW Department of Justice and Attorney-General, however, have been discontinued due to negative feedback on the value of these assignments. Feedback was that on the job training was more effective when delivered in country.

A broad range of capacity development options is proposed for the new phase of legal support including: provision of external personnel (including short or long-term advisers, in-line placements); exchanges; attendance at conferences, workshops, seminars; study tours; organisational twinning arrangements; training; scholarships; research – use of existing research project information or commissioning of research; and provision of assistance in planning and maintaining infrastructure and equipment. The selection process for advisers will be crucial and will be designed to focus on capacity development as well as technical legal skills. Advisers will be jointly selected and supervised by the respective Head of Agency. The performance of advisers will focus on the quality of their capacity development efforts. Overall the use of different capacity development options will be determined in close with the leadership of the Ministry of Justice and Social Welfare.

There are six advisers with the AusAID-funded, AFP-implemented Vanuatu Police Force Capacity Building Project (VPFCBP): Team Leader, Northern Command Operations Adviser, South Command Operations (CID) Adviser, Southern Command Operations Adviser (General Duties & Traffic), Crime Prevention and Community Safety Adviser, and Training Adviser.

The Ministry of Internal Affairs was strongly supportive of the work of the current police advisers, including in supporting training at the police college, community relations and in supporting the operations of Southern Command and Northern Command. Future areas of assistance could be in leadership training and crime prevention activities. The Ministry noted that human resource capacity development is one of the greatest long-term challenges faced by the VPF, and that the Government was suffering the consequences of having neglected recruit training and ongoing career development during the first half of the 2000s. Advisers were currently filling human resource gaps in the VPF and they should be involved in training local police to fill those gaps in future.

Australia has funded a comprehensive review of corporate services functions within the VPF to assist in better long-term human resource and budgetary planning. There has also been assistance in reviewing the long-term funding needs of the VPF to reduce reliance on ad-hoc donor inputs to fill operational funding requirements.

Feedback was that community perception of the VPF had improved due to the work of advisers, and that the VPF had performed well in managing the recent 30th anniversary of independence celebrations and the Pacific Islands Leaders Forum meeting. It was noted that there were strong common elements in the challenges faced by police across the region and the need to encourage peer learning, potentially through the new Pacific Police Development Program. An emerging need has been identified for a team of 30 VPF officers to receive public order management tactical training in Port Vila and 10 VPF officers in Santo to assist the VPF in responding to potential public order management situations.

The design of the next phase of the VPFCBP is scheduled for September-October 2010. There is agreement on the need for future Australian support to the VPF to focus on the need to provide a career structure for young police, including the importance of having senior female officers to provide an example to young recruits and current operational female personnel. Elements of capacity development will include support for recruit training, on-the-job mentoring through adviser placements, AusAID-funded scholarship opportunities, and leadership training (potentially through the Australian Institute of Police Management). The number of future adviser placements in the next phase of the VPFCBP will be determined during the design process in close consultation with Government of Vanuatu stakeholders.

In health, Australia is currently funding five medical specialists, including an obstetrician/gynaecologist, physician, surgeon, logistician and an anaesthetist, to Vila Central Hospital and five nurse trainers to the Vanuatu School of Nurse Training. These specialists provide mentoring and on-the-job supervision to junior medical staff, while also directly providing specialist clinical services.

The Ministry of Health sees these positions as essential to maintaining service delivery levels, and must be filled with international specialists as no locals have the necessary skills and experience (eg. the senior surgeon position requires 15 years surgery experience). The specialists are necessary to ensure Vila Central Hospital retains its 'Teaching Hospital' status which means that ni-Vanuatu medical students can return to Vanuatu to complete their internships rather than having to study overseas.

The Ministry of Health participates in the selection of the specialists at the hospital and is keen to emphasise the importance of skills transfer to local doctors. Ministry of Health staff provided very positive feedback on the work of the AusAID-funded specialists in providing high quality clinical services. Feedback from the specialists is that management issues at Vila Central Hospital represent an ongoing challenge in maximising the effectiveness of their placements. Improved management of hospital and health centre faculties has been identified as a key constraint in health service delivery for the recently announced AusAID funding of \$17.3 million for health sector reform in Vanuatu.

With a view to long-term sustainability, Australia has assisted the Ministry of Health to develop a plan to train Vanuatu doctors to become specialists and eventually phase out Australian-funded specialists. Options being considered include sourcing specialists from the region rather than specifically from Australia or New Zealand. Australian-funded scholarships in health are an integral component of Vanuatu's human resource future planning for the health sector.

Following the signing of the Australia-Vanuatu Partnership for Development in May 2009, Vanuatu requested support from Australia to address an acute shortage of nurses in rural health clinics. As nurses are the backbone of the Vanuatu health sector, Australia agreed to provide five nursing trainers to assist in training 60 nursing students in 2010-11. Their main task is to assist with the delivery of quality education for nursing students through teaching support and curriculum development at the Vanuatu College of Nurse Education. The trainers are helping to fill an immediate shortfall in nurse trainers while new ni-Vanuatu trainers complete their studies in New Zealand. Australia's support has been very well received in providing quality training and is expected to provide a direct future benefit in improving the quality of rural health services. At the request of the Vanuatu Government four nurse trainer positions will be phased out up until December 2011 to provide mentoring and training for nursing students and ni-Vanuatu trainers.

In infrastructure, Australia currently funds a total of eight advisers including the Transport Sector Coordinator (TSC), Team Leader of the Vanuatu Transport Sector Support Program (VTSSP), Deputy Team Leader, Provincial Finance and Business Management Adviser, three provincial Field Trainers and the Airport Planner. The primary counterpart agency in this sector is the Public Works Department (PWD), which is part of the Ministry of Infrastructure and Public Utilities (MIPU).

MIPU noted that previous advisers funded through the Governance for Growth (GfG) program had proved their worth through successes in telecommunications liberalisation and in improving the management of Air Vanuatu. Australian-funded technical advisers negotiated the end to the previous telecommunications monopoly and prepared the terms

and conditions for new mobile phone operators to enter the market in 2008. This resulted in an increase in mobile phone coverage from 20 per cent of the population in 2007 to 85 per cent in 2009. Vanuatu's Ministry of Finance estimates this reform alone contributed 1 per cent to GDP.

These successes opened the Government's eyes to other potential reforms, such as reform of the country's international wharf, now in development with AusAID support. The GfG-funded advisers were notable for working closely with Vanuatu counterparts to support high profile reform efforts. The Government had strong ownership of the adviser input and were overall very pleased with the positive outcomes generated from these placements, notably the role of the TSC in coordinating support to the sector.

There was very positive feedback on the work of the three provincial Field Trainers in transferring skills to the PWD counterparts, private sector contractors and community groups. It is expected that VTSSP roadworks will create 80,000 work days of employment and rehabilitate priority rural roads.

There was less evidence of skills transfer within the national office of PWD to date, with feedback indicating that PWD is struggling to manage the increase in donor activity in recent years (including the Millennium Challenge Corporation-funded road projects and Japanese support to Port Vila international wharf). AusAID is working closely with GoV and the advisers to ensure these adviser inputs remain relevant and of value to PWD.

The Airport Planner is filling a critical gap in improving the quality and capacity of the airport. Local staff members, who are well-qualified but lack experience, have developed their skills due to the work of the adviser and it is expected the adviser's role will be phased-out in 2011. Airports Vanuatu indicated they would also appreciate assistance to improve executive management skills.

The Director-General of MIPU noted that accessing specialist skills is a major challenge for Vanuatu. In fields such as utilities regulation it was going to take some time for Vanuatu to develop staff with the necessary skills and experience to take on complex technical roles. Overall it was felt that advisers are working to address the Government's policy priorities in infrastructure. Vanuatu only had a few qualified local engineers but needed dozens, with significant activity occurring in transport and building construction as the economy continues to grow. MIPU was satisfied with their level of input into adviser selection and management.

There was common feedback that Vanuatu urgently needed to address the quality of education in maths and sciences in order to be able to train more engineers, surveyors and planners. Vanuatu secondary school graduates have had great difficulty in managing the transition to university-level courses in these areas due to having poor maths and science backgrounds. This was identified as a major priority to address in future, including the need to encourage more students to pursue technical rather than generalist university degrees.

It is expected that the TSC role will be in place over the medium-term to assist Vanuatu in managing the considerable increase in donor involvement in infrastructure. There is no

commitment to engage VTSSP advisers beyond the current phase of the program, which is scheduled to finish in 2012. Future adviser roles will be determined in consultation with Government of Vanuatu during the design of VTSSP Phase 2 during 2010-11.

In public sector and economic governance, Australia funds a total of six advisers: Macroeconomic Adviser, Public Financial Management Coordinator, Use of Government Systems Adviser (all working with the Ministry of Finance and Economic Management (MFEM)), Economic Adviser (with the Reserve Bank of Vanuatu (RBV)), Team Leader of Vois Blong Yumi and Commercial and Marketing Technical Adviser (with the Vanuatu Broadcasting and Television Corporation (VBTC)).

MFEM stated that the advisers are focused on the areas of highest priority including state-owned enterprise reform and use of government systems. External assistance was required in this area due to the technical nature of the work of MFEM and the lack of local capacity. The proportion of donor funding provided through national systems had increased significantly in recent years, consistent with donor commitments under the Paris Declaration and the Cairns Compact. Adviser support had been essential in ensuring that this expansion had been managed effectively and transparently. MFEM were very pleased with their ability to access AusAID-funded scholarships, noting that this support was a key element of their long-term human resource development strategy for the Ministry. The Australian Taxation Office is in discussions with MFEM regarding potential future support for improved revenue collection.

The GfG program has successfully utilised targeted technical assistance in support of Vanuatu-led reform initiatives, including introducing competition in telecommunications, improved public financial management and reform of state-owned enterprises. The impact of these specialist technical inputs requested by GoV and facilitated through the aid program has been conservatively estimated to have contributed to over 1 per cent of GDP growth.

There was very positive feedback on the work of the Economic Adviser seconded from the Reserve Bank of Australia (RBA) in mentoring staff in the RBV to improve their confidence in the workplace, particularly in using statistics in reports and in making presentations in English. In the two years that the RBA secondee had worked in Vanuatu, the RBV had reported significant improvements in staff capacity. However, the current RBA placement, which is scheduled to finish in September 2010, will not be renewed and alternative means of support to RBV will be considered, as the adviser role was identified as being effective but not high priority.

There are two advisers funded through the Vois Blong Yumi program, which is an AusAID-funded twinning arrangement between the Australian Broadcasting Corporation and VBTC. This program aims to strengthen governance and the delivery of essential services by providing opportunities for citizens to engage in public discussion and hold government accountable for their actions.

The Prime Minister's Office reported that advisers to VBTC had contributed to a noticeable improvement in program quality. Some progress had also been made in organisational strengthening within VBTC. Advisers had successfully identified repairs to restore 100 per

cent population coverage of Radio Vanuatu services — from only 15 per cent population coverage in 2007. Improved editorial and program policies are addressing issues of accuracy and involvement in talkback radio, which has increased dramatically with the expansion in access to mobile phones in rural areas.

The institutional twinning arrangement with the Australian Broadcasting Corporation is proving to be extremely effective and excellent value for money. The technical assistance engaged on the project, including using advisers from the Pacific, are models of effective technical assistance through their work in developing the skills and confidence of counterparts.

Capacity gaps still exist in VBTC, however, journalists are currently required to fill specialist human resource roles leading to poor management and leadership. This is an internal management issue that will require ongoing attention to ensure sustainability of the support that has been provided to date. Adviser placements to VBTC will be reviewed subject to performance over the next two years.

In education, Australia is providing two advisers through the Technical and Vocational Education and Training (TVET) project, a Team Leader and an Employment and Training Fund Adviser and two advisers in the Ministry of Education, an Audit Adviser and a Harmonisation Adviser.

The Department of Youth and Sports reported that both advisers in the TVET program were making a positive impact in the provinces by providing basic training to communities, for instance in starting your own business. The Government was now looking to fund the expansion of this training to other provinces due to the success of the AusAID-funded support. The Vanuatu National Training Council's capacity had been improved through support from the advisers, in addition to scholarship opportunities and through programs such as the Pacific Executive Program (PACE). Officials noted that the TVET sector in Vanuatu would require assistance for some time, and that there are no plans to phase out the current TVET adviser positions.

Australia also provides two advisers to support Vanuatu's *Education Road Map 2010-2012* (VERM). These positions were jointly identified with the Vanuatu Government and other contributing donors (UNICEF and New Zealand), with Australia managing the adviser recruitment.

The Australian technical advisers have helped to design and implement a new school grants program to phase out school fees for all government-funded primary schools by 2012 and provide free education for the first time in Vanuatu. This will directly benefit over 43,000 children in around 400 schools, and has already resulted in an estimated 10 per cent increase in primary school enrolments within three months of implementing the new system.

Feedback from Government was very positive that advisers working with the Ministry of Education are supporting the policy priorities of the Vanuatu Government. The Ministry of Education was pleased with its level of input into selection of advisers, and that the advisers

were providing skills not available locally. It is planned that the Harmonisation Adviser position will finish shortly, and that the Audit Adviser will transition to a budget and planning role to support the next phase of implementation of the VERM. Future adviser placements in education will be determined jointly with Vanuatu Government, UNICEF and New Zealand through the VERM implementation process. It was noted that management skills within senior staff of Ministry of Education remained weak, and the Ministry may require further support, potentially through targeted training in future.

4. Recommendations

4.1. Commitment to adviser positions

Overall Government of Vanuatu commitment to Australian-funded adviser positions was high, with senior officials and Ministers publicly supporting the work of specific advisers in infrastructure, the legal sector and education during 2010. There was also positive support for the evidence of enhanced capacity in a number of agencies as a result of adviser inputs, including with the VPF, Vila Central Hospital, RBV and MFEM. Common feedback was that agencies continued to face difficulties in accessing appropriate human resources and that adviser inputs had played a valuable role in building capacity and supporting key government functions. In the health sector Australian specialists had provided in-line service provision, in addition to mentoring staff to develop the skills to take over their roles over the medium-term.

There was very strong support for the work of VTSSP advisers located in the provinces, but less so for those based in Port Vila. AusAID and the Government of Vanuatu have agreed to undertake a mid-term review of the VTSSP Phase 1, its activities, design features, achievements and contractor performances commencing 25 October 2010. The Review will be specifically tasked with assessing and evaluating the progress and performance of the technical adviser team inputs together with the Managing Contractor's performance against contracted scope of services.

Recommendation 1: The current composition of adviser support is broadly appropriate, noting that the composition of adviser placements will change over time in response to direction from the Vanuatu Government. The main changes expected are that current high levels of support in health, through nurse trainers, will be phased-out up through December 2011 and the Economic Adviser position with the RBV will not be renewed.

From the feedback it is clear that the best value is obtained from advisers where there is strong leadership from Government of Vanuatu, such as in progressing Vanuatu's reform agenda in telecommunications, aviation and education. There is a strong preference for Government of Vanuatu involvement in identifying adviser placements, adviser selection and ongoing monitoring and evaluation. Advisers are also more likely to be able to add value where there is clear guidance on policy priorities, as has been the case in support for strengthened public financial management and policing.

AusAID is working to maximise the effectiveness of technical assistance provision through transitioning to full management of technical assistance by the Vanuatu Government, supported by direct grants from AusAID as well as procurement support where necessary.

This should increase joint ownership and management responsibility for adviser performance. These principles will be incorporated in the design of future Australian support to the legal sector and the Vanuatu Police Force to be completed by December 2010.

Recommendation 2: Advisers should be provided only where there is strong leadership, close involvement in selection, and ongoing monitoring and evaluation from the Government of Vanuatu. Advisers will be jointly selected and supervised with input from the respective Head of Agency.

Another key factor is the presence of counterparts to engage with advisers on skills transfer. Where these counterparts are not present, for instance where staff are completing further studies overseas, advisers are more likely to be called upon to fill capacity gaps rather than working on long-term capacity development. There have been ongoing challenges, for example, in providing opportunities for ni-Vanuatu doctors to undertake specialist training overseas while also ensuring adequate staff levels at Vanuatu's hospitals.

Recommendation 3: Although advisers may at times be required to undertake in-line work to fill skills gaps, both AusAID and Government of Vanuatu should always focus on the need for advisers to build long-term capacity through skills transfer.

Recommendation 4: The selection process for advisers should focus on capacity development as well as technical skills. Adviser performance will be judged on the quality of their capacity development.

Vanuatu counterparts found it difficult to speak to the issue of value for money in adviser placement. There was strong support for adviser placements to be conducted through open and transparent recruitment processes, with use of locally based consultants where possible. Adviser salaries did not feature as a substantial issue, *as long as* recruitment processes were of a high standard, and that the advisers themselves were delivering outcomes consistent with Vanuatu's development priorities.

Recommendation 5: Designs for future programs should thoroughly consider a broad range of capacity development inputs including staff exchanges, attendance at seminars, study tours, organisational twinning, new recruit training, scholarships, on-the-job mentoring and leadership training. The opportunity cost of each form of aid delivery should also be considered and assessed.

Australia has supported the development of a plan to transition away from Australian-funded specialists at Vila Central Hospital. However, it is likely to take some time for Vanuatu doctors to gain necessary skills and experience to replace them. Australia will transition away from providing nurse trainers to Vanuatu College of Nurse Education through December 2011. The number of advisers engaged through the VPFCBP will be determined in a design mission in September-October 2010.

Recommendation 6: Where local capacity to undertake skilled work is especially weak, such as in highly specialist technical roles, long-term capacity building plans should be drafted to develop local professionals.

It was noted that the issue of advisers working in key Government legal offices had occasionally attracted unfavourable media coverage in protecting the Government of Vanuatu against litigation (driven largely by unsuccessful litigants). This has been a manageable risk through close consultation with senior Vanuatu representatives to ensure that advisers are acting consistent with their terms of reference.

On the issue of adviser salaries, feedback was that this issue should be addressed through open and competitive recruitment processes, with strong involvement of Government of Vanuatu stakeholders. It was felt that the introduction of recommended salary limits would reduce the cost of individual adviser placements over time.

Recommendation 7: Open and competitive recruitment processes and salary limits for each adviser category should be followed to place downward pressure on adviser salaries and increase value for money.

There has also been an increase in the number of advisers sourced from within the Pacific region and from non-traditional sources such as Nepal and Ethiopia. This approach has the potential to pay dividends by bringing a wider range of skills and experiences, and provide better value for money. It is important to note, however, that international recruitment processes to identify and secure such expertise is often expensive and time-consuming.

Recommendation 8: Adviser positions should be advertised internationally where feasible to source the best skills and expertise and maximise value for money.

4.2. Implications

These recommendations are expected to have only minor implications for the country program. The nurse trainers and the Economic Adviser positions will be allowed to lapse and will therefore not have any subsequent contractual implications. The recommendations and their possible implications will be fully considered in the design of the new legal sector and policing projects, due later this year, and in the mid-term review of the VTSSP.

4.3. Agreed process/mechanism for discussing and managing future requests for advisers

There was uniform agreement on the need for the Vanuatu Government to be closely involved in the identification, selection and management of advisers across all sectors. The design of new adviser positions will focus on the need to support sustainable gains in capacity development in support of Vanuatu's development priorities.

The need to address Vanuatu's lack of trained human resource capacity was highlighted across all sectors, and particularly in specialist areas such as accounting and engineering. The Vanuatu Government has requested Australian support for the development of a human resource development plan to assist in meeting the long-term capacity needs for both the

public and private sectors. This will incorporate existing donor support for scholarships and technical vocational training.

Recommendation 9: A human resource development plan should be developed to assist Vanuatu in meeting the long-term capacity needs for both the public and private sectors.

The Department of Strategic Policy, Planning and Aid Coordination (DSPPAC) has agreed to work closely with relevant departments in considering future adviser placements to ensure they align with Vanuatu's development priorities. The performance of advisers will be regularly reviewed through annual Pacific Partnership for Development Talks. These discussions will be led by DSPPAC, working with relevant departments, AusAID and Australian whole of government partners. This process will be complemented through quarterly donor coordination meetings between AusAID and DSPPAC, as well as ongoing monitoring of adviser effectiveness through individual project management processes, including project coordinating committee meetings.

Recommendation 10: To ensure alignment with the Vanuatu Government's development priorities, future adviser placements will be coordinated by DSPPAC and regularly reviewed at the Partnership for Development Talks.

5. Next Steps

The immediate priority will be to finalise plans for future Australian support, including adviser inputs, to the law and justice sector and to the VPF by the end of October 2010. Australian support for the development of a human resource development plan will be mobilised during 2010, with a view to completing the plan during 2011. We will also support Ministry of Health plans to reduce their reliance on Australian-sourced medical specialists in the medium-term.

More broadly it is expected that the Australian aid program to Vanuatu will continue to increase in future years. New adviser positions will be considered as part of a number of options for building capacity in assisting the Vanuatu Government to progress towards achieving the MDGs. These positions will be considered where they are the most effective and value for money option to develop this capacity.

6. Lessons Learned

The primary lesson learnt is the importance of advisers in supporting Vanuatu's reform agenda. The value of advisers was maximised where there was clear leadership on policy priorities from Government of Vanuatu. The experience in infrastructure and education had been that advisers provided valuable support to assist in the implementation of Vanuatu-led reform initiatives. The GFG program has proven to be a valuable model for providing adviser inputs in a responsive fashion.

AusAID is working to maximise the effectiveness of technical assistance provision through transitioning to full management of technical assistance by the Vanuatu Government, supported by direct grants from AusAID as well as procurement support where necessary. [

Annex 1 – Methodology

The methodology undertaken for this review consisted of three stages. In the preparation stage initial contact was made with all stakeholders to inform them of the parameters and objectives of the review and to collect necessary information.

- The Post identified all adviser positions to be reviewed
- AusAID Director General Peter Baxter and Post had Initial Consultations with the Government of Vanuatu regarding the parameters of the adviser review during the Partnership for Development Talks
- Post met with the Director General of the Vanuatu Prime Minister's Office to discuss the adviser review in more detail.
- Post finalised country-specific Terms of Reference for the adviser review based on the Terms of Reference for the agency-wide adviser review
- Initiative Managers notified managing contractors of the adviser review and requested information on adviser positions, including the current terms of reference for each position
- Post compiled other information for the review including percentage of the country program spent on advisers

During the consultation stage AusAID Desk and Post met with key officials in Government of Vanuatu ministries to discuss their AusAID-funded adviser positions. Each meeting began with an explanation of the background to the review and aspects of the Terms of Reference including the objectives, scope and timelines. The AusAID Desk and Post asked questions from a prepared list to prompt discussion to meet the objectives of the Terms of Reference. These questions included whether the adviser positions focused on areas of high importance for the Vanuatu Government, what major results had been achieved, whether the advisers provided skills not available in the local labour market and whether the objectives could be achieved more effectively and efficiently using alternative aid delivery approaches. Whole-of-Government stakeholders were also consulted regarding the objectives and the overall conduct of the review and of their particular adviser positions where relevant. It was agreed that AusAID would undertake consultations jointly with the Australian Federal Police (AFP) in relation to AusAID-funded AFP adviser positions in Vanuatu.

- Post and Desk discussed the review of AFP positions in Vanuatu with AFP
- Post and Desk developed questions for interviews with Government of Vanuatu officials
- Post and Desk interviewed officials from the Ministry of Infrastructure, Ministry of Finance and Economic Management, Ministry of Health, Ministry of Education, Reserve Bank of Vanuatu, Ministry of Internal Affairs, Ministry of Youth and Sport, Prime Minister's Office and Ministry of Justice and Social Welfare to discuss their adviser positions
- Desk consulted DFAT and Treasury regarding their input into the review

Once information had been gathered this report was drafted by the AusAID Desk and Post. All stakeholders including Whole-of-Government partners and Government of Vanuatu officials were given an opportunity to comment on aspects of the review and their

comments were incorporated as appropriate. This report was approved and submitted to the Operations Policy and Support Branch to contribute to the agency-wide adviser review.

- Desk drafted review in consultation with Post
- Post submitted draft review to A/g Minister Counsellor Suva for comment
- Desk consulted content of draft review with Whole-of-Government partners
- Post cleared draft review with Government of Vanuatu officials
- Desk to clear draft review with ADG PAC and A/g DDG PPNG
- Post to finalise and submit review to OPS

Annex 2 – List of Advisers covered by the Review (by Sector)

Law and Justice

1. Vanuatu Legal Sector Strengthening Program (VLSSP) – State Prosecutions Adviser
2. VLSSP – Senior Prosecutions Adviser
3. VLSSP – Senior Litigation Officer
4. VLSSP – Litigation and Case Management Adviser
5. Vanuatu Police Force Capacity Building Project (VPFCBP) – Team Leader
6. VPFCBP – Northern Command Operations Adviser
7. VPFCBP – Southern Command Operations (CID) Adviser
8. VPFCBP – Southern Command Operations Adviser (General Duties & Traffic)
9. VPFCBP – Crime Prevention and Community Safety Adviser
10. VPFCBP – Training Adviser

Health

11. Vanuatu Central Hospital (VCH) – Obstetrician/ Gynaecologist
12. VCH – Physician
13. VCH – Surgeon
14. VCH – Logistician
15. VCH – Anaesthetist
16. Nursing Trainer
17. Nursing Trainer
18. Nursing Trainer
19. Nursing Trainer
20. Nursing Trainer

Infrastructure

21. Governance for Growth (GfG) – Transport Sector Coordinator
22. Vanuatu Transport Sector Support Program (VTSSP) – Team Leader
23. VTSSP – Deputy Team Leader
24. VTSSP – Provincial Finance and Business Management Adviser
25. VTSSP – Provincial Field Trainer (Ambae)
26. VTSSP – Provincial Field Trainer (Malekula)
27. VTSSP – Provincial Field Trainer (Tanna)
28. Vanuatu Airports Corporation – Airport Planner

Public Sector and Economic Governance

29. Ministry of Finance and Economic Management Macroeconomic Adviser (Australian Treasury secondment)
30. GfG – Public Financial Management Coordinator
31. GfG – Use of Government Systems Adviser
32. Reserve Bank of Vanuatu Economic Adviser (Reserve Bank of Australia secondment)
33. Vois Blong Yumi – Team Leader

34. Vois Blong Yumi – Commercial and Marketing Technical Adviser

Education

35. Technical and Vocational Education and Training (TVET) – Team Leader

36. TVET – Employment and Training Fund Adviser

37. Ministry of Education – Audit Adviser

38. Vanuatu Institute of Teacher Education – Harmonisation Adviser

Annex 3 – Description of Advisers covered by the Review (by Sector)

Law and Justice

The State Prosecutions Adviser (Police Prosecutor) has a general role in providing mentoring, support, training and assistance to the State Prosecutor's Department under the direction of the Public Prosecutor. Specific duties include streamlining case management processes and developing links between the State Prosecutor's Department and the Vanuatu Police Force (VPF). The Senior Prosecutions Adviser has a general role in providing mentoring, support, training and assistance to the Public Prosecutor's Office. Tasks include providing assistance on legal matters and developing and assisting with training programs.

The Senior Litigation Adviser provides mentoring, support, training and assistance to the State Law Office under the direction of the Attorney General and the Solicitor General. Responsibilities include supporting and assisting the Attorney General, Solicitor General and legal officers on legal matters such as statutory and legal interpretation and the conduct of litigation. The Litigation and Case Management Adviser works with the State Law Office to undertake preparatory work and conduct litigation where required by the Attorney General.

The Team Leader of the VPFCBP is responsible for the in-country performance of the project team, provides advice to the Commissioner of Police and mentors the Vanuatu Police Force executive officers.

The Northern Command Operations Adviser of the VPFCBP is responsible for the provision of management, at administrative and operational level, and technical advice to the Northern Commander. The Southern Command Operations (CID) Adviser of the VPFCBP provides advice to the Crime Commander and Intelligence Analyst Unit regarding criminal investigations and intelligence. The adviser is also responsible for facilitating a structured training program for criminal investigation and intelligence personnel. The Southern Command Operations Adviser (General Duties & Traffic) of the VPFCBP advises the Southern Commander on strategic and management issues and facilitates a structured training program for general duty and traffic personnel.

The Crime Prevention and Community Safety Adviser of the VPFCBP provides advice on community safety, crime prevention and community liaison technical advice to the Vanuatu Police Force and the Coordinator of the National Crime Prevention Office. The adviser is also responsible for mentoring the personnel under the command of the National Crime Prevention Office. The Training Adviser of the VPFCBP provides advice on all strategic and technical issues to the Director of Training at the Police Training College in Port Vila.

Health

The Obstetrician/ Gynaecologist is responsible for overall clinical Obstetrics and Gynaecology management at the hospital including provision of clinical services and directly supervises registrars, interns, nurse practitioners, nursing and medical students.

The Physician has responsibility for medical management in Vila Central Hospital, other hospitals as required and other health facilities in Vanuatu.

The Senior Surgeon has overall responsibility for medical management of surgical departments in Vila Central Hospital, other hospitals as required and other health facilities in Vanuatu.

The Anaesthetist manages clinical anaesthetic services at Vila Central Hospital. The position requires provision of clinical services and direct supervision of staff including nurses and medical students in the Anaesthesia department.

The Logistician supports improvements to the health supply chain through diagnosing challenges, guiding implementation of improved systems and processes and building staff capacity to manage the supply chain effectively.

The five Nursing Trainers assist VCNE staff with the delivery of quality education for all nursing students, with supervision and evaluation of nursing students during pre-service clinical training and fully participate in VCNE staff meetings.

Infrastructure

The Transport Sector Coordinator's (TSC) role is to assist Government of Vanuatu to plan and manage the improvement of roads and bridges, assist the Government re-structure Air Vanuatu (the Government-owned international and domestic airline) and to assist in the development of a US\$50 million international wharf project for Port Vila. The TSC is charged with helping improve the Vanuatu Government's overall management of the entire transport sector (roads, shipping, air services) covering all relevant areas of policy, legislation, implementation, institutional reform, planning and budget management.

The Team Leader of the Vanuatu Transport Sector Support Program (VTSSP) supports (and builds capacity through skills transfer) the Director of PWD in road network management and in the private sector for road maintenance works. The Team Leader works directly with the PWD to prepare output based work plans and budgets, develop procurement and contracting procedures for road maintenance works and mentors key staff.

The Deputy Team Leader of VTSSP advises and builds the capacity in PWD in public financial management of road network management and in the private sector for road maintenance works. The Deputy Team Leader assists PWD to develop procedures to manage financial flows, develop counterpart reporting on financial expenditure and advises on the procurement of goods and services under VTSSP in line with the Vanuatu Contracting and Tendering Act.

The Provincial Finance and Business Management Adviser of VTSSP aims to build capacity in public financial management of road management in three provincial offices of PWD. The adviser also assists the Government in its efforts to develop a financially sustainable community and island-based small contractors industry.

The three provincial Field Trainers (in Ambae, Malekula and Tanna) of VTSSP advise and build the capacity of their respective provincial offices of PWD in road network management and in the private sector for road maintenance works. They do so by assisting PWD develop and implement a structured training program for involving the private sector in road maintenance work, assisting PWD to supervise works and ensure the application of standardised technical systems and procedures and provide daily mentoring of PWD staff in the performance of their activities.

The Airport Planner assists Airports Vanuatu in master planning for three airports across Vanuatu and developing a long-term investment framework. A key task is also to develop a project design for critical capital works at the three airports, which are critical assets for Vanuatu's tourism industry.

Public Sector and Economic Governance

The Macroeconomic Adviser is supporting and advising the Ministry of Finance and Economic Management (MFEM) on economic analysis and forecasting. Seconded from the Australian Treasury department, the role is to enhance capacity of the staff in the economics unit to do economic and fiscal research, forecasting and reporting.

The Public Financial Management Coordinator is responsible for leading, developing and supervising the implementation of Governance for Growth (GfG) activities to improve public financial management across Government, both in MFEM and line agencies.

The Use of Government Systems Adviser ensures GfG activities delivered through Vanuatu Government systems are conducted efficiently, effectively and in accordance with all laws and administrative requirements of Australia and Vanuatu. This position has been working to assist Government of Vanuatu in transitioning donor assistance to make use of national systems.

The Economic Adviser, seconded from the Reserve Bank of Australia (RBA), assists the Reserve Bank of Vanuatu to undertake economic modelling and forecasting. The assignment's objectives are to improve staff skills, especially within the Research and Statistics Department, and to ensure that reports and publications are produced to a high standard.

The Team Leader of Vois Blong Yumi coordinates all Vanuatu-based activities and provides day-to-day advice and support to the General Manager and leadership team at VBTC. The Team Leader is also tasked to improve program quality to better serve the information and educational needs of audiences.

The Commercial and Marketing Technical Adviser of Vois Blong Yumi provides advice to VBTC on revenue generation to support the Corporation's drive to becoming financially viable and reduce reliance on Government funding.

Education

The Team Leader of the Technical and Vocational Education Training (TVET) project manages a bilateral program of assistance to deliver targeted training to improve income and employment levels in the provinces of Sanma and Malampa. The Team Leader's role is to work closely with the national and provincial Governments, the private sector and community groups to identify and initiate demand responsive training.

The Employment and Training Fund Adviser in the TVET project supports the establishment and operation of employment services and training provider support services across Sanma and Malampa. The adviser works closely with local entrepreneurs to assist them in establishing and developing small to medium sized businesses.

The Audit Adviser works closely with the Ministry of Education and analyses financial weaknesses in schools management, Provincial Education Offices and educational institutions and provides advice to the Director General on how to remedy them. One example of this work is supporting the establishment of new primary school bank accounts.

The Harmonisation Adviser works with the Vanuatu Institute of Teacher Education to improve the quality of education through the development of a common teaching curriculum to replace the previously separate French and English systems.

Annex 4 – List of Consultations

	<i>Name/Position</i>	<i>Department/Agency</i>
1	Jotham Napat, Acting Director General	Ministry of Infrastructure and Public Utilities
2	George Manuri, Director General	Ministry of Finance and Economic Management
3	Ben Shing, Director	Ministry of Finance and Economic Management
4	Wilson Vuti, Director General	Ministry of Education
5	Alumeci Kaltongga, Director	Reserve Bank of Vanuatu
6	Jone Roqara, General Manager Infrastructure	Airports Vanuatu
7	David Myles	Airports Vanuatu
8	Mark Bebe, Director General	Ministry of Health
9	Russell Nari, Director General	Ministry of Justice and Social Welfare
10	George Bogiri, Director General	Ministry of Internal Affairs
11	Simeon Athy, Director General	Prime Minister's Office
12	Gregoire Nimbtik, Director	Department of Strategic Policy, Planning and Aid Coordination
13	Joe Iautim, Director	Department of Youth and Sports