



Aid Program Performance Report 2012–13 Vanuatu

Key messages

This Aid Program Performance Report summarises the Australian aid program's progress in Vanuatu from January 2012 to June 2013. Key findings include:

- > Australian programs are achieving results, increasing economic opportunity and improving basic service delivery. Household incomes have risen in target provinces, helped by increased tourist numbers and skills development through vocational and business development programs. Malaria prevalence has dropped by 80 per cent across the country.
- > Overall performance improved on 2011 Annual Program Performance Report¹ ratings, but challenges remain. Literacy and numeracy rates of school age children are very low. Health indicators, such as access to contraception and routine immunisation, are worrying.
- > The program's investments in analysis and evaluation are paying off, providing a solid evidence base to inform program management and strategy.
- > Delivery approaches continue to adapt to Vanuatu's political economy and changing context to better achieve results. The program redesigned a major roads investment to rely less on implementation by government authorities and large, high-cost companies, and more on small, island-based contractors. This has increased the cost effectiveness and efficiency of building roads and generated local economic activity.

Context

Vanuatu has a small population.² Some 70 per cent of people live in rural areas across 65 of the country's more than 80 islands. While Vanuatu's physical geography contributes to its appeal as a tourist destination, it creates challenges for delivering services and providing infrastructure. The small population size poses human resource constraints on economic growth and service delivery.

Vanuatu has a stable economy and considerable potential for growth.³ Gross domestic product growth slowed in 2010 and 2011, but recovered in 2012 to around 2 per cent, and 3 per cent is expected for 2013—largely attributed to recovery in tourism.⁴ Inflation remains low at .8 per cent. In 2013, continued growth in tourism and a pick-up in construction are projected to raise output growth to 3.25 per cent. Australians account for two-thirds of all long-stay tourist arrivals.⁵ Australia is also the fastest growing cruise market in the world with Carnival Australia alone planning to bring 230 000 Australians to Vanuatu in 2013.⁶

¹ Prior to 2012-13 Aid Program Performance Reports were called Annual Program Performance Reports.

² Population was 234 023 at the 2009 census. A World Bank 2011 estimate puts the population at 245 619.

³ International Monetary Fund, press release, 'IMF concludes Vanuatu Article IV consultations', 10 April 2013.

⁴ Ibid.

⁵ Department of Foreign Affairs and Trade, http://dfat.gov.au/geo/vanuatu/vanuatu_brief.html, accessed 31 May 2013.

⁶ Carnival Australia presentation to the Vanuatu–Australia Business Council, 6 March 2013.

Vanuatu has a young, growing and rapidly urbanising population. Since 2006, the populations of Port Vila and Luganville have increased by an estimated 49 and 39 per cent respectively.⁷ This creates pressure on already limited social and utilities services and public infrastructure. Competition for jobs in the formal sector is high. Only 49 per cent of young women (15 to 24 years of age) participate in the labour force, compared with 67 per cent of young men.⁸

While economic activity remains concentrated in urban centres, particularly Port Vila, the economic growth of the past decade has translated into increased incomes for many ni-Vanuatu. Real per capita income increased to approximately US\$4330 gross national income/capita purchasing power parity in 2011.⁹ Extreme (or food) poverty halved between 2006 and 2010.¹⁰ And inequality measures showed that the gap between the least and most well-off shrank over the same time period.¹¹

However, neither basic needs poverty nor hardship has been reduced to a level commensurate with Vanuatu's overall economic performance. Rates of women and men living below the national poverty line decreased only marginally, from 13 per cent in 2006 to 12.7 per cent in 2010, with another approximately 20 per cent vulnerable to slipping below this poverty line.¹² Around one-third of the population lack access to multiple services, including quality education, basic health, regular and safe water supply, and affordable transport and utilities.¹³ In urban areas, poverty rates are proportionally highest.¹⁴

The poverty context requires further investigation to better understand the obstacles to poverty reduction and ensure donor and Vanuatu resources are appropriately targeted. This will continue to be a focus of ongoing analytical work.

Vanuatu's progress towards the Millennium Development Goals (MDGs) is mixed. The country is on track to achieve MDG 4 (child mortality) and MDG 6 (HIV/AIDs, malaria and other diseases).¹⁵ However, the country has made uneven progress or is off track on all other goals. This is despite relatively high budgetary allocations to the health and education sectors. Political and bureaucratic instability slowed and at times stalled implementation across initiatives in all sectors.

In response to the, often rapidly, changing political economy and context, Australia's aid program continues to adjust its mix of partners (government, civil society and private sector) and delivery mechanisms to improve effectiveness and results. A focus of the aid program over the reporting period was bedding down new approaches in education and infrastructure and considering options in health. Careful consideration continues to also be given to assessing and strengthening public financial management and procurement capacity to ensure appropriate approaches to using Vanuatu systems.

⁷ Government of Vanuatu, Bureau of Statistics and United Nations Development Programme (UNDP) Pacific Centre, Analysis of the 2010 Households Income and Expenditure Survey, December 2012, (forthcoming publication).

⁸ World Bank (2013), World Development Indicators, <http://data.worldbank.org/data-catalog/world-development-indicators> accessed 6 May 2013.

⁹ Ibid., Vanuatu's per capita income is significantly higher than the World Bank low-income country marker of US\$1372.

¹⁰ Government of Vanuatu, Bureau of Statistics and UNDP Pacific Centre, Analysis of the 2010 Households Income and Expenditure Survey, December 2012, (forthcoming publication).

¹¹ Vanuatu's Gini coefficient declined from 0.41 in 2006 to 0.31 in 2010 signifying a reduction in inequality. See analysis of the 2010 Households Income and Expenditure Survey.

¹² op.cit.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Pacific Islands Forum Secretariat, *2012 Pacific Regional MDGs Tracking Report*, October 2012. Data is based on a 2007 Multiple Indicator Cluster Survey. The Vanuatu Government will complete a demographic health survey in late 2013. MDG progress will be updated with new data when it is available.

A central issue in Vanuatu is the relationship between formal and informal (*kastom*) institutions. As the 2007 Drivers of Change study reported:

*... the most obvious unfinished element of the state building project in Vanuatu is the limited reach of the state outside the capital. By contrast, customary and informal institutions at local level are seen as legitimate and relevant to people's lives.*¹⁶

This continues to be a significant consideration in determining appropriate Australian aid investments, particularly in the land as well as law and justice sectors. Civil society also plays an important implementation role in Vanuatu with churches and non-government organisations helping to advocate for and deliver services in a number of sectors. The role of organisations like the theatre group *Wan Smolbag*¹⁷, supported by Australia and New Zealand, is critical in influencing thinking and behaviour and shining a spotlight on social and political issues affecting Vanuatu society.

Vanuatu held general elections in October 2012. Its newly elected government was ousted in a parliamentary vote of no confidence within six months of taking office. Vanuatu has a history of frequent changes of government through such no-confidence motions. Australia supported the election process through the Australian Election Commission, Centre for Democratic Institutions and Pacific Island Public Policy Centre. *Wan Smolbag* travelled throughout the country providing information on the election, voting rights and the role of members of parliament. Vanuatu's only woman parliamentarian lost her seat in the 2012 elections.

Australian development assistance accounts for around half of all aid to Vanuatu. A breakdown of expenditure is at Tables 1A and 1B. The Vanuatu – Australia bilateral Partnership for Development articulates the priority areas for Australian aid as: education, health, infrastructure, economic governance and law and justice.

Expenditure

Table 1A Expenditure 01 January 2012–30 June 2012

Objective	A\$ million	% of program
Country program total	28.9	75.9
Education	6.8	18.0
Health	3.6	9.4
Infrastructure	9.3	24.5
Economic governance	5.8	15.2
Law and justice	3.2	8.8
Regional and/or global programs	7.9	20.8
Other government departments	1.3	3.3
Total	38	100.0

¹⁶ The Australian aid program, *The Unfinished State: Drivers of Change in Vanuatu*, April 2007, p.iii

¹⁷ *Wan Smolbag Theatre* is a non-government organisation based in Vanuatu but operating all over the South Pacific. Coupled with structured workshops facilitated by actors, the organisation uses drama to inform, raise awareness and encourage public discussion on a range of contemporary health, lifestyle, environment and governance issues.

Table 1B Estimated expenditure in FY 2012–13 (as at 21 June 2013)

Objective	A\$ million	% of program
Country program	37.1	65.4
Education	9.2	16.1
Health	7.3	12.8
Infrastructure	1.3	2.3
Economic governance	14.8	26.0
Law and justice	4.6	8.1
Regional/global programs	18.2	32.1
Other government departments	1.4	2.5
Total	55.9	100.0

Progress towards objectives

This section discusses progress against each program objective from January 2012 to June 2013. Table 2 provides a summary of the ratings assigned.

Table 2 Rating of the program's progress towards the objectives

Objective	Current rating	Previous rating
1. Support increased access to and quality of education for all boys and girls, and equip them with relevant skills and knowledge	Amber	Red
2. Strengthen health services and accelerate progress towards health MDGs	Amber	Amber
3. Develop essential infrastructure to support economic growth and service delivery	Green	Green
4. Progress reform on economic governance issues	Green	Amber
5. More effective legal institutions and improved police services	Amber	Amber

Note:

■ Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

■ Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

■ Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Objective 1: Support increased access to and quality of education for all boys and girls, and equip them with skills and knowledge

Recognising the poor literacy and numeracy rates of children in Vanuatu, as well as the high proportion of the youth population that is not part of the labour force, Australia is supporting increased access to and quality of education for all boys and girls. Australia is also supporting technical and vocational education to provide relevant skills and knowledge for sustainable economic development.

Australia's program in education comprises: a pooled funding mechanism in basic education with New Zealand and the United Nations Children's Fund (UNICEF) with most spending and reporting managed by the Vanuatu Government; a technical vocation education and training (TVET) program which has established TVET centres in two provinces that offer training services; and a scholarships program for study at Australian and regional universities.

The overall effectiveness of the education program improved over 2011, driven largely by continued successes in the TVET and scholarships programs, and by the steps taken to address performance concerns in basic education. However, challenges remain and close performance monitoring continues to be necessary. The program is rated ‘amber’ compared with last year’s ‘red’.

In terms of education quality, children are falling short of the literacy and numeracy standards expected for their year level.¹⁸ Correct school age entry (many children enrol late) remains a problem and is likely to be having an impact on survival rates to Year 6, which declined from 96.7 per cent in 2009 to 69.5 per cent in 2011.¹⁹ The Year 6 survival rate is one of the lowest in the Pacific.²⁰

Throughout 2011, Vanuatu and its development partners agreed that results in the education sector were not commensurate with the investment being made by government and partners. While ever more children are entering school (through reforms under the Vanuatu Education Road Map)²¹, new approaches were needed to lift learning outcomes. A number of education evaluations and analyses were completed in 2012 that confirmed this and produced lessons learned that could help shape assistance to the sector (Box 1).

Box 1: Lessons learned delivering education in Vanuatu

In 2010, a joint partnership arrangement was signed between Vanuatu and three of its development partners to support the implementation of the Vanuatu Education Road Map. Australia committed funding of \$15 million, New Zealand NZ\$12 million and UNICEF US\$1.5 million. The goal was to improve access to, and quality of, education and to improve its management.

Several lessons were learned during the life of the agreement including:

- > Given limited financial and human resources, support needs to target areas that have the highest return on investment. Evidence shows that literacy and numeracy is best tackled in the early years, including kindergarten.
- > System-wide reforms are highly ambitious, and require strong and sustained leadership from all levels. In the absence of these settings, support is more likely to be effective at school level, where the authority of local agents (such as teachers, principals and school committees) is relatively high, and accountability for performance is potentially more real and immediate.
- > To adapt the program to the current Vanuatu context and get results, strong monitoring and evaluation is required to ensure a shared body of evidence to inform program strategy and influence decision makers.

The proportion of the Vanuatu recurrent budget allocated to education has increased over recent years to around 26 per cent. This is one of the highest levels in the Pacific. Development partners have also made significant funding available, accounting for some 28 per cent of total spending on education and the majority of non-salaries expenditure (with

¹⁸ Ministry of Education, Vanuatu Early Grade Reading Assessment, 2011.

¹⁹ Ministry of Education, *Annual Statistical Report 2010–11*, June 2012, p. 42.

²⁰ Government of Vanuatu, *Vanuatu Education Sector Public Expenditure Review*, December 2012, p. 35.

²¹ Primary school net enrolment rates increased initially with the introduction of school grants in 2010, but have remained static in recent years at around 87 per cent.

Australia accounting for some 60 per cent of donor funding).²² Over the past five years, post-secondary expenditure, predominately scholarships, has accounted for an increasing share of the government's education budget. The government's relative spending on primary and secondary schooling has declined.²³

Analytical work conducted in this reporting period highlights opportunities for better quality spending and more efficient use of human resources to improve service delivery. An education sector public expenditure review completed in December 2012 showed significant potential efficiency gains by, inter alia, improving the quality of teaching at primary and secondary schools; reducing repetition and drop-out rates to zero (a potential saving of VUV96 million per year); and reforming the teacher salary structure to provide effective incentives to attract, retain and motivate highly qualified teachers.

In this context, Vanuatu and its development partners, including Australia, achieved some modest success in 2012–13. School grants were provided to 425 primary schools (98 per cent of all primary schools²⁴) to reduce fees for parents and assist schools in purchasing much-needed equipment and learning materials. Australia's funding supported 5505 children to be enrolled in Years 1 to 6 (13 per cent of all students enrolled). Of these, 2909 were boys and 2596 were girls. Australia's support also contributed to six classrooms being built at the teacher's college.

Australia, with other donors, helped train 354 teachers and 397 teachers were observed and assessed in the classroom, reaching approximately half of uncertified primary school teachers.²⁵ A recent radio talk-back show and interviews with teachers in the remote Torba Province revealed how this training is changing teacher behaviour. For instance, teachers are using a wider range of teaching techniques including grouping students and increasing student interaction with each other and the teacher.

Only 30.1 per cent of rural men and 18 per cent of rural women are employed.²⁶ Increasing engagement with the formal (or even cash) economy lessens the vulnerability of individuals and families to poverty. Australia's TVET Sector Strengthening Program is achieving impressive results in this area. The program works in two competitively selected provinces — Sanma and Malampa.

In 2012, 1083 trainees participated in nationally accredited training through the TVET centres and another 642 participated in business development workshops. All training took place outside the capital, Port Vila, and one-quarter of courses were held in remote areas to expand access as much as possible. Thirty-seven per cent of participants were women and 10 per cent of participants reported living with some form of disability. The program also works with Disabled People's Organisations to provide access to skills development and improve training approaches.²⁷

A 2012 evaluation of the TVET Sector Strengthening Program identified that, in participating communities, household incomes increased an average of 26 per cent relative to communities that did not participate (both within the provinces with TVET centres, and in other provinces.) Australia's investments complement its investments under Objective 3 (infrastructure) and Objective 4 (economic governance).

²² Government of Vanuatu, *Vanuatu Education Sector Public Expenditure Review*, December 2012.

²³ Funding for government scholarships increased by 464 per cent from 2007 to 2012 in real terms. Government of Vanuatu, *Vanuatu Education Sector Public Expenditure Review*, December 2012 p.26

²⁴ Ministry of Education, *Annual Statistical Report 2010–11*, June 2012, school numbers, p. 29.

²⁵ *Ibid.*, June 2012, teacher numbers, p. 43.

²⁶ Vanuatu National Statistics Office, *2009 National Population and Housing Census Analytical Report*, Vol. 2, May 2011, p. 111.

²⁷ Vanuatu TVET Strengthening Program Final Evaluation Report, September 2012.

Australia Awards (scholarships) continue to comprise an important part of Australia's support to Vanuatu's education sector. This recognises the lack of a national university and the acute shortage of some professional skills (for example, in accounting, engineering and information and communication technology). The scholarship program works with other sector programs to improve targeting scholarships to areas where greater capacity is needed. In 2012, Australia sponsored 285 students with new or ongoing awards. Fifty-three of these were for study in Australia and 232 for study in the region.

Australia Award students from Vanuatu have a high success and return rate. Of the 44 students who graduated in 2012, all quickly found employment or returned to their original jobs. In 2013, Vanuatu's first scholarship student with disability started studies at Fiji National University. Forty three per cent of scholarship students are women, and the program works to encourage women applicants, prepare them before departure and support them and their families while they are overseas.

Objective 2: Strengthen health services and accelerate progress towards health MDGs

Vanuatu has made good progress towards MDG 4 (child mortality²⁸) and MDG 6 (reducing HIV/AIDS, malaria and other diseases). Other health indicators—such as the re-emergence of neglected tropical diseases like Yaws, access to contraception and routine immunisation rates—are more worrying and point to failures in the public health system.

Australia is the largest and lead donor in the sector and supports placing doctors, malaria control, providing village health workers and some provincial health infrastructure improvements. Australia also works closely with Vanuatu on longer-term health systems strengthening (especially in managing financial and human resources) which are essential to improving public health services. Inputs are funded through direct financial support to the Ministry of Health, or procurement managed by the aid program. Other partners involved include the World Health Organization, UNICEF, and Save the Children Australia.

A review of Australia's health delivery strategy in 2012 recommended adjustments to approach despite some successes. The program will focus more tightly on public financial management strengthening; support for costed, evidence-based workforce planning and management; and assistance to strengthen provincial service delivery. The program continues to be rated 'amber', largely due to the Ministry of Health's slow disbursement of funds and uneven implementation progress.

In 2012, there were successes despite ongoing challenges in the sector (including the, now-resolved, short-term freezing of funding to the Ministry of Health due to internal governance issues). The Australian Government estimates that Australian contributions to Vanuatu's health sector enabled: 1999 additional births to be attended by a skilled birth attendant; 1405 children to be vaccinated against measles; and 1837 children to be vaccinated with pentavalent vaccine (diphtheria, tetanus, pertussis, hepatitis B, and influenza Hib).

Australian and Vanuatu collaboration to control and progressively eliminate malaria remains an outstanding success. Since 2007 malaria incidence has reduced by more than 80 per cent nationwide and is almost eliminated in Tafea Province, where incidence is now less than 1 per cent.

²⁸ Vanuatu is on track to further reduce its child mortality rate to at least 25 per 1000 by 2015. Similarly, the current infant mortality rate is 25 per 1000 live births and the realistic target is to further reduce this to at least 20 per 1000 live births based on current and planned resources and activities.

In addition, the Village Health Worker Program continued to support more than 200 volunteer primary health care workers across the six provinces, providing nutritional and hygiene counselling, as well as basic curative services to the country's most remote areas. This program and public health services more generally will be strengthened by the Vanuatu Law Commission's review of the Public Health and Health Committees Act, intended to update health legislation (Box 5), which was supported by the Australian Government.

Maternal mortality rates declined slightly over the past decade, from 96 per 100 000 live births in 1998 to 86 per 100 000 in 2007. The principal cause of maternal mortality is post-partum haemorrhage and very few community health facilities have blood transfusion capability, so access to skilled birth attendants will not, in itself, eliminate maternal mortality. In the medium term, therefore, all high-risk births need to be in a hospital. Australia supports tertiary care at the country's main hospital, Vila Central Hospital, including the refurbished midwifery section which now attends almost half of all recorded births in Vanuatu. Australia continues to help fund a Maternal, Child and Neonatal Health Expert, a Senior Obstetrician/Gynaecologist (Ob-Gyn) and scholarships to two ni-Vanuatu Ob-Gyn interns to obtain their Masters Degrees.

At between 11 and 13 per cent of the recurrent budget, Vanuatu Government allocations to the health sector are higher than regional benchmarks. Around 60 per cent of this budget is for personnel costs and additional amounts are spent on central administration. Partnerships with civil society organisations to deliver some health services are therefore critical. So too is increasing the efficiency of health spending through, for instance, procurement reform (Box 2). Freeing up fiscal space in the health budget through efficiency gains would allow the Vanuatu Government to focus on other emerging health sector issues such as non-communicable diseases.

Box 2: Increasing the efficiency of health spending

Vanuatu's Ministry of Health Procurement Unit is reforming its procurement processes. Procurement is typically an area prone to inefficient and opaque awarding of contracts. The Ministry transparently completed six complex tenders in 2012–13, including for preferred drug suppliers for the Government's Central Medical Stores.

Medical supplies typically account for more than 7 per cent of the health budget in Vanuatu. Better forecasting of demand, planning of procurement and competitive sourcing of medical supplies by the strengthened Procurement Unit has led to unit cost savings of up to 40 per cent on some drugs and more than 20 per cent (VT30m) on medical supplies overall because of economies of scale, use of more efficient freight options and sourcing generic drugs where appropriate. Increasing efficiency in this way is an important response to limited operational budgets. It also demonstrates the value-for-money possible through well-targeted adviser support. Additionally, the strengthened Central Medical Stores team is now able to effectively forecast and mitigate against future stock-outs.

Australia's long-running support to the highly successful local non-government organisation, *Wan Smolbag*, continues to be one of the most effective ways of providing reproductive and sexual health services. This includes to 9121 clients (6835 women and 2286 men) at *Wan Smolbag*'s reproductive health facilities in Port Vila, Pentecost and Santo—most of whom sought family planning advice.

Between July 2009 and June 2013, the Vanuatu Church Partnership Program supported faith-based organisations to build 505 community toilets; improve access to safe water and basic sanitation for some 15 000 people; raise awareness of 951 people about non-communicable

diseases; and provide more than 19 700 people with eye clinic services and screening. The eye clinics conduct eye screening, distribute ready-made glasses, repair glasses and provide custom-made glasses on site. They are the only option for most ni-Vanuatu living in rural areas.

Progress against health outcomes continues to be measured and reported using Vanuatu's own system and reports, as well as regional data. The last accurate national health statistics are from the 2007 multi-indicator cluster survey, but the scheduled demographic health survey to be conducted in 2013 will enable health data to be updated. The Australian Government has supplemented two reviews of key programs in partnership with the Ministry of Health in 2012: an evaluation of the Village Health Worker Program and an evaluation of the program providing clinicians to Vila Central Hospital. These reviews recommended a tender for both programs in 2013 to incorporate lessons learned and comply with Government of Vanuatu procurement guidelines.

Australia and Vanuatu continue to work with multilateral partners in the areas of family planning supplies and immunisation. Considering Vanuatu's low contraceptive prevalence and inadequate immunisation coverage, Australia will continue to work with these partners to improve effectiveness.

Objective 3: Develop essential infrastructure to support economic growth and service delivery

Rural roads, electrification and well-managed urban development are pathways to improved livelihoods for poor ni-Vanuatu by providing access to services and income-generating opportunities. Australia helps maintain essential road infrastructure in rural areas where most ni-Vanuatu live, as well as targeting the country's economic hub in the capital, Port Vila, for an upgrade of its ageing infrastructure. The program met expectations for the reporting period and continues to be rated 'green'.

The Vanuatu Transport Sector Support Program ('rural roads program') is the first large-scale infrastructure initiative the Australian aid program has implemented in Vanuatu. National roads are maintained by the Public Works Department (PWD), but the department has insufficient financial and human resources to maintain the existing road network. Many roads are falling into disrepair and becoming impassable—especially in wet weather. The current VUV500 million annual budget allocated to PWD is estimated to be 20 per cent of what is needed to maintain a repaired national road network. Almost one-third of approved staff positions remain unfilled.

Box 3: Adapting to local context increases effectiveness

The Vanuatu Transport Sector Support Program was designed to use big construction firms to undertake physical works across several provinces at once. This design proved to be more expensive than expected and competitive tenders from companies came in three times higher than original engineering estimates. Only \$5 million of a planned \$11.75 million works program was disbursed under the original delivery model.

Australian and Vanuatu government officials, working with specialist advisers, found alternative approaches better suited to the fragmented context of small island developing states. After introducing the Equipment Hire Contracting model, the rural roads program has helped island-based contracting flourish. Under this model, local entrepreneurs have established 28 small businesses (employing local villagers as labourers, and using plant and equipment hired from the Vanuatu Government), which can complete small sections of road rehabilitation and

maintenance, including building basic drainage and river crossings.

Most new island-based contractors have since won new contracts beyond the Australian Government-funded program, demonstrating the beginnings of a sustainable, island-contracting industry. A second Australian program, TVET, helped train some of the new companies on the island of Malekula in business development and management. As well as generating economic activity on the islands, the approach used by Australia's rural roads program has reduced the unit costs of roadworks, removed bottlenecks in approval processes, increased private sector involvement (national and local); and helped the Vanuatu Public Works Department focus on its core business of making policy, prioritising infrastructure works, and handling procurement and contract management.

Since 2010, the program has rehabilitated almost 10 per cent of the national rural road network— more than 174 kilometres on three islands (Ambae, Malekula and Tanna)— exceeding the original target of 140 kilometres. These works were largely undertaken by 28 island-based contractors locally engaged to deliver the works with local labour (Box 3). Works to date on the rural roads project have created 101 588 person days of work. This was provided by around 8000 people, of whom 14 per cent were women.

Early signs of development outcomes are resulting from the physical works funded by the rural roads project. In addition to generating direct employment, the first-ever passenger bus service started in the Middlebush area of Tanna. This has seen the cost of transporting goods to market halving from an average of VUV1000 per person per load to VUV500, following reconstruction of 40 kilometres of the main service road. However, a detailed understanding of how targeted beneficiaries are responding to the roads is not yet understood. A commissioned socio-economic and gender impact study began during the reporting period. Initial results are expected in late 2013 and some will also provide a baseline for the project's second phase, set to begin in mid-2013.

To improve roadworks sustainability, the program is strengthening PWD as a key department of government. Support is being given to improve the Vanuatu Government's prioritising and planning of road maintenance from its own capital budget. The Australian Government-funded advisers are helping to improve financial management, budget planning, monitoring and reporting. One output is regular quarterly reports delivered to the Prime Minister's Office and Ministry of Finance and Economic Management (MFEM).

One threat to roadworks sustainability is the small pool of human resources available for positions in PWD—particularly given the regional demand for project management and engineering talent. Australia has worked with PWD and the Public Service Commission to address this through reintroducing the PWD cadet system and increasing use of the private sector to deliver physical works. The number of women engaging in TVET courses and applying for PWD cadetships is increasing.

Given Vanuatu's geographic reality of dispersed island communities, most ni-Vanuatu also rely on other forms of transport, such as maritime and aviation links. Australia has worked closely with the Civil Aviation Authority to scope and develop safety standards to maintain the country's outer island airstrips. These standards have been gazetted by the Vanuatu Government and 40 airstrips are set to be monitored quarterly against the standards. They make it easier for PWD and the Civil Aviation Authority to prepare tender documents and contract the maintenance of air strips.

In February 2013, Australia's Foreign Minister officially launched the Port Vila Urban Development Project with Vanuatu's Prime Minister. This major investment, which is financed jointly by Australia, Vanuatu and a loan from the Asian Development Bank, will benefit around one-fifth of the population on a daily basis. It will improve traffic management,

pedestrian safety and public hygiene facilities. Drainage and sewage works will maintain Port Vila harbour as a clean and safe environment.

Objective 4: Progress reform on economic governance issues

Australia funds a range of activities that support reform and contribute to improved economic governance and performance. These activities comprise support for improved public expenditure management, improved land governance arrangements and business enabling environment. Activities across economic governance are assessed as 'green', compared with 'amber' in 2011, because of good performance against targets at macroeconomic level, the success of a number of microeconomic reforms, the growth of the tourism sector and steady improvement in the land program.

Through the Governance for Growth Program (GfG) Australia has continued its long-running support for Vanuatu's strong central finance ministry. Since 2008, support to the MFEM has been through a direct grant, in recognition of the ministry's sound management and good track record. The grant has helped finance a number of important activities led by the MFEM:

- > Maintenance of budget controls at aggregate level during a period of political instability, as evidenced by Vanuatu's most recent Public Expenditure and Financial Accountability assessment in 2012.²⁹
- > Strengthened forecasting and collection of revenues, particularly value-added tax and Customs revenues. Despite lower than expected gross domestic product growth.
- > Preparation of Regulation 2.2 reports by Treasury for full reporting of the quality of public expenditure to the Council of Ministers (cabinet equivalent).
- > Public procurement reforms that saw the number of procurements supervised by the Central Tenders Board more than double in number from 2011 (4) to 2012 (10).

A separate grant to the Office of the Auditor General, through the GfG program, has significantly increased audit output, complementing efforts by the MFEM and some line ministries to strengthen internal audit.

To make government operations more efficient, and overcome the tyrannies of geographic isolation, GfG helped establish an Office of the Government Chief Information Officer in the Prime Minister's Office. This office has helped government make operational a new Government Broadband Network (initially financed with loan funding from China). It has helped deliver early cost savings (for example, in government telephone bills) and marked improvements in government data security. From 2017, the office is expected to be self-financed with license fees and other revenue.

Through GfG, Australia and Vanuatu are working to improve the enabling environment for business in Vanuatu to create jobs and opportunities that will lead to sustainable development. Australia supported the Vanuatu Tourism Office through GfG and Carnival Australia, using the Enterprise Challenge Fund to lift tourism numbers. The number of incoming tourists rose sharply from 238 000 in 2010 to 327 000 in 2012. An Australian-supported branding campaign has helped raise Vanuatu's profile as a destination. The TVET program also

²⁹ The 2012 Public Expenditure and Financial Accountability assessment updates those conducted in 2006 and 2009. Four indicators showed improvement and seven deteriorated. Budget formulation and aggregate fiscal management (controlled by central agencies) continue to perform reasonably well, but the downstream phases of expenditure management (controlled by line agencies such as the Ministry of Health or Ministry of Education) and accountability mechanisms (which flow from the Parliament's demand for accountable government) continue to lag.

supports improving the quality of tourism operations (for example, by up-skilling bungalow owners) in key islands leading to more income from tourism. Australia's Seasonal Worker Program also created opportunities for ni-Vanuatu to earn extra income through seasonal employment in Australia³⁰, supplementing in-country opportunities sponsored through the aid program.

The Australia-Pacific Technical College delivers internationally-recognised qualifications in targeted industry sectors. Since June 2007, 2872 men and 2,047 women from Vanuatu graduated. A 2012 employer survey found that 89 per cent of respondents reported increased productivity as a result of their college training.

AusAID continued to support the information and communications technology revolution in Vanuatu that helped drive down prices and open the mobile phone market to ni-Vanuatu right across the country (Box 4).

The Vanuatu Government, with GfG support, applied lessons learned from the successful regulation of the telephony market to regulation of the energy market. Supporting the establishment of the Utilities Regulatory Authority in 2009 addressed a gap in Vanuatu government policy and regulatory functions and brought down prices for consumers, especially low-income ones. A GfG grant, managed by the World Bank, supported the Government to prepare an Energy Road Map to guide sector development. This builds on earlier work with photo voltaic (solar) lighting (*Annual Program Performance Report 2011*) and existing competitive grid providers in Vanuatu.

Box 4: ICT regulatory reform supports equality of opportunity

Before 2008, people in Vanuatu had limited access to telephones, but now mobile phones are a common household item. Since 2008, the incumbent, Telecom Vanuatu Ltd and the new provider, Digicel, have expanded services across the country, including to remote islands. Modes of communication are changing, new business ventures emerging, and mobile phones becoming part of everyday life.

The Pacific Institute of Public Policy mapped these changes with support from GfG. Their surveys in 2008, 2009 and 2011 demonstrate that since liberalisation of the telecommunications sector in Vanuatu and the entry of Digicel, mobile subscription rates increased dramatically from 4.8 per cent of the population in 2004 to more than 71 per cent in 2011—data confirmed by recent World Bank data.

Competition between Digicel and TVL has meant access to telecommunication services has expanded rapidly and the costs of using them have significantly decreased. Within six months of starting operations, Digicel had covered 75 per cent of the population (geographically), increasing to 85 per cent within 18 months.

Survey respondents in 2011 reported a wide range of perceived benefits of increased access to mobile phones. Even access to health care services and increased social support was seen to have improved somewhat as a result of increased access to phones. The telecommunication service providers, donors and banks in Vanuatu are now working together to introduce 'branchless banking' in rural areas.

³⁰ In 2012, 106 visas were granted for ni-Vanuatu seasonal workers in Australia.

Based on Australia's track record in successfully supporting complex policy and regulatory reform in Vanuatu, the Vanuatu Government has asked Australia to have the GfG program to take the lead in aid coordination of its trade policy framework. This in turn supports other initiatives financed by Australia such as the regional Pacific Horticultural and Agricultural Market Access program. This program helps the Vanuatu Government to maintain the country's export accreditation for its beef industry, which represents more than half of Vanuatu's agricultural exports.

Improving land administration, while protecting all-important customary land rights, is a critical component of the business-enabling environment in Vanuatu and presents a risk of instability if left unaddressed. The Mama Graon program, financed by Australia and New Zealand, is a vehicle for providing practical support.

A separate 2012 review of the Mama Graon program found that it was beginning to get traction some 20 months into implementation, particularly with land registry and surveying. However, its effectiveness very much depended on the Vanuatu Government's commitment to reform, and to having a clear strategy for dealing with land disputes and ensuring fair dealings.

A 2012 survey of citizen perceptions and attitudes towards land issues confirmed that 96 per cent of respondents believed customary land owners should be the primary decision makers over their land. Eighty-eight per cent perceived land disputes should only be resolved through *kastom*. Indeed, the survey found the Mama Graon program's management committee to be an effective decision-making body. The survey also found that *kastom* leaders engaged with donors to progress the program.

In response to the challenges of climate change and disaster preparedness, Australia's support focuses on strengthening governance mechanisms for climate change adaptation and disaster risk management at national, provincial and local levels. Australia partners with humanitarian agencies to support community-based projects in disaster risk reduction, preparedness and response and Vanuatu's National Disaster Management Office to help ensure reliable media and communications in emergencies.

Objective 5: More effective legal institutions and improved police services

The law and justice sector in Vanuatu is characterised by multiple legal (and linguistic) systems, a constitution that blends customary and formal legal systems and a range of sometimes out-dated and contradictory legislation. Australian support recognises the strong connection between justice and development, and that improvement in one leads to improvement in the other. A robust system of justice will benefit Vanuatu's communities, families and business people, as well as give confidence to overseas visitors and investors.

Australia's law and justice support comprises: policing assistance in partnership with the Australian Federal Police (AFP), strengthening key legal institutions; and providing core funding to the Vanuatu Women's Centre (VWC). A strong Australian whole-of-government approach is taken. The program continues to be rated 'amber' considering the expulsion of the AFP in 2012.

Vanuatu's national security environment is relatively benign. However, there are major issues of violence against women (72 per cent of women experience physical and/or sexual violence in their lifetime³¹) and children (up to 48 per cent of children experience physical abuse and

³¹ VWC, Vanuatu National Survey on Women's Lives and Family Relationships, 2011.

up to 30 per cent experience sexual abuse).³²) Major issues also exist with juvenile crime and the absence of any system to manage these.

Australia's strategy is to support Vanuatu to achieve safer communities and address the key issues of family violence, child protection and juvenile crime. Recognising the limited resources available to the Vanuatu Police Force, the courts, and public legal offices, Australian support is intended to selectively supplement the operational resources of the Vanuatu Government and use existing resources better by improving human resource and financial management capacity.

An almost year-long gap in Australian assistance to the legal sector ended in March 2012 with the start of the Vanuatu Law and Justice Partnership Program (*Stretem Rod Blong Jastis*). This has been driven by strong Vanuatu Government leadership, as demonstrated by the national summit on Law and Justice held in early 2012 to outline government priorities. This resulted in a new sector strategy in May 2013. The Government's 2012 update of its Policy Action Agenda recognised law and justice issues as a priority.

Advisory support to the Ministry of Justice, Public Solicitor's Office, State Prosecutor's Department and the Vanuatu Law Commission funded by Australia has had some success (Box 5).

Box 5: Vanuatu law commission building credibility and improving service delivery

The Vanuatu Law Commission (VLC) was re-established in 2011 with a modest budget and only one permanent member of staff. Its commissioners had been dismissed by the Government and the VLC had not carried out any legislative review or received any references. Following the early work of an Australian volunteer, Australia provided a package of support to VLC that included two researchers, as well as technical assistance and funding support for the Commission's first legislative review—of the Public Health Act.

The Australian Government supported VLC review of the Public Health Act strengthened the capability and confidence of the legal researchers of the VLC and proved a useful pilot for a thoroughly consultative reform process. The review brought legislation up-to-date and provided drafting notes, appropriate for the State Law Office legal drafters. The review was well received by the Ministry of Health.

In the 2013 national budget, the VLC received an increased appropriation, in part because of its increased profile and credibility. The VLC is undertaking its next legislative review using the consultation methodology developed under the Public Health Act process.

The Vanuatu Australia Police Project (VAPP) was suspended in May 2012 following the expulsion of the Australian Federal Police (AFP) from Vanuatu. Vanuatu and Australia agreed to the resumption of policing assistance in January 2013 and AFP project advisers returned in April 2013. An interim package of assistance through to December 2013 will continue support in four areas: training and professionalism of the Vanuatu Police Force (VPF); policing infrastructure; workforce renewal; and improvements to internal governance.

Despite the year-long hiatus, progress has been made. A new round of retirements (making way for a new round of young and highly trained recruits) is underway, the *RVS Turoroa* is once again seaworthy and available for remote policing visits to the islands, and infrastructure

³² UNICEF, *Lifting the financial burden of child abuse—a Vanuatu case study*, 2011; and VWC, 2011.

works on remote police posts has started. The VPF, however, depends heavily on Australian funding for operational expenses.

A joint (Australia – Vanuatu) review of VAPP completed in May 2012 found the need to increase VPF ownership and leadership to support sustainability, improve the project’s monitoring and evaluation and build a shared body of evidence on crime trends, including on family and sexual violence and juvenile crime. The first project management meeting in 2013 (May), led by the VPF in response to the review findings, saw improved and frank discussion on planning and performance

The VPF Protection and Crime Prevention Units have received support from the Pacific Prevention of Domestic Violence Program. This initiative, between the AFP and New Zealand Police, assists police forces in the Pacific in setting up specialised domestic violence units, training police staff and building partnerships with non-government organisations that support victims of violence.

The VPF Crime Prevention Unit received training from Cyber Safety Pasifika. The training is aimed at improve cyber safety and security education in Pacific island schools and communities by equipping local police services to better inform children and parents.

Increased discussion and coordination between donors on key issues within the law and justice sector took place in 2012, driven by the Justice Director-General. The World Bank’s *Jastis Blong Evriwan* project continues to generate valuable research on land and justice, and its pilot of community governance interventions in South Malekula will inform the development of advisory services for land dealings. The establishment of a child protection working group in 2013, chaired by the Justice Director-General, is a positive step towards improving sometimes fragmented donor investments in child protection. Another positive move was bringing funding for Save the Children’s child protection program under the umbrella of the Australian aid program’s broader law and justice sector program. Australia has been working with the Vanuatu Ministry of Justice to trial a community-based child protection program integrating *kastom* and government systems.

Australia continued its long-running support for the VWC. The centre provides counselling, support and legal services to survivors of violence. It is the only organisation of its kind in Vanuatu and is responding to the urgent and severe challenge of family and sexual violence.

Official and public recognition of the scale of family violence is still nascent, and resources to tackle the issue are limited (outside of Australian core funding for VWC, and New Zealand Government support to the VPF’s Family Protection Unit). In 2011–12, the VWC provided 4626 people with counselling and support services. In 2012, it assisted 289 at-risk women assistance to obtain Family Protection (restraining) Orders. Australia’s support for tackling violence against women will be the cornerstone of efforts under the Pacific Women Shaping Pacific Development initiative launched by the Prime Minister in August 2012. Planning started in May 2013 for additional activities addressing women’s leadership and economic empowerment.

Quality at Implementation ratings

Quality at Implementation scores in 2012 in general remained the same as or improved over 2011 scores (Annex B). In 2012, across the six quality criteria, most initiatives rated satisfactory (4 or higher—Table 2).

Table 3 Distribution of ratings across all initiatives

Distribution of adjusted ratings	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender
6	7%	0%	0%	0%	0%	14%
5	64%	50%	14%	29%	0%	29%
4	29%	43%	64%	43%	57%	36%
3	0%	7%	14%	29%	36%	14%
2	0%	0%	7%	0%	7%	7%
1	0%	0%	0%	0%	0%	0%

Visibility of the Australian aid program

In the 2011 Annual Program Performance Report, improving the visibility of the Australian aid program was recognised as an area requiring further work and consideration. Visibility efforts received a boost in 2012 following the recruitment of a full-time Port Vila based communications manager and increased outreach through local and international media. The Australian aid program was mentioned, on average, in every edition of Vanuatu's daily newspaper and two weekly newspapers during the reporting period. From August to June 2012, the Vanuatu aid program issued 15 media releases with almost 100 per cent pick up rates across all newspaper, radio and television. The aid program was also a topic on three radio talkback shows. The Australian aid logo is regularly seen throughout Vanuatu on television, posters, vehicles and signs. A survey completed in 2012–2013 found that 90 per cent of ni-Vanuatu have a positive image of Australia.

Management consequences

A number of management consequences for DFAT arise from this Aid Program Performance Report, together with an assessment of program risks (Table 4). Progress in addressing the 2012 management consequences is reported on in Annex A.

Table 4 Risks associated with the program and management actions

Most significant risks	Management Response—What? Who? How? When?
Political and/or bureaucratic instability delays program implementation or changes policy priorities	Close monitoring in Port Vila; regular high-level meetings to assess ongoing relevance and performance of aid program; update the bilateral Partnership for Development.
Benefits from Australian aid do not go far enough to help lift the most vulnerable out of poverty and hardship	Commission ongoing poverty analysis to understand the dimensions, geography and drivers of poverty, as well as the drivers of growth. Better target key programs towards the most vulnerable. Continue to strengthen and resource performance management.
Quality of Vanuatu public expenditure diminishes returns on Australian funds (if they substitute for Vanuatu Government funds for key health and education services, and road maintenance, or are inefficiently disbursed)	Updated Partnership for Development will provide clearly agreed targets and incentives for funding of shared recurrent costs. Ongoing assessment of risks, together with support to strengthen public financial management in key line ministries.
Effectiveness of Australian aid is compromised by its fragmentation and administrative burden on all partners	Continue to consolidate portfolio.

Update the Partnership for Development

The current Australia – Vanuatu Partnership for Development was signed in May 2009. Its underlying principles, and five priority (sector) areas, remain relevant. Reflecting Cairns Compact on Strengthening Development Coordination in the Pacific and Port Moresby Declaration commitments on closer cooperation and engagement with the Pacific region, the partnership is founded on the principles of mutual respect and mutual responsibility for improved development outcomes. Its original four priority areas are: education, health, infrastructure and economic governance. Law and justice was added as a fifth priority in 2010.

This Aid Program Performance Report documents the considerable progress made towards the objectives of the current partnership. Some targets, such as on road maintenance, mobile phone coverage, malaria incidence, and school attendance, have already been reached or exceeded. However, performance has been mixed against other objectives, as detailed throughout this report. As well as needing to update the targets, the partnership needs to incorporate lessons learned over its first four years about *how* Australian aid will be delivered.

A new partnership will make explicit the need to partner with the private sector and civil society (including chiefs, churches and non-government organisations) as well as government. These partners have an important role to play in advocating for, and helping deliver, better public services and economic opportunities. An updated partnership will also reflect the evolving policy environment in both countries.

Australia and Vanuatu have initiated discussion to update the partnership from 2014 and beyond. Together with other partners, DFAT has started analysis to inform an updated partnership, which includes poverty analysis, a concept note on partnering with churches, public expenditure analysis, and an assessment of the private sector in Vanuatu.

Given Australia's high levels of official development assistance as a proportion of total public spending, the question of sustainability is a major issue and will inform negotiations on the new partnership.

Manage financial risks

The Vanuatu program has transitioned over the past two years to new delivery approaches that blend use of government systems (for example, earmarked sector budget support) and direct delivery through implementation service providers (for example, managing contractors, or grants to non-government organisations). This balances the short-term development costs of relatively slow delivery through government systems with the long-term benefits of strengthened Vanuatu Government delivery. It acknowledges that many government ministries are unable to administer very large grants and that the other providers (both private sector and civil society) are often well-placed to directly deliver programs.

In each priority area, there is still a strong case to continue to fund some activities directly through the relevant government authority. For example, school grants through the Ministry of Education ministry, public health programs through the Ministry of Health, provincial road maintenance through the PWD, and government audits through the Auditor General's Office. Work will need to continue to assess, monitor and safeguard against fiduciary risks.

There is a further risk to be managed, which is that of Australian aid simply substituting for, or displacing, Vanuatu Government funds for essential services. This report has highlighted, for example, this risk in relation to the government spending on basic education. In 2013–14, the department will investigate financing options in health and education to strengthen the arm of central agencies and incentivise better quality expenditure and compliance with Vanuatu's own financial management requirements.

Ensure the program benefits the most vulnerable

In the current reporting period, the Vanuatu National Statistics Office, the World Bank and Australia have collected and started to compile updated poverty mapping data. This will be ready by late 2013 and is complemented by the Socio-Economic Impact Study commissioned on the rural roads project (due late 2013), on-going monitoring work by VWC and *Wan Smolbag*, as well as data from a demographic health survey (2014).

The poverty mapping data will provide a robust foundation for monitoring the impact of aid investments on the livelihoods of the most vulnerable. It will also inform decisions about which activities can be reoriented to more directly target the most vulnerable women and men. The department will ensure these results are communicated effectively and reflected in annual plans and initiative designs.

Consolidate the program

Between 2010 and 2013 the number of initiatives the program managed decreased by 26 per cent—from 35 to 26. This provides an important indicator of progress towards the commitment to consolidating the very large number of initiatives in the Vanuatu program. Over the same period, the number of activities and agreements (or contracts) increased by 3 per cent and 11 per cent respectively.³³

The 135 current agreements represent a sizeable administrative load for the Vanuatu program team, and its implementation partners. In turn, this reduces the time available for investing in analysis of key issues and trends, effectively engaging with existing and future partners and purposeful supervising of programs. Coordination between initiatives is starting to yield development results, as described in this Aid Program Performance Report. However, more could have been achieved if program managers had been able to increase the time they could dedicate to managing for effectiveness rather than handling administration responsibilities. In 2013–14, the department will continue the transition to a more manageable portfolio, in particular by reducing the large number of current agreements.

Continue to strengthen and resource performance management

More than one-third of the Vanuatu portfolio by value is rated as ‘amber’, which requires close performance monitoring. This reflects the complex context described in this report. Both governments have already responded to this rating, including through more regular high-level discussion (such as quarterly senior official talks).

The department has increased its investment in evidence collection and analysis to support strategic and management decisions (for example, several public expenditure reviews, poverty mapping, a socio-economic and gender impact study of rehabilitated roads, and several evaluations). This investment is already paying off by informing new approaches to education sector support where performance continues to rate poorly (Box 1).

AusAID has also initiated an Evaluation Capacity Building Program³⁴ for Vanuatu program staff. In 2013, DFAT will continue this momentum by supporting a more rigorous schedule of

³³ By way of example, GfG is one initiative, with 10 activities and 36 agreements. Our main education sector program (VERM) is a single initiative, with five activities and 44 agreements. The replacement Vanuatu Education Support Program will have 5 activities and 20 agreements.

³⁴ The Evaluation Capacity Building Program is an institutional change program to enhance the quality and use of monitoring and evaluation systems and deliverables and to integrate evaluative thinking into everyday work. It is being rolled out in Vanuatu, Indonesia, Timor-Leste and through Pacific Regional programs.

supervision visits, and ensuring that information and evidence from this monitoring and evaluation work informs policy discussions with government and program management decisions. A performance assessment framework will be developed to track progress when an updated partnership for development is agreed.

Annex A

Progress in addressing 2011 management consequences

Management consequences Identified in 2011 APPR ³⁵	Rating	Progress made in 2012–13
Conduct wide consultation and strong analysis to underpin a new Partnership for Development in 2013, following Vanuatu's national elections in October 2012	Partially achieved	Significant body of analysis completed or underway, including health and education sector public expenditure reviews and poverty mapping.
Prepare a realistic medium-term budget plan for investment between 2013 and 2016	Not achieved	To be addressed as part of Partnership for Development negotiations in the second half of 2013.
Increase the visibility of Australian aid	Achieved	Communications manager recruited. Increased outreach through local and international media. Survey completed of media consumption in Vanuatu.
Work with a wider range of Vanuatu Government partners and engage civil society partners	Partially achieved	Initial steps taken, including a concept note on opportunities to work with church partners in mainstream sector programs. Increased engagement with provincial authorities and private sector organisations.
Develop new approach for education	Achieved	New approach agreed with the Government of Vanuatu in late 2012. Will start implementation in mid-2013.
Better articulate the link between support to land, civil society and regional activities and the partnership priorities agreed with the Government of Vanuatu	Partially achieved	New Partnership for Development to articulate objectives for support in these areas. Law and Justice and Civil society delivery strategies underway.
Revisit the design of the GfG program	Achieved	Design for Phase 2 of GfG approved by both governments during the reporting period, and implementation started.

Note:

- Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.
- Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.
- Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

³⁵ Annual Program Performance Report.

Annex B

Quality at Implementation ratings

Initiative name	Approved budget and duration	Qal year	Relevance	Effectiveness	Efficiency	Monitoring and evaluation	Sustainability	Gender equality	Risk management
Vanuatu Australia Awards	\$17.1m 1996-17	2012	5	5	4	3	4	5	M
		2011	5	5	5	4	5	5	M
TVET Phase 2	\$16.7m 2004-13	2012	5	5	5	5	4	5	M
		2011	5	5	5	5	4	5	M
Vanuatu Media Strengthening	\$7.5m 2007-13	2012	5	4	4	5	3	4	I
		2011	5	4	4	4	3	4	I
Governance for Growth	\$62.3m 2007-16	2012	5	4	4	3	3	3	I
		2011	5	4	4	3	3	4	I
Vanuatu Education Road Map	\$19.9m 2008-14	2012	5	3	2	3	3	2	I
		2011	6	2	2	2	2	5	I
Vanuatu Church Partnership	\$5.3m 2009-13	2012	4	4	3	4	4	3	I
		2011	4	4	3	4	4	4	I
Vanuatu Transport Sector Support Program	\$58m 2009-16	2012	5	5	4	4	3	4	I
		2011	5	4	3	4	2	5	I
Vanuatu Land Program	\$20.3m 2009-15	2012	4	4	4	4	2	4	I
		2011	4	4	3	4	4	3	I
Wan Smolbag	\$6.7m 2010-14	2012	5	5	4	4	4	6	M
		2011	6	6	5	5	5	6	M
Vanuatu Health Sector	\$21.6m 2010-14	2012	5	4	3	4	4	4	I
		2011	5	4	3	2	4	4	I
Vanuatu Law and Justice Partnership	\$4.5m 2012-13	2012	4	4	4	4	4	5	M
		2011	E	E	E	E	E	E	E
Vanuatu Australia Police Project	\$13m 2011-16	2012	E	E	E	E	E	E	E
		2011	5	4	4	3	2	4	I
Vanuatu National Library and Archives	\$3m 2011-13	2012	4	5	5	5	3	4	M
		2011	3	5	5	5	2	3	M
Vanuatu Women's Centre Phase 6		2012	6	5	4	5	4	6	M
		2011	NA	NA	NA	NA	NA	NA	NA

Definitions of rating scale:

Satisfactory (4, 5 and 6)

■ = 6 = Very high quality

■ = 5 = Good quality

■ = 4 = Adequate quality, needs some work

Less than satisfactory (1, 2 and 3)

■ = 3 = Less than adequate quality; needs significant work

■ = 2 = Poor quality; needs major work to improve

■ = 1 = Very poor quality; needs major overhaul

E = exempt

NA = Not applicable

Risk Management scale:

■ Mature (M). Indicates the initiative manager conducts risk discussions on at least a monthly basis with all stakeholders and updates the risk registry quarterly.

■ Intermediate (I). Indicates the initiative manager conducts ad-hoc risk discussion and updates the risk register occasionally.

■ Basic (B). Indicates there are limited or few risk discussions and the risk register has not been updated in the past 12 months.

Annex C

Evaluation and review pipeline planning

List of evaluations completed³⁶ in the reporting period

Name of Initiative	Aidworks number	Type of evaluation ³⁷	Date evaluation report received	Date evaluation report uploaded into Aidworks	Date management response uploaded into Aidworks	Published on website
Vanuatu Australia Police Project	INJ675	Independent progress report	August 2012	March 2013	March 2013	No
TVET Phase 2	ING012	Independent completion report	September 2012	Not uploaded	Not uploaded	Yes
Church Partnership Program	INI307	Cluster review	February 2012	March 2013	March 2013	No
Kastom Governance Program	INI311	Cluster review	May 2012	May 2013	May 2013	No
Vois Blong Yumi	INH074	Cluster review	February 2012	December 2012	December 2012	No
Village Health Worker Program	INJ438	Independent evaluation report	Was November 2012 but poor result so re-worked for May 2013 completion	Not uploaded	Not uploaded	No
Vanuatu Health Sector 2010-2014	INJ438	Mid-term review of the delivery strategy	November 2012	Not uploaded	Not uploaded	No
<i>Wan Smol Bag</i> tripartite agreement	INI637	Independent progress report—partner-led (New Zealand)	January 2013	Not uploaded	Not uploaded	No
Vanuatu Land Program	INI501	Independent progress report	January 2013	March 2013	Not uploaded	Yes

³⁶ 'Completed' means the final version of the report has been received.

³⁷ Mid-term review, completion report, partner-led evaluation, joint evaluation

List of evaluations planned in the next 12 months

Name of Initiative	Aidworks number	Type of evaluation	Purpose of evaluation³⁸	Expected completion date
Transport Sector Support Program	INI427	Independent completion report	Impact evaluation	March 2014
Vanuatu National Library and Archives	INJ898	Independent completion report	Lessons learned	May 2014
Vanuatu Education Road Map	INH937	Partner-led review (New Zealand)	End of program review	April 2014
Village Health Worker Program	INJ438	Internal review of Village Health Worker as a mechanism for delivering primary health care	Examine future delivery mechanism	February 2014
Malaria program	INJ438	Partner-led review (World Health Organization)	Improve existing program	August 2013
HIV program	INJ438	Partner-led review	Impact evaluation as the program is ending	May 2014

³⁸ To inform a future phase of program, improve existing program and verify program outcomes.