



VESP

**VANUATU EDUCATION
SUPPORT PROGRAM**

VESP II – Context Analysis

March 2022

GOUVERNEMENT
DE LA REPUBLIQUE
DE VANUATU
MINISTRE DE
L'EDUCATION ET DE LA
FORMATION



GOVERNMENT
OF THE REPUBLIC
OF VANUATU
MINISTRY OF EDUCATION
AND TRAINING



Vanuatu Education Support Program is managed by Tetra Tech International Development – Asia Pacific, on behalf of the Australian Government

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Acronyms

ADB	Asian Development Bank
COM	Council of Ministers
COVID-19	Coronavirus disease
CRESCENDO	Caring Environments for Children through Occupational Therapy
DG	Director General
ECCE	Early Childhood Care and Education
ESD	Education Services Directorate
ESPIG	Education Sector Plan Implementation Grant
FAD	Finance and Administration Directorate
GAEA	Government-Assisted Education Authorities
GOV	Government of Vanuatu
GPE	Global Partnership for Education
GRT	Government Remuneration Tribunal
IT	Information Technology
LEG	Local Education Group
MALFFB	Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity
MCCAGME	Ministry of Climate Change Adaptation, Geohazards, Meteorology and Energy
MFAICET	Ministry of Foreign Affairs, International Cooperation and External Trade
MFAT	Ministry of Foreign Affairs and Trade (New Zealand)
MFEM	Ministry of Finance and Economic Management
MIPU	Ministry of Infrastructure and Public Utilities
MJSW	Ministry of Justice and Social Welfare
MLMWR	Ministry of Lands, Mines and Water Resources
MoET	Ministry of Education and Training
MOH	Ministry of Health
MoIA	Ministry of Internal Affairs
MQS	Minimum Quality Standards
MTTCNVB	Ministry of Tourism, Trade, Commerce and Ni-Vanuatu Business
MYDS	Ministry of Youth Development and Sports
NPP	New Policy Proposals
NRC	National Recovery Committee
NSIDP	National School Infrastructure Development Plan

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NZD	New Zealand Dollar
PDNA	Post Disaster Needs Assessment
PEO	Provincial Education Office
PMM	Prime Ministers Ministry
PPU	Policy and Planning Unit
PSC	Public Service Commission
PSET	Post-Secondary Education and Training
SBM	School Based Management
SCA	Save the Children Australia
SIO	School Improvement Officer
SOE	School of Education
TC	Tropical Cyclone
TQUP	Teacher Qualification Upgrading Policy
TRTA	Transaction Technical Assistance
TSC	Teaching Service Commission
VESP	Vanuatu Education Sector Program
VETSS	Vanuatu Education and Training Sector Strategy
VQA	Vanuatu Qualifications Authority
VITE	Vanuatu Institute of Teacher Education
VSES	Vanuatu Secondary Education Support
VUV	Vanuatu Vatu
WASH	Water Sanitation and Hygiene
ZCA	Zone Curriculum Adviser

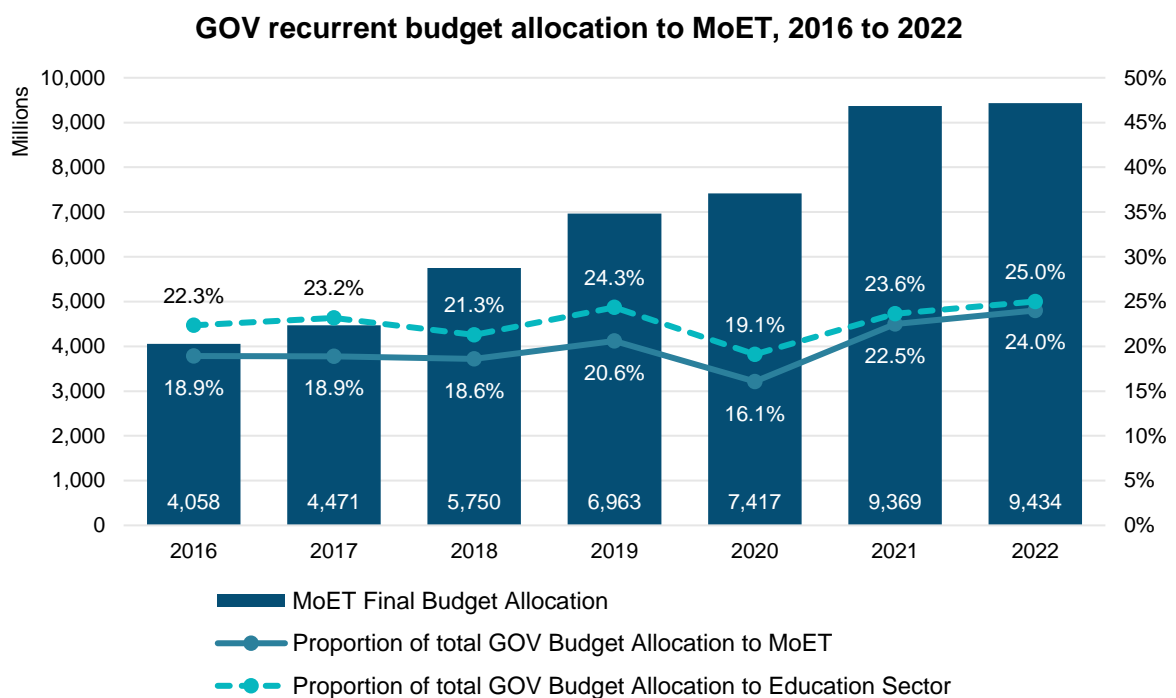
1 Education Sector Allocations in 2022

This section of the report analyses the Government of Vanuatu’s (GOV) parliamentary appropriations to the education sector in 2022 and compares it with previous and expected future appropriations and appropriations to other sectors. It considers appropriations of GOV recurrent budget appropriations, development partner cash grants, aid-in-kind and external loans.

1.1 Allocations to the Ministry of Education and Training

For the 2022 financial year, the GOV has allocated the Ministry of Education and Training (MoET) a recurrent expenditure budget of VUV9,433,837,433. This amount represents an increase of 0.7% (VUV65,261,987) against MoET’s final 2021 budget allocation (and a 3.2% increase against its original 2021 budget allocation¹). As shown in Figure 1, this continues a trend of nominal budget increases to MoET over time.

Figure 1: Annual Recurrent Budget Appropriation to MoET, 2016 to 2022



¹ The difference between the original 2021 budget allocation and final 2021 budget allocation reflects supplementary budget allocations of VUV228,755,309 during the 2021 financial year.

The figure above also shows the proportion of the total government budget allocated to MoET (right axis). MoET's 2022 budget allocation represents 24% of the total GOV recurrent budget appropriation of VUV39,291,157,376. This is the highest proportion of total government budget in recent years and compares with 22.5% in 2021 and a ten-year low of just 16.1% in 2020².

The proportionally higher allocation to MoET in 2022 reflects a continued government commitment to the sector, despite significant announcements regarding investments in other sectors, such as agriculture, infrastructure development and health. Across government, the largest increases in budget allocations between 2021 and 2022 were to:

- the Ministry of Lands, Mines & Water Resources (MLMWR), with an increase of 111.4% (VUV525,279,889) that was mainly related to land compensation payments; and
- the Ministry of Health (MOH), with a rise of 8.9% (VUV285,623,181) primarily related to infrastructure developments.

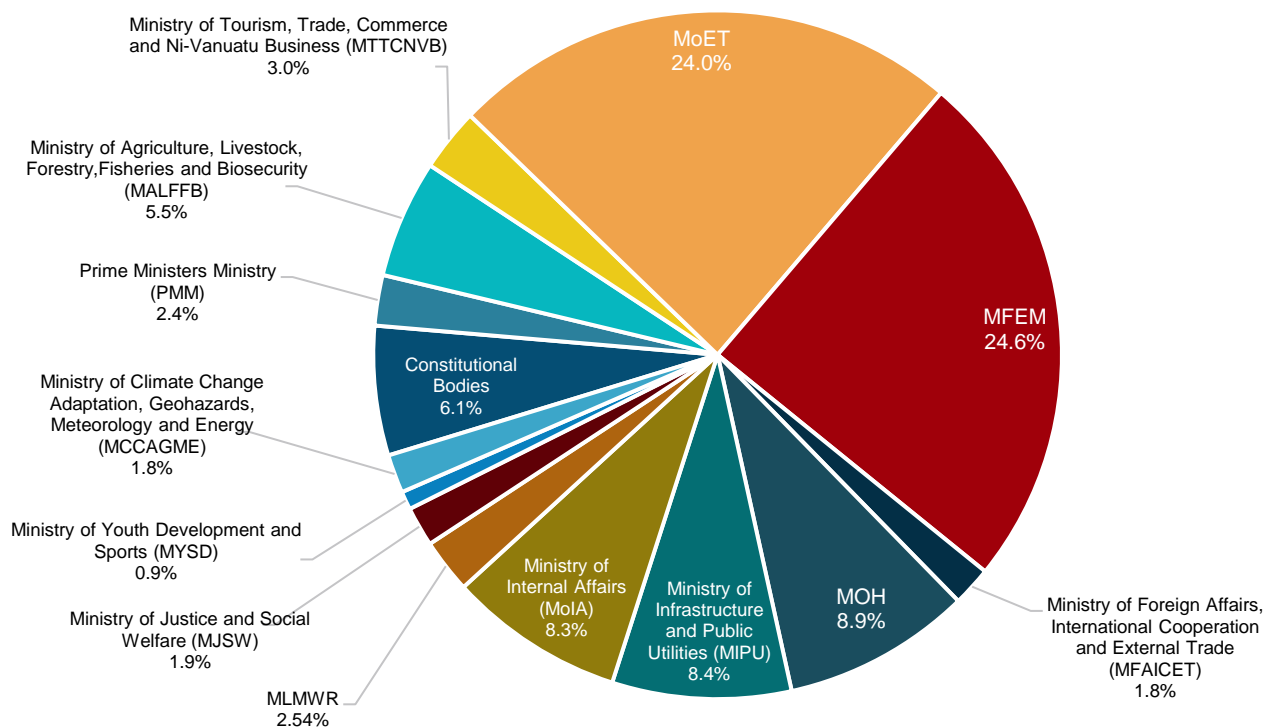
MoET's budget allocation is exceeded only by the Ministry of Finance and Economic Management (MFEM)³. Together, these ministries make up nearly half (48.6%) of the total recurrent parliamentary appropriation in 2022. Figure 2 compares recurrent budget appropriation for all 13 government ministries.⁴

² Note that this relative reduction in budget allocation was a result of significant growth in the GOV budget in 2020, with a 36.6% increase compared with the previous year. Most of this increase (70%) was related to economic stimulus and emergency activities implemented in response to Tropical Cyclone Harold and the COVID-19 pandemic. MoET's budget allocation in 2020 still increased by 6.5% compared with the previous year.

³ MFEM manages the budget for a range of central functions on behalf of the government. These include central payments, public debt repayments and the emergency fund. When these cost centres are excluded, MFEM's total budget for 2022 is VUV3,195,060,378 (33.9% of MoET's 2020 expenditure).

⁴ The 2022 Parliamentary Appropriation also includes appropriation for 12 constitutional bodies. For ease of comparison, these have been represented in the following figures as a single entity.

Figure 2: 2022 GOV recurrent budget appropriation by Ministry



1.2 Development Partner Support to MoET

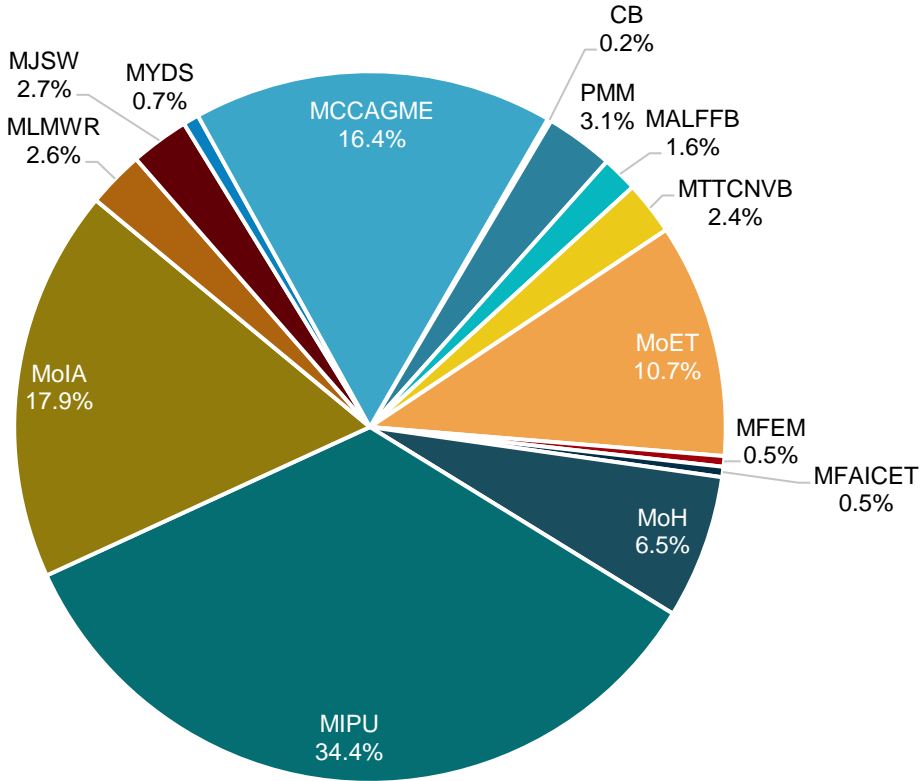
Development partners contribute significantly to the operation of most government ministries. This support comes in various forms, including cash grants, aid-in-kind contributions, and the provision of concessional loans. In 2022, the parliamentary appropriation includes VUV20,983,945,865 of expenditure related to development partner-funded initiatives – increasing the total parliamentary appropriation by 53.4%. Nearly half of this support (47.7% or VUV10,006,921,069) is expected to be in the form of cash grants, with 31.9% as aid-in-kind support (VUV6,698,173,652) and 20.4% of the planned expenditure funded through external loans (VUV4,278,851,144).

Development partners distribute their support across all 13 government ministries (and several constitutional agencies), with 10.7% (VUV2,235,201,386) of the total allocated to MoET in 2022. More than two-thirds (68.6%) of the budgeted development partner support in 2022 is related to large-scale infrastructure developments through:

- the Ministry of Internal Affairs (MoIA), predominantly via a VUV2.5 billion aid-in-kind contribution towards the refurbishment of the Cook Barracks;
- the Ministry of Infrastructure and Public Utilities (MIPU), through nearly VUV4 billion in budgeted expenditure on transport infrastructure projects funded through loans; and
- the Ministry of Climate Change Adaptation, Geohazards, Meteorology and Energy (MCCAGME), predominantly through more than VUV2.4 billion in rural electrification and energy projects funded through cash grants.

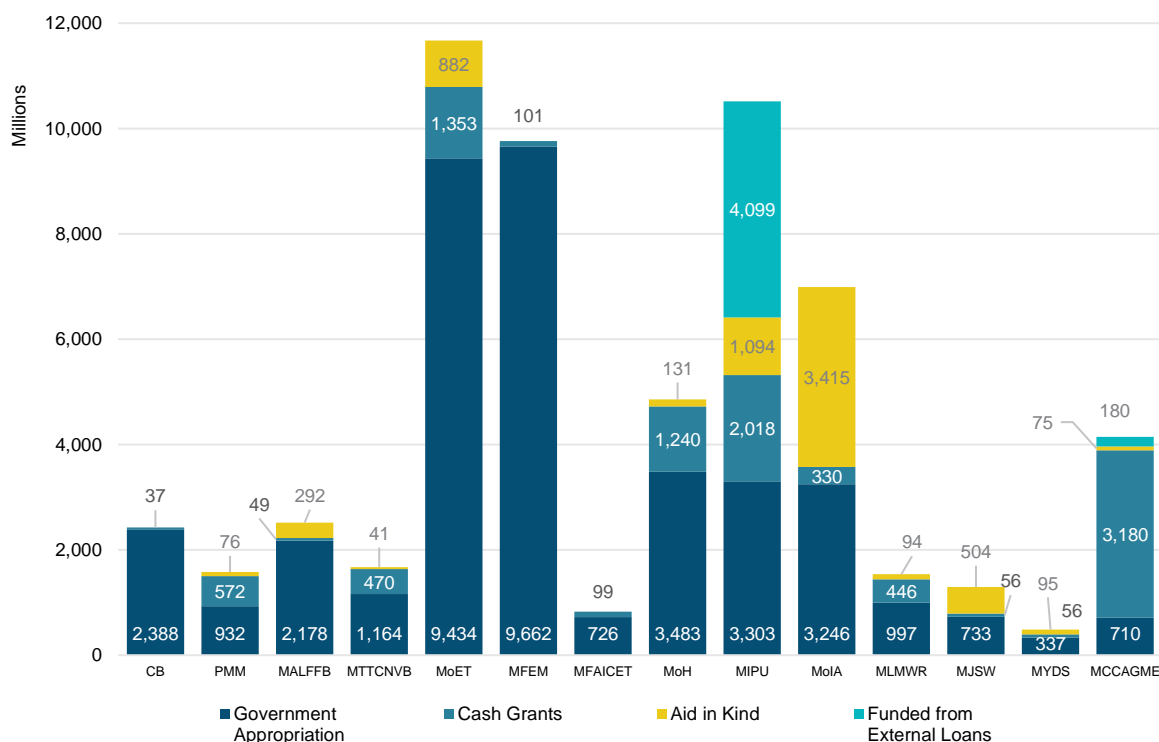
Figure 3 shows the proportion of development partner budget appropriations by Ministry.

Figure 3: 2022 Development Partner Appropriations by Ministry



These development partner allocations increase MoET’s total 2022 appropriation by 23.7% to VUV11,669,038,819 – the highest appropriation of any ministry. More than 60% (VUV1,353,091,402) of this is in the form of cash grants, with the remaining 39.5% (VUV882,109,984) budgeted as aid-in-kind expenditure. The total parliamentary appropriations for all government ministries, by funding source, are presented in Figure 4.

Figure 4: 2022 Total Appropriation by Funding Source by Ministry



1.3 Other Government Allocations to the Education Sector

While MoET is the primary government agency responsible for delivering education services in Vanuatu, GOV also appropriates education sector-related budget to other ministries. These appropriations typically relate to tertiary education institutions and include:

- MFEM:⁵ grants to the Vanuatu Maritime College, Vanuatu Agriculture College⁶, University of the South Pacific and the South Pacific Board for Educational Assessment;
- MoIA: appropriations to the Vanuatu Police College; and
- MoH: appropriations to the Vanuatu College of Nursing Education.

These appropriations totalled VUV393,336,570 in 2022, representing an additional 4.2% appropriation to the education sector. Figure 1 above also presents the proportion of the GOV budget allocated to the education sector between 2016 and 2022 (combining these additional appropriations with MoET’s annual expenditure appropriation). While this fiscal effort towards the education sector has fluctuated, it has remained around 23%, peaking in 2022 at 25% of total government expenditure.

⁵ Prior to 2021, MFEM also managed the Vanuatu Government Scholarship Fund. Responsibility for the Fund was transferred to MoET in 2021 and has remained within MoET in 2022.

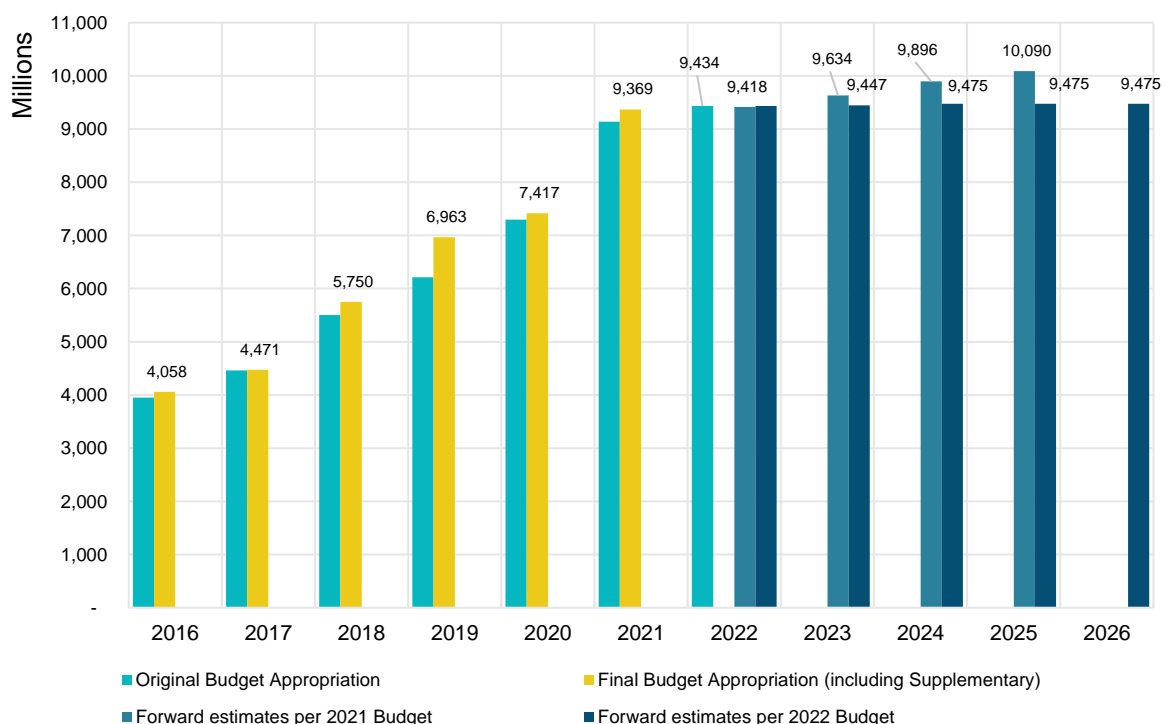
⁶ In some prior years, this grant has been managed by MALFBB. In 2022 it remains with MFEM.

1.4 Projected Budget Allocations

As reflected in Figure 1 above, MoET’s annual recurrent budget appropriations have grown significantly in the past few years, with a further increase of 0.7% in the 2022 appropriation. This recent growth in recurrent budget appropriations included a substantial (26.3% or VUV1,951,496,350) increase in 2021⁷, taking MoET’s annual recurrent budget above VUV9 billion for the first time. However, this growth trajectory is likely to flatten significantly over the forward estimates⁸ period, with no nominal increase in budget appropriation to MoET expected from 2024 onwards, per the medium-term budget estimates published in the 2022 Budget. The lack of a nominal budget increase will represent a significant reduction against the published medium term budget estimates in the 2021 Budget. Previously, MoET’s recurrent budget appropriation was forecast to increase to above VUV10 billion in 2025⁹. Given rising enrolment rates in primary and secondary schools, MoET will need to consider how to accommodate these reductions against previous forecasts. The reductions amount to a 1.9% decrease against the previously forecasted budget for 2023, 4.3% against the 2024 forecast and 6.1% against the 2025 forecast.

MoET’s 2016 to 2022 original and final annual budget appropriations, and 2022 to 2026 budget estimates per the 2021 and 2022 Budgets, are presented in Figure 5.

Figure 5: Comparison of original and final budget allocations and medium-term budget estimates between 2016 and 2026



⁷ This increase relates mainly to the reallocation of the higher education scholarship program from the budget of MFEM to MoET, and VUV883,072,610 of New Policy Proposals awarded to MoET in 2021.

⁸ Forward estimates are budget projections for the four (4) years beyond the current financial year.

⁹ Though the medium-term budget estimates do not guarantee budget allocations over the forward estimates period, it provides an indication of government priorities and plans in the medium term.

This ‘flattening’ of previous increases in budget estimates over the medium term is not limited to MoET, with most other budget estimates for ministries plateauing (or even decreasing) from the 2024 budget year onwards. Given this, MoET’s total government budget appropriation share is likely to increase from 24% in 2022 to an expected high of 26% in 2022.

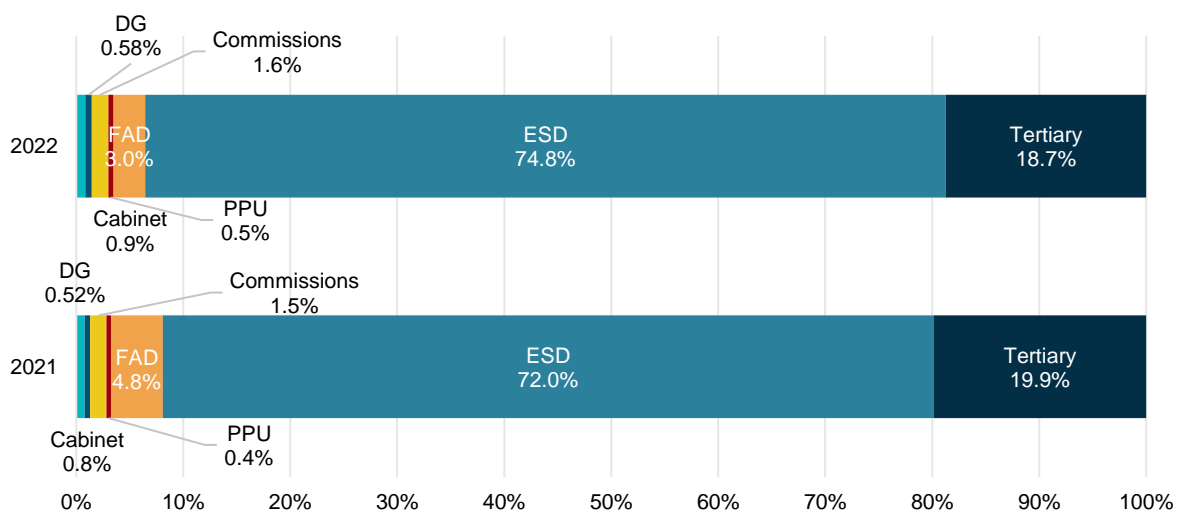
2 Allocations within the Education Sector in 2022

2.1 Budget Allocation by Directorate

Nearly three-quarters (74.8%) of MoET’s recurrent budget appropriation is held with the Education Services Directorate (ESD), with a budget allocation of VUV7,056,872,946 in 2022. This amount represents both a nominal and proportional increase to ESD’s recurrent budget allocation, with an additional VUV308,135,694 allocated to the directorate in 2022, increasing its share of the total MoET recurrent budget from 72% in 2021. The ESD budget incorporates the majority of MoET’s frontline service delivery functions, including the provision of early childhood care and education (ECCE), primary and secondary school grants, teachers’ salaries as well as appropriations to provincial education offices (PEOs), zone curriculum advisers (ZCAs)¹⁰ and government-assisted education authorities (GAEAs).

The remaining 25.2% of the budget is distributed across the other three (3) directorates of Tertiary Education, Finance and Administration Directorate (FAD), and Policy and Planning Unit (PPU), as well as the offices of the Minister (Cabinet), the Director General (DG) and the various statutory commissions and authorities that fall under the jurisdiction of MoET. Figure 6 shows the budget distribution across these directorates and other MoET functions.

Figure 6: 2021 and 2022 MoET Budget Distribution by Directorate

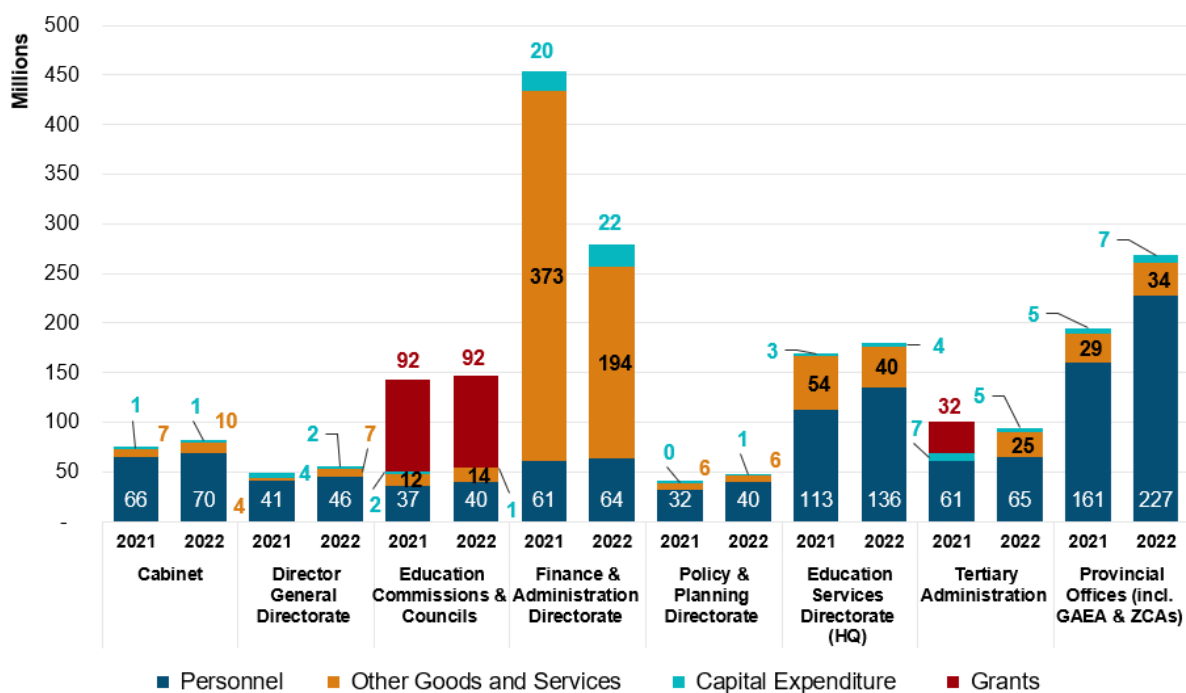


¹⁰ While the relevant cost centre is named ‘Zone Curriculum Advisers’, it is understood that this cost centre is used for the salaries of School Improvement Officers and Inspectors.

2.2 Budget Allocation by Function

Given the concentration of budget in ESD (and within ESD, to frontline service delivery functions), it is useful to analyse the MoET budget according to allocations to the various education subsectors. This analysis is supported by a cost centre-level approach that separates the budget into education sector management (or ‘headquarter’) and education service delivery functions. Figure 7 presents 2021 and 2022 budget allocations across education sector management units, including Cabinet, the office of the DG, Education Commissions and Councils, PEOs (which include allocations to ZCAs and GAEAs) and the administrative units of the four directorates within MoET.

Figure 7: 2021 and 2022 MoET appropriations to education sector management units by expenditure type



In 2021 and 2022, the FAD accounts for the largest budget share for management units (37.1% in 2021 and 24.2% in 2022). FAD’s larger share is mainly due to its sizeable allocations for goods and services, including most of the severance, utilities, and maintenance allocations for MoET. This allocation has declined substantially (38.5%) in 2022 compared to 2021, mainly due to a significant reduction in the budget allocation to severance entitlement and routine contracts.

However, allocations to provincial and other offices have increased by 37.8% (VUV73,538,367) between 2021 and 2022. This has been mainly due to:

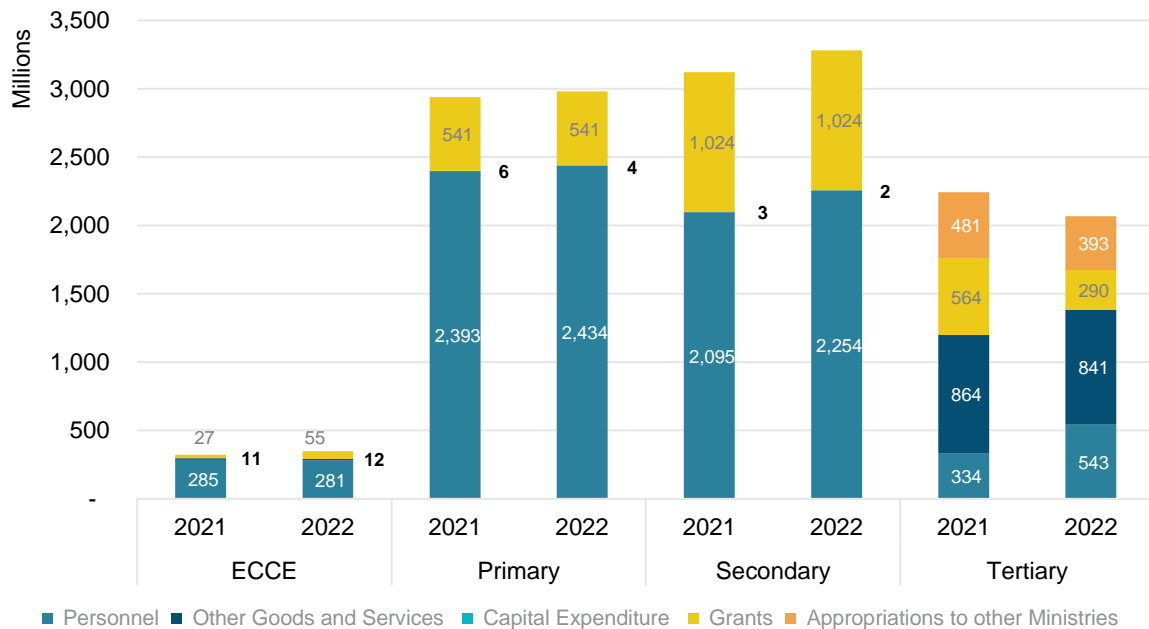
- an increase in allocations to PEOs (mainly in payroll), ranging from a 31.3% increase for Shefa province to a 67.7% increase for Torba province;
- a 116.6% increase in the payroll allocation to GAEAs to VUV16,974,736 in 2022; and
- a 19.2% increase in the payroll allocation to ZCAs to VUV86,832,456 in 2022.

PPU’s budget allocation has also increased by 20.6%, mainly due to a 73.6% (VUV5,222,757) increase in the payroll allocations to the School Statistics & Mapping Unit.

Figure 8 presents the 2021 and 2022 budget allocations to the education subsectors: ECCE, primary, secondary, and tertiary. 2021 saw the total allocation to the secondary subsector increase by 25.4% (against the 2020 allocation) to VUV3,121,790,696, exceeding the primary subsector for the first time. This trend has continued in 2022, with increased payroll allocations to the secondary subsector resulting in a further 5% increase.

Appropriations from other GOV ministries (described in section 1.3 above) are also included in Figure 8. These account for 19% of all allocations (VUV393,336,570 out of VUV2,066,908,737) to the subsector in 2022. They constitute a decline in proportion and value since 2021, mainly due to a 62.4% reduction (VUV87,771,313) in the recurrent budget payroll allocation for the Vanuatu Police College.

Figure 8: 2021 and 2022 MoET appropriations to education subsectors by expenditure type

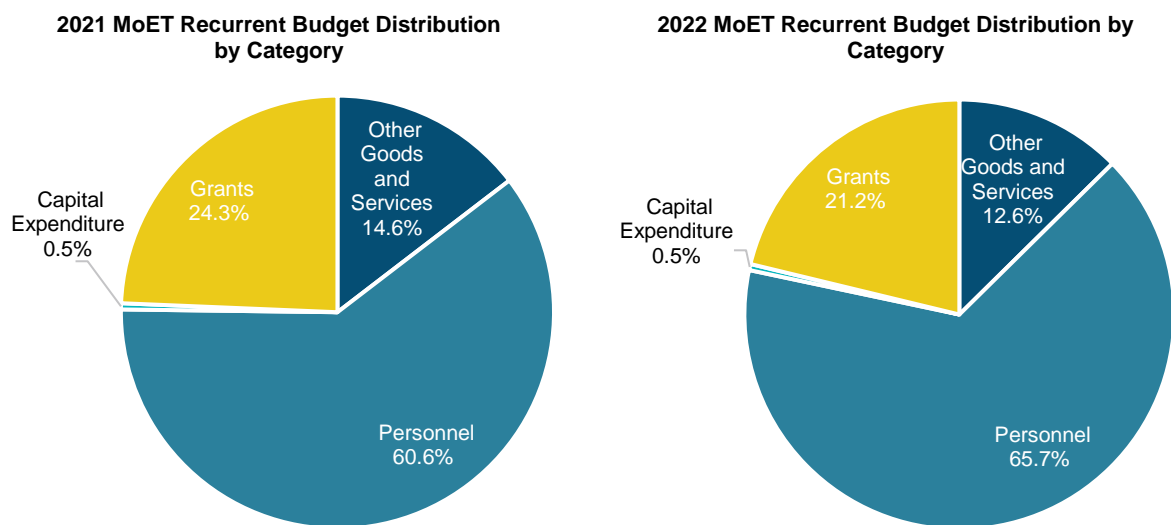


2.3 Budget Allocation by Expenditure Type

For MoET, payroll costs make up most of its recurrent budget (65.7% or VUV 5,155,609,770 in 2022). 65.7% is a slight increase against MoET’s 2021 budget appropriation, where 60.6% was allocated to payroll. In 2021 the allocation to goods and services were relatively higher (14.6% in 2021 vs 12.2% in 2022) due to a large allocation to employee severance entitlements¹¹.

Figure 9 presents MoET’s recurrent budget allocation by expenditure type.

Figure 9: 2021 and 2022 MoET recurrent budget appropriation by expenditure type



2.3.1 Payroll

MoET allocates most of its recurrent payroll budget to frontline education personnel, with 88.9% allocated to ECCE, primary, secondary and tertiary teachers and administrators. This is a slight decrease from 2021 (when teachers and administrators received 89.9% of the payroll budget).

Of the subsectors, primary receives the greatest share (39.3%) of MoET’s payroll budget, reflecting the greater number of primary school teachers and administrators in the education system. According to MoET payroll data from 2021, 48.8% of the school workforce are primary school staff.¹² 22.2% of the workforce is in the ECCE system and 29.6% in the secondary subsector. It is important to note that average salaries are around 50% higher in the secondary subsector, which explains the large proportion of budget allocation to the secondary subsector relative to its workforce share.

The proportion of the payroll budget allocated to ECCE is relatively small (4.5%). However, payroll support for ECCE is a relatively new responsibility for MoET, with ECCE teachers first incorporated into MoET’s payroll in 2020. The budget for ECCE teachers declined slightly in that period, with the 2022 allocation of VUV281,173,920 around 5% lower than the 2020 allocation of VUV295,859,210.

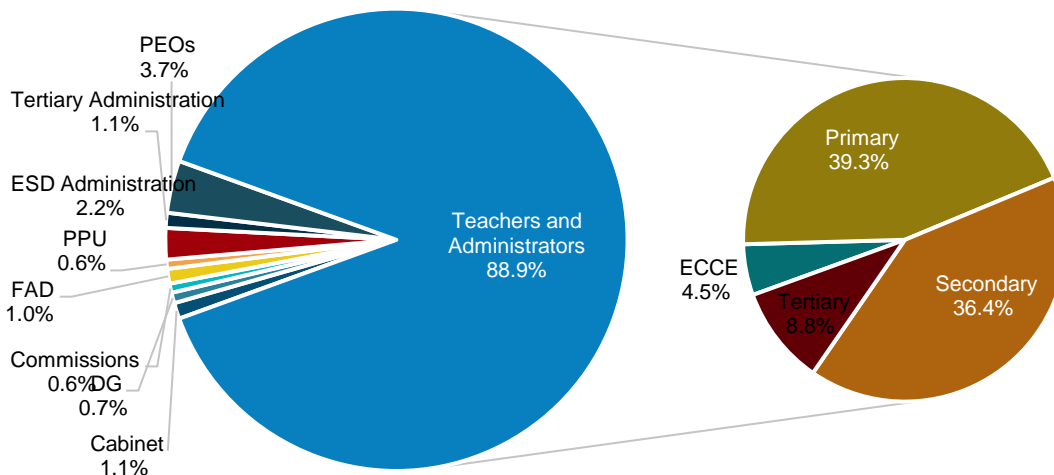
¹¹ In the GOV finance system, severance payments are coded to account codes relating to goods and services.

¹² Note that this only includes personnel paid by MoET, and does not include teaching or other staff paid directly by schools

Payroll budget allocations to the tertiary subsector include payroll for staff at the School of Education (SOE) representing 25.8%, Vanuatu Institute of Technology (30.8%), Post-Secondary Education and Training (PSET) offices and institutions (37.3%) and MoET’s in-service training unit (6.1%).

Figure 10, below, presents MoET’s recurrent payroll budget by cadre.

Figure 10: MoET 2022 Payroll Budget Distribution by Cadre



2.3.2 Grants

As Figure 9 above shows, grants¹³ represents 21.2% of MoET’s 2022 recurrent budget appropriation, or 61.9% of its non-payroll budget (VUV2,002,231,001). This is a slight reduction against the 2021 budget appropriation, where grants contributed 22.9% (VUV2,148,676,068).

Figure 11 shows grant distribution across education administration units and subsectors¹⁴ and includes grants distributed by other ministries. While the secondary education subsector is the largest recipient of GOV education grant funding (36.8% in 2021 and 44.9% in 2022), the grant allocations to the tertiary subsector also surpassed the primary subsector in 2021 (and 2022 when including tertiary subsector grants from other ministries). The grant budget for the tertiary subsector includes grants to the National University of Vanuatu, SOE, Vanuatu Institute of Technology, Vanuatu Agriculture College and Vanuatu Maritime College¹⁵.

Recurrent budget grants to the ECCE subsector remain relatively small, at just 1.1% of the total education grant distributions in 2021 and 2.4% in 2022. But they are growing steadily. GOV appropriations for grants to ECCE institutions only began in 2017, with VUV4 million

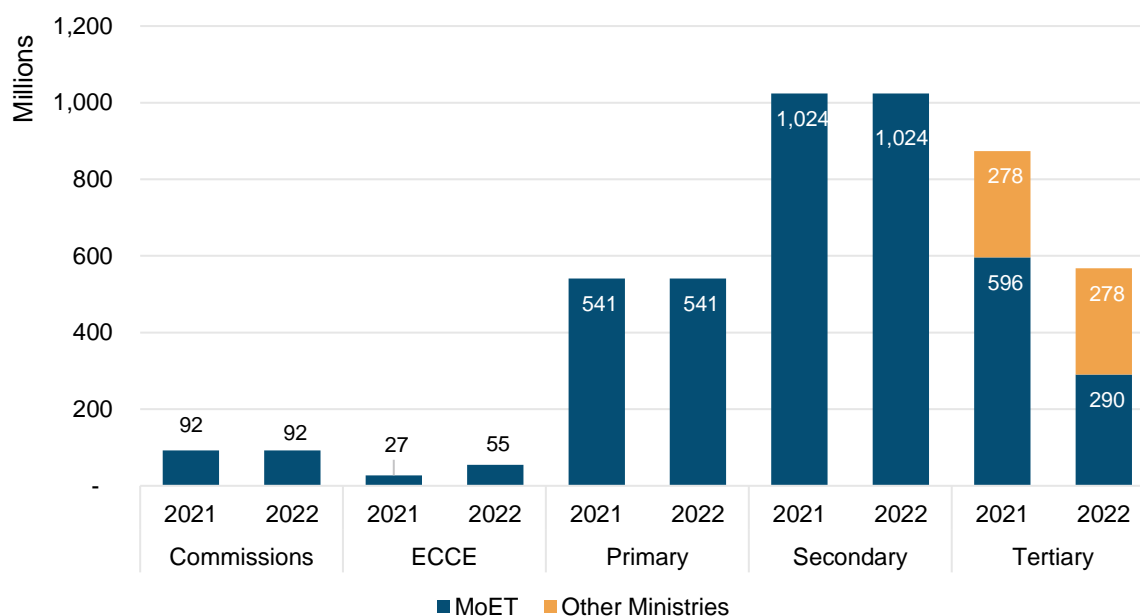
¹³ In the 2022 Budget, grants are referred to as Subsidies & Transfers.

¹⁴ Note that in this figure, VUV31,961,728 of 2021 grant budget allocated to the tertiary administration unit (also reflected in Figure 7 above) are included in this column for tertiary grants.

¹⁵ Other tertiary institutions, such as the Vanuatu College of Nursing Education, Vanuatu Police College and other PSET offices, receive payroll and operations funding through government systems, rather than as grant allocations.

allocated per year between 2017 and 2019¹⁶. In 2021, this grew to VUV27,389,250 and doubled in 2022 to VUV54,778,500¹⁷.

Figure 11: MoET Grant Distribution by Subsector, 2021 and 2022



2.3.3 Goods and Services

The largest component of the goods and services budget is the Vanuatu Government Scholarship Fund, accounting for 70.5% of the total budget (2022 allocation of VUV838,369,211 of a total MoET recurrent goods and services budget of VUV1,189,831,316). The other major item is the budget for severance entitlements. In 2022, severance entitlements stand at 5.7% of the goods and services budget, significantly less than the 12.8% expended in 2021.

2.3.4 Capital

The MoET recurrent capital expenditure budget accounts for just 0.5% of the total MoET recurrent budget in 2021 and 2022. These are mainly related to routine contracts and agreements and information technology (IT) cost centres. Though there are considerable development partner budget allocations to capital (such as through Australia and New Zealand’s education sector recovery programs), these are not captured in sufficient detail in the budget to reflect those allocations.

2.4 Development Partner Support

The MoET 2022 appropriation includes VUV2,235,201,386 in budgeted expenditure related to development partner-funded projects. This includes VUV1,353,091,402 (60.5% of the total development partner appropriation to MoET) budgeted support through cash grants with the remainder (39.5% or VUV882,109,984) appropriated as aid-in-kind funding. Table 1 lists the

¹⁶ There was no budget for ECCE grants in 2020.

¹⁷ This includes funding sourced through New Policy Proposals, as detailed in the section below.

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specific projects that make up that appropriation. While MoET and other responsible agencies have made every effort to capture all expected development partner contributions accurately, there may be some omissions.

Table 1: 2022 MoET Development Partner Support Appropriations

Code	Unit/ Sector	Project Name	Partner	Cash Grants	Aid-in- Kind
20D154	DG	Australian Pacific Training Coalition	Australia	-	238,135,075
22A154	DG	Tropical Cyclone (TC) Harold Accelerated Funding	Global Partnership for Education (GPE)	55,977,152	-
20C183	DG	Vanuatu Education Sector Program (VESP) Phase II	Australia	-	460,300,000
22J153	DG	Year 7 Curriculum Review ¹⁸	New Zealand	16,455,700	-
22M153	DG	Seif Skuls	New Zealand	56,068,200	-
22N153	DG	E-Learning for Science in the Pacific	New Zealand	-	42,000,000
22O153	DG	Secondary Education: Scoping Study	New Zealand	-	15,000,000
22P153	DG	Secondary Education: Design	New Zealand	-	90,000,000
21A154	DG	Vanuatu GPE Program	GPE	156,000,000	-
22H153	ESD	Unknown Project Title	UNICEF	26,570,000	
20X153	ESD	Vanuatu Water Sanitation and Hygiene (WASH) in Schools	New Zealand	-	14,000,000
20Y153	ESD	Family Life education in Schools	United Nations Development Programme	-	22,674,909
22D188	Tertiary	Vanuatu Skills Partnership	Australia	49,786,350	-
22L153	PEOs	Recovery School Project ¹⁹	New Zealand	119,500,000	-
20X153	PEOs	Vanuatu WASH in Schools	New Zealand	10,624,000	-
22I153	ECCE	School Grants	Australia	862,110,000	-
Total				1,353,091,402	882,109,984

¹⁸ This project reflects New Zealand's 2021 support towards the development of a revised year 7 curriculum. In 2022, New Zealand is providing NZD2,000,000 (approximately VUV151,920,000) for the development of curriculum resources for years 8 and 9. This activity is coordinated by VESP with the Curriculum Development Unit.

¹⁹ This only reflects New Zealand's expected support towards TC Harold recovery projects. Australia's planned support towards TC Harold recovery efforts is captured centrally, under the appropriation for PMM

The MoET development partner appropriations for 2022 are significantly higher (291%) than in 2021, when only VUV572,036,982 of development partners’ project funds were included in the appropriation. Rather than a substantive increase in the value of development partner support in the education sector over the period, this likely reflects improvements in GOV budget development processes, which had led to improved recording of planned development partner project support in the budget documents. For instance, the 2021 MoET appropriation included development partner appropriations via cash grants of only VUV264,471,222; however, the revenue from development partner funding sources for MoET in 2021 was more than VUV1.3 billion²⁰ – nearly five times larger.

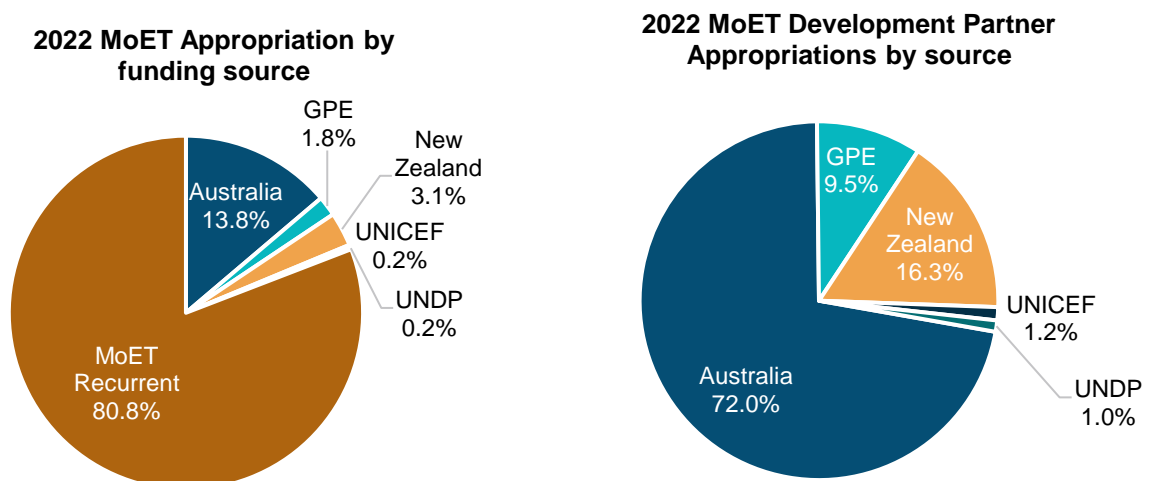
The distribution of these appropriations across MoET cost centres also appears inaccurate. More than 50% of the appropriated development partner support is concentrated in the DG and Directorate offices. In contrast, the full value of Australia’s support to school grants (which include grants to ECCE, primary and secondary levels) is captured under the ECCE cost centre.

Figure 12 shows the composition of the 2022 MoET appropriation by development partner. Australia remains the largest development partner in the sector, with budgeted contributions of VUV1,610,331,425, making up 72% of total development partner appropriations and 13.8% of the total MoET appropriation in 2022. Appropriations from New Zealand and GPE are also growing:

- New Zealand’s support has increased from VUV66,600,000 in 2021 (where it represented 11.6% of development partner appropriations) to VUV363,647,900 in 2022
- GPE’s support has increased from VUV70,000,00 (12.2% of all development partner appropriations) in 2021 to VUV211,977,152 in 2022

Some of these investments are described in Section 3.

Figure 12: 2022 MoET Development Partner Appropriations by Funding Source



²⁰ This is based on initial 2021 end-of-year reporting, but at the time of writing these figures are not confirmed

2.5 New Policy Proposals

As part of its 2022 budget submission, MoET submitted 14 new policy proposals (NPP), with a combined value of VUV4,116,334,811. Only four (4) of these NPPs (valued at VUV64,928,970, 1.6% of the request) were awarded to MoET in its 2022 budget appropriation. However, none were awarded at the value requested. Table 2 lists the NPP requests and the values of the NPPs awarded. Where NPPs have been awarded, the budget is included in the relevant program, activity and cost centre (as outlined above).

The 2022 NPP appropriation to MoET represents a significant reduction in NPPs awarded compared with 2021, where VUV883,072,610 was awarded to MoET for five (5) NPPs and another VUV228,755,309 issued in supplementary appropriations. As reported in the previous context analysis, expenditure against these NPPs as of June 2021 was less than 1%. This low execution rate may have influenced the decision not to issue significant further NPP funding to MoET in 2022.

Table 2: 2022 MoET New Policy Proposals

Code	Description	NPP Request (VUV)	NPP Award (VUV)
22A151	Official Salaries Act Staff Additional One Month Gratuity Payment	8,767,994	7,234,345
Subtotal	Cabinet	8,767,994	7,234,345
22A153	ECCE Teachers Government Remuneration Tribunal (GRT) Determination, Housing Allowance & Child Allowance	524,104,283	
22B153	Government to Phase Payment of Kindergarten Tuition Fee Grant by 25%	13,694,625	13,694,625
22C153	Shefa Rural School Solar Light	5,828,489	
22D153	Internet connectivity improvement for schools, rural training centres & PEOs	146,289,600	36,000,000
22E153	Expansion of Tuition Fee Program to Senior Secondary Level: Years 11 to 13/14	349,985,153	
22F153	Principals & Deputy Principals Recruitment Plan	232,736,419	
22G153	Payroll Entitlements for Schools Support Staff: GRT Determination No.19 of 2019	1,407,517,273	
Subtotal	Education Service Directorate	2,680,155,842	49,694,625
22A155	Teachers Legal Claims: 2006-2017	538,350,204	
22B155	Housing Allowance Entitlement for all teachers	283,885,232	
22C155	TSC Operation Budget Support	13,399,740	8,000,000
Subtotal	Education Commissions and Councils	835,635,176	8,000,000
22A188	National University of Vanuatu Development Project	44,536,000	
22B188	Current Vanuatu Institute of Teacher Education (VITE) Staff Severance Payment	412,579,971	
22C188	Vanuatu Government Scholarship fund: Budget Support	134,659,828	
Subtotal	Tertiary Education Directorate	591,775,799	

Total**4,116,334,811 64,928,970**

3 Sector developments

A range of policy and programming developments occurred in the second half of 2021. These include policy developments, regulatory changes, leadership and management changes and new partner programs.

3.1 MoET Policy Developments

3.1.1 MoET Corporate Plan 2022 to 2026

In December 2021, MoET finalised and approved its Corporate Plan 2022 to 2026. This is in line with the planning and reporting requirements of the Public Service Commission (PSC), which expected all government ministries to establish 5-year Corporate Plans by the end of 2021.

The Corporate Plan also helps operationalise the Vanuatu Education and Training Sector Strategy (VETSS), with clear outputs and outcomes for each strategy outlined in the VETSS. In total, the Corporate Plan includes 23 strategies across 10 outcomes. Under each strategy is a series of 'programs', which align with the VETSS 'program areas'. However, these do not align with the Ministry's budget programs (as detailed above).

3.1.2 Compulsory Education Policy

In August 2021, the GOV's Council of Ministers (COM) approved the introduction of compulsory education in Vanuatu. The Council instructed MoET to develop a policy (and impact assessment) leading to requisite amendments to the Education Act of 2014. VESP is working with MoET in 2022 to develop a series of policy options.

The 2021 announcement follows a COM decision in September 2019, issued by the previous government. In February 2019, then the Minister of Education and Training, Honourable Jean-Pierre Nirua, said that "It is the policy of the Ministry of Education and the present Vanuatu Government that every child in Vanuatu must be educated. It is the right of every child to receive formal education and be educated. Parents must be ready for this when the government introduces the policy. It is coming."

3.1.3 Teacher Qualifications Policy

In 2021, MoET convened a working group to oversee the finalisation of the Teacher Qualification Upgrading Policy (TQUP). Teacher data were collected to inform the TQUP of the number and qualifications of teachers across the ECCE, Primary and Secondary sectors. The policy will be finalised by the working group and submitted to Senior Management for endorsement in 2022.

3.1.4 MoET Research Policy Guideline

A new Research Policy Guideline has been developed to formalise the structure and processes for all MoETs research. This will ensure all research follows consistent processes and protocols, which will enhance MoETs research management system and research quality. The policy guidelines were presented and endorsed by MoET Senior Management at the end of 2021.

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3.1.5 National School Infrastructure Development Plan

In December 2017, COM approved the preparation of the National School Infrastructure Development Plan (NSIDP). The plan intends to ensure the most efficient and effective use of the limited resources available for school infrastructure across the country, including considering expansion and rationalisation of facilities, where relevant.

In December 2021, the revised NSIDP was developed and presented to COM for endorsement. The COM's plan was approved pending another meeting with MoET to clarify several questions around costing-savings before endorsement.

3.1.6 National Education Standards

The School Based Management (SBM) Unit has updated and expanded its Minimum Quality Standards (MQS) in 2021. Previously, these standards covered only ECCE and Primary subsectors and were not sufficiently comprehensive.

The new education standards will also cover the secondary subsector and are expected to be launched in the first quarter of 2022.

3.2 Legislative and Regulatory Developments

3.2.1 Vanuatu Qualifications Authority accreditation

The Vanuatu Qualifications Authority (VQA) reported in August 2021 that it had now accredited 61 courses across 10 institutions in Vanuatu. The majority (37) are at Vanuatu Qualification Framework level 1 and 2 courses, with just one (1) course each accredited at levels 5 and 6 (equivalent to Diploma level) and four (4) courses at level 7 (equivalent to Degree level).

3.2.2 Financial Regulations

In July 2021, the Minister of Finance and Economic Management issued new regulations under the Public Finance and Economic Management Act and Government Contracts and Tenders Act. These regulations will lead to several significant changes in how government ministries manage and report on finances.

These regulations enable more freedom for government ministries to operate but impose greater review and accountability mechanisms on these operations. These mechanisms include:

- The establishment of new procurement categories and thresholds, with revised procedures required depending on the category (including minimum advertising timeframes, publication requirements and evaluation procedures)
- The requirement for ministries to prepare annual procurement plans, against which half-yearly procurement compliance reports will be produced
- Clearer requirements for the establishment of multi-year contracts, period contracts and whole-of-government contracts
- Annual reporting on the financial management capacity and compliance of each ministry
- A requirement for all ministries to develop and implement risk management policies and fraud control plans
- A requirement for all ministries and grant bodies to produce annual financial statements

- New requirements for the structure and responsibilities of the ministries' audit committees. These now include independent members and will have a broader remit to monitor system-wide risks (not just financial)
- Revised requirements for budgeting, funds management and closure of development partner-funded projects

3.3 Leadership and Management Changes

3.3.1 New Minister

In July 2021, a new Minister of Education and Training was appointed – the Honourable Samson Samsen. Minister Samsen, who was previously the fourth deputy Speaker of parliament, represents the constituency of Santo Rural. This is his first ministerial portfolio. He was previously caretaker Minister of Youth Development and Sports (2015-2016).

3.3.2 Directors

In December 2021, the PSC issued employment cessation notices to 48 directors of government departments. This included the four (4) directors within MoET. The PSC noted that directors were awarded contracts for three (3) year terms which were due to finish in February 2022. In line with these notices, the Directors of Finance and Administration, Policy and Planning and Tertiary all finished on 8 February 2022, with the Director of Education Services completing his service on 18 February 2022.

On 10 February 2022, the PSC announced the appointment of 17 acting directors, including three within MoET:

- Julia Whippy (substantively the Principal Education Officer Finance) as the acting Director Finance and Administration
- Cobin Ngwero (substantively the Principal Education Officer Policy and Planning) as the acting Director of Policy and Planning
- John Kaltau (substantively the Principal Education Officer Scholarships) as the Director of Tertiary Education.

Subsequently, the PSC has also appointed Samuel Katipa as acting Director of Education Services. It has initiated (though not completed) the recruitment processes for replacements for the first three (3) director positions, though it has not announced an expected timeframe for appointments.

3.3.3 School Improvement Officers & Inspectors

The role of School Improvement Officers (SIOs) and inspectors was established in 2017, with around 40 SIOs and 12 inspectors in service by 2021. SIOs and inspectors conduct school inspections to review the performance of schools against the MQS. This is a form of external quality assurance review. The SIOs and inspectors will also examine the School Improvement Plan and determine if it aligns with the MQS and whether the school is meeting the required standards. They evaluate schools to ensure that specific standards in teaching, learning, financial management and organisation are achieved and maintained.

SIOs are hired under the TSC, unlike most of MoET's administrative workforce, who are contracted through the PSC. At the end of 2021, the TSC had announced that all SIOs would return to classroom teaching duties. MoET management reported this as an administrative issue, with SIOs due to transition to PSC appointments in 2022. It is expected these roles will

be re-established sometime in 2022; however, in the interim, a significant gap exists in support to and oversight of schools.

3.3.4 School Principals

In September 2021, the Teaching Service Commission (TSC) advertised for the recruitment of 44 school principals. In December 2021, TSC announced the appointment of 38 school principals on new four (4) year contracts (with the remaining positions to be readvertised).

The recruitments are part of TSC's efforts to improve school performance by professionalising school management and administration roles and follows the appointment of 51 principals in January 2021. In late 2021, the SBM Unit also conducted 'spot checks' on those newly appointed principals as part of its performance monitoring duties and as required under the new contracts.

3.4 Development Partners

3.4.1 Tropical Cyclone Harold Recovery

In April 2020, TC Harold made landfall at Espiritu Santo. The cyclone eventually crossed through much of the Sanma, Penama and Malampa provinces, devastating crops and infrastructure for much of the Vanuatu population. The education sector was severely impacted by TC Harold, with MoET estimating VUV6.3 billion of damage caused to school infrastructure.²¹

Several responses and early recovery initiatives have been ongoing since 2020.²² However, the second half of 2021 saw the commencement of major TC Harold recovery efforts, with over VUV200 million in funding from the New Zealand government and approval of MoET's request for Australian government recovery funding through the National Recovery Committee (NRC).

3.4.2 Global Partnership for Education

Vanuatu formally joined the GPE in late 2020, with the endorsement of the VETSS by the Local Education Group (LEG) and GPE Secretariat. As a result, Vanuatu was eligible to access GPE's Education Sector Plan Implementation Grant (ESPIG), which supports the implementation of country-owned education sector plans and facilitates progress towards GPE's strategic goals and complement other sector funding.

²¹ As reported in the Post Disaster Needs Assessment report, "*Yumi Evriwan Tugeta*".

²² This includes VUV376,497,653 in early recovery funding from Australia. These funds were issued in 2020, and implementation has been ongoing throughout 2021 with 11 projects across Sanma and Penama provinces at various stages of completion.

Through GPE's Vanuatu grant agent, Save the Children Australia (SCA), MoET received its first tranche of ESPIG funding in August 2021²³, with a total of up to USD3 million expected over the period to December 2023. The program has three (3) core objectives:

1. ECCE and Primary Students have improved access to reading books
2. ECCE and primary students are supported by strengthened inclusive education services
3. Pre-service teacher education services are strengthened

Objectives two (2) and three (3) require some MoET investment. Under the second objective, GPE will fund six (6) new inclusive education coordinators (one (1) in each province) in 2022 and early 2023. However, from October 2023, the funding for these positions will need to be covered by MoET. Under objective three (3), GPE funds will be used to construct a new ECCE training classroom at the SOE and revise the Certificate IV course in Early Childhood Care and Teaching. It is expected that MoET will cover the salaries of the teacher training personnel at SOE to deliver the course in the new facility.²⁴ There is no evidence that these requirements have been incorporated into the MoET budget in 2022 or future years.

3.4.3 New Zealand

New Zealand's Ministry of Foreign Affairs and Trade (MFAT) has been increasing its support to the education sector in Vanuatu in recent years, with support to various initiatives, including the WASH in Schools program (implemented by UNICEF) and Seif Skuls²⁵ (implemented by SCA).

In late 2021, MFAT further invested in the sector through several regional initiatives. These included:

- The Pacific e-learning for science program,²⁶ launched in September 2021 and implemented by Catalpa International
- The 'Building Teacher Capacity for Inclusive Education' program,²⁷ launched in December 2021 and implemented by Auckland University

²³ Following the twin emergencies of the COVID-19 pandemic and the landfall of TC Harold in early 2020, MoET also applied for two (2) GPE Accelerated Funding grants to support response and recovery efforts related to these disasters. These were awarded and rollout began in 2021 before ESPIG funding was received.

²⁴ The timing of this MoET investment is dependent on the construction and course re-development timeline, which at this stage is not yet clear.

²⁵ Launched in April 2021: https://www.dailypost.vu/news/ministry-of-education-and-save-the-children-vanuatu-launch-school-safety-program-2021-2025/article_f044d44a-b121-11eb-a97a-ff3595c8ec2f.html

²⁶ Implemented across Vanuatu, Solomon Islands, Samoa and Cook Islands.

²⁷ Implemented across Vanuatu, Cook Islands, Niue, Tonga and Fiji.

MFAT is also continuing its planning for a proposed 10-year, NZD50 million Vanuatu Secondary Education Support (VSES) Program. The program is likely to become New Zealand's central investment in the education sector in Vanuatu and will support the following outcomes:

- More young people attend secondary school, for longer
- Improved pathways from secondary school to work or further learning; and
- Improved attainment in relevant secondary school qualifications

The initiative began at the end of 2019 and comprises three (3) phases:

1. A scoping study, commenced in November 2019 by Tetra Tech but suspended between April and November 2020 due to the Coronavirus disease (COVID-19) pandemic and conducted by Tetra Tech
2. A design exercise, commenced in July 2021 by a consortium led by Creative HQ; and
3. An implementation phase, expected to begin in 2023

The design phase commenced in July 2021. The design team's approach engages with a diverse range of stakeholders through interactive events and interviews, enabling the team to understand stakeholders' lived experiences from different perspectives. Between August and December 2021, the Creative HQ consortium consulted more than 4,000 stakeholders across all six (6) provinces in Vanuatu. The design is expected to be completed in mid-2022.

3.4.4 Asian Development Bank

In early 2021, the Asian Development Bank (ADB) started engaging with MoET to prepare a new investment in the sector. ADB has noted that it expects to invest up to USD 4 million in the Vanuatu education sector in its 2021-23 funding cycle.

In October 2021, ADB approved a USD 1 million Transaction Technical Assistance (TRTA) Facility to support the design of education sector improvement projects in the Solomon Islands and Vanuatu. ADB has progressed its initial concept design of the proposed project in the Solomon Islands, agreeing with the Solomon Islands Government to focus the funding on secondary education and climate resilience. The TRTA Facility will therefore focus on the design of the Solomon Islands project, with the opportunity to expand the scope to include the design of the Vanuatu project where possible. The combined design is expected to be considered by ADB's Board of Directors in 2023.

3.4.5 World Vision Vanuatu

In October 2021, World Vision Vanuatu launched the Create Skilled and Caring Environments for Children through Occupational Therapy (CRESCENDO) project. The project builds on existing investments in inclusive learning environments and specialist education teachers at two schools in Port Vila (Freshwater Bilingual School and Pikinini Playtime). It provides further resources and additional opportunities for children to learn practical life skills, such as cooking, handicrafts and other important activities of daily living.

