

APPENDIXES
(COUNTRY SPECIFIC
INFORMATION)

Appendix 1. Socioeconomic Background: Country Groups^{1,2}

The following table shows basic indicators according to country group.

Indicator	Group 1: Large, low- income states	Group 2: Vulnerable island states	Group 3: "Advanced" island states
Indicator/countries in group	3–PNG, Solomon Islands, and Vanuatu	5–FSM, Kiribati, Nauru, RMI, and Tuvalu	5–Cook Islands, Fiji Islands, Palau, Samoa, and Tonga
Total population (million)	6.9	0.28	1.1
Median population/sq. km.	17	309	57
Projected population growth 2004–2014 (%)	28	20	4
Median urban population as share of total (%)	16.5	55.2	51.7
Average infant mortality per 1,000 births	52	26	17
Average life expectancy (years)	62	65	71
Net primary enrollment ratio	88	96	91
Median net secondary enrollment ratio (%)	26	70	67
Youth literacy rate (%)	31	83	96
Per capita GDP (\$)	487	1,534	3,811
Human development index	0.592	0.578	0.803
Median formal sector Employment as share of total employment (%)	9.3	29.7	64.0
Median public sector Employment as share of formal sector employment (%)	30	52	22

GDP = gross domestic product, FSM = Federated States of Micronesia, PNG = Papua New Guinea, RMI = Republic of the Marshall Islands, US = United States, \$ = dollar, % = percent.
Source: Developed from Voigt-Graf, 2007b.

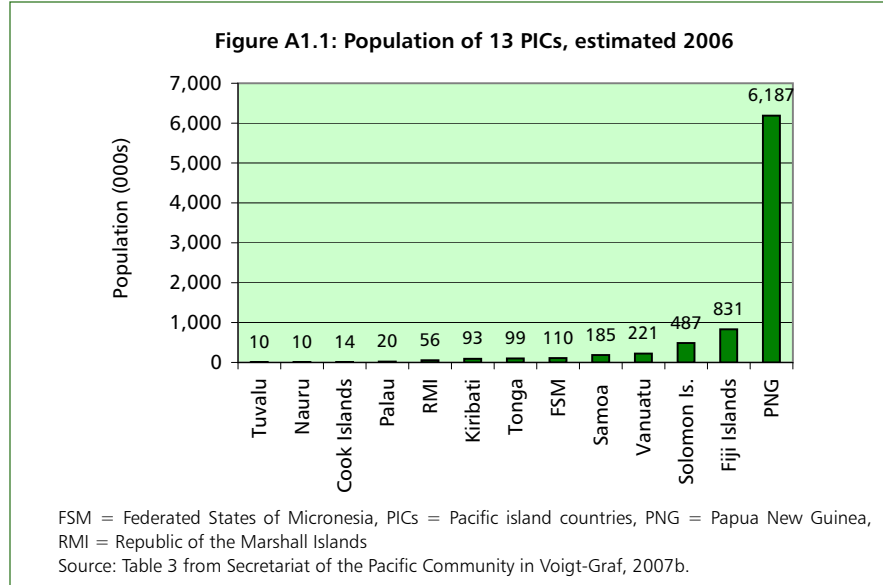
Several comparisons of country groups are made below, including population, social indicators, and economic indexes.

Population in the Region

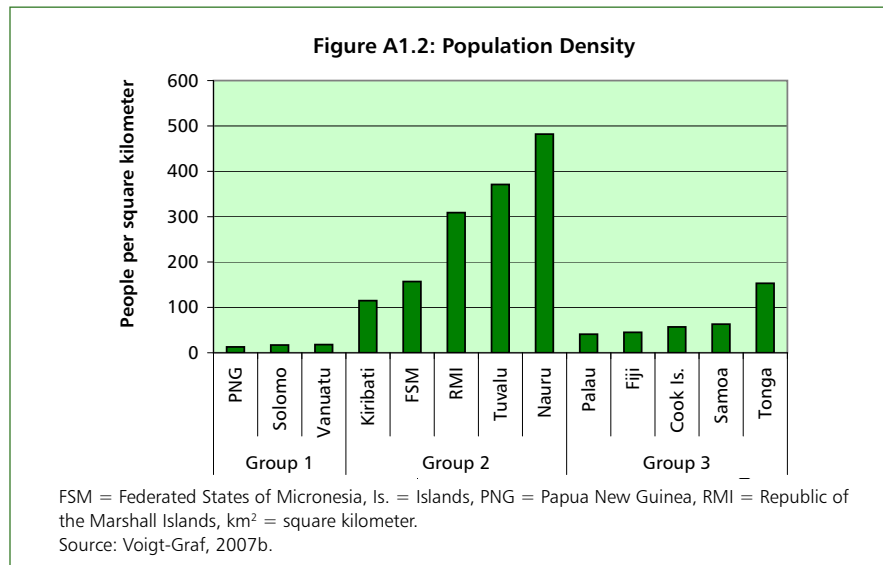
The population range of the 13 Pacific island countries (PICs) is substantial, as seen in Figure A1.1. Four countries have fewer than 50,000 people; four have between 90,000 and 200,000; three countries have 200,000 to 800,000; and one country—PNG—tips the regional scale at 6.2 million. The three countries in group 1 account for 83% of the population in the study.

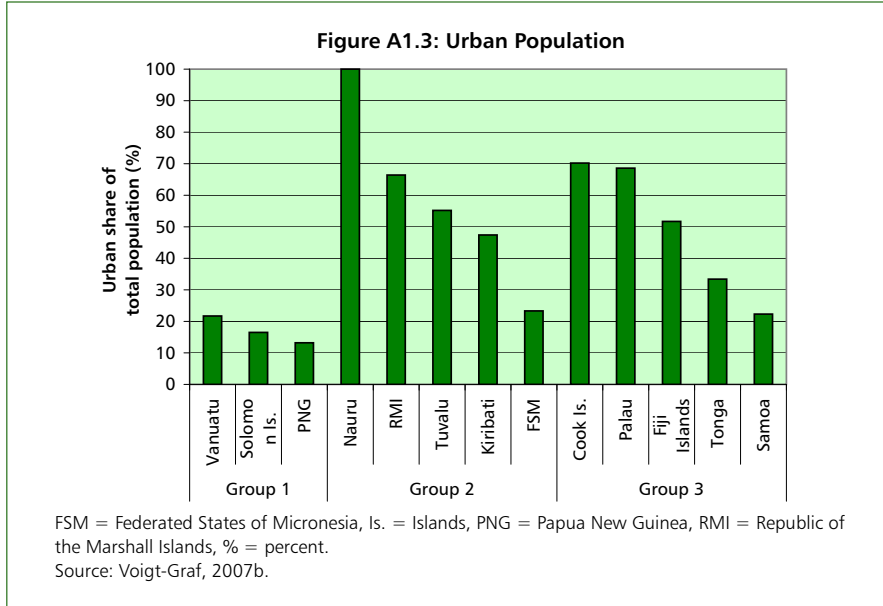
¹ This Appendix is derived from the literature review of Voigt-Graf (2007b), referenced in the bibliography.

² The literature review faced exceptional difficulties in locating reliable statistics for the Pacific island countries. Many indicators are only rough estimates, not based on consistent databases. Individual statistics are not the important point here, but patterns and trends.

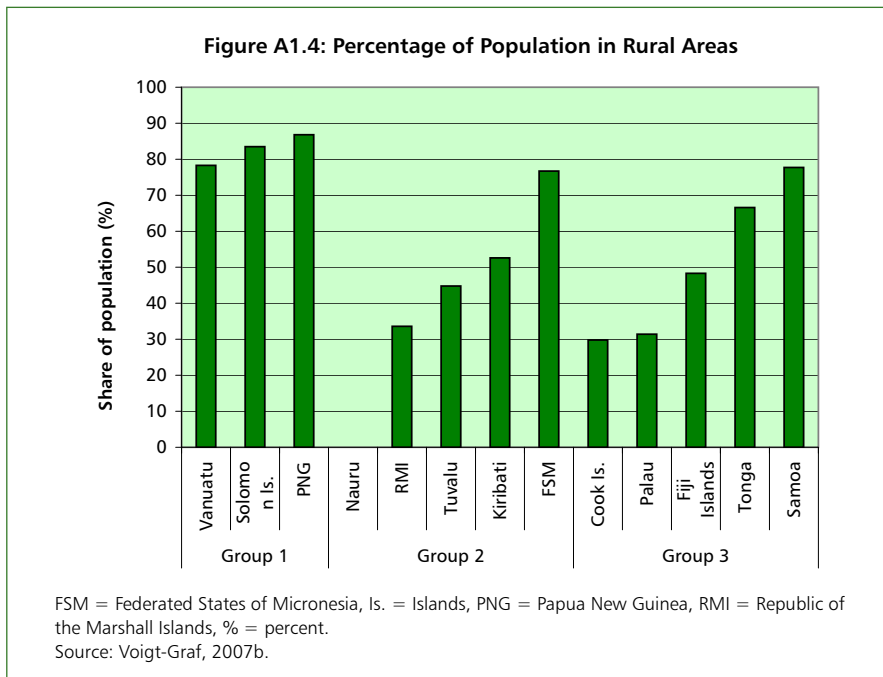


Population density varies inversely with total population (Figure A1.2). Densities are highest in the small, vulnerable island states and lowest in the land-rich, low-income countries. Thus, the largest country also has a large land area of 463,000 square kilometers (km²), meaning an average of only 13 people per square kilometer. At the other extreme, Nauru concentrates its small population in just 21 km² of land area, and Tuvalu in 26 km².



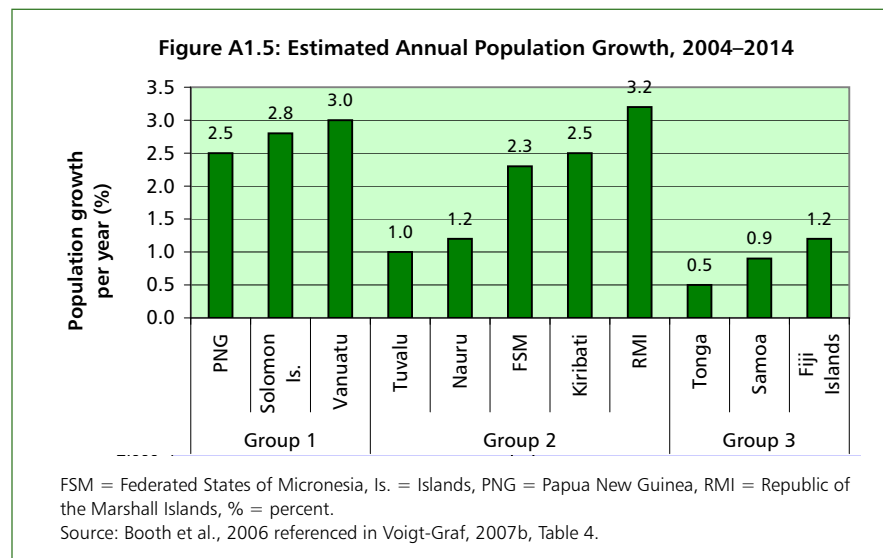


The population in the region is living mainly in rural areas, as seen in Figure A1.4.



Population growth is expected to remain high, except in countries with high emigration (the Cook Islands, Samoa, Tonga, and to some extent, Fiji Islands). An average of 2.3% population growth is projected for the 13 PICs.

High rates of projected population growth characterize the land-rich, low-income group and the fragile island states compared with the “advanced” island states, as seen in Figure A1.5. The Cook Islands, not in the figure, has a projected population decline of 0.9% a year over the period. The overall average would be 2.3% population growth projected for the 13 PICs.



By 2014, growth at these rates would add 65,000 people in Vanuatu; 94,000 in Fiji Islands; 128,000 in Solomon Islands; and 1.4 million in PNG, as seen in Table A1.2. Rapid population growth in several countries is a concern because of relatively limited employment opportunities.

Projections of formal sector employment growth to 2015 indicate that it cannot absorb the rapidly growing working-age population. Consequently, the working-age population not formally employed is projected to increase in all countries, except the Cook Islands. In the Fiji Islands, Samoa, and Tonga the increase is expected to be moderate, but will be much more substantial in PNG, Solomon Islands, and Vanuatu.

Limited opportunities for formal sector employment, inadequate urban infrastructure and housing, and insufficient health and education opportunities pose major challenges to governments in the region.

Table A1.2: Population Projections, 2004–2014

Country	Population (000)		Change	
	2004	2014	Number (000)	(%)
Cook Islands	14.0	12.8	(1.2)	(9)
Fiji Islands	836.0	930.2	94.2	11
Kiribati	93.1	116.4	23.3	25
RMI	55.4	73.0	17.6	32
FSM	112.7	138.3	25.6	23
Nauru	10.1	11.3	1.2	12
PNG	5,695.3	7,138.4	1,443.1	25
Samoa	182.7	198.3	15.6	9
Solomon Islands	460.1	588.8	128.7	28
Tonga	98.3	103	4.7	5
Tuvalu	9.6	10.6	1.0	10
Vanuatu	215.8	281.2	65.4	30
Total	7,783.1	9,602.3	1,819.2	23

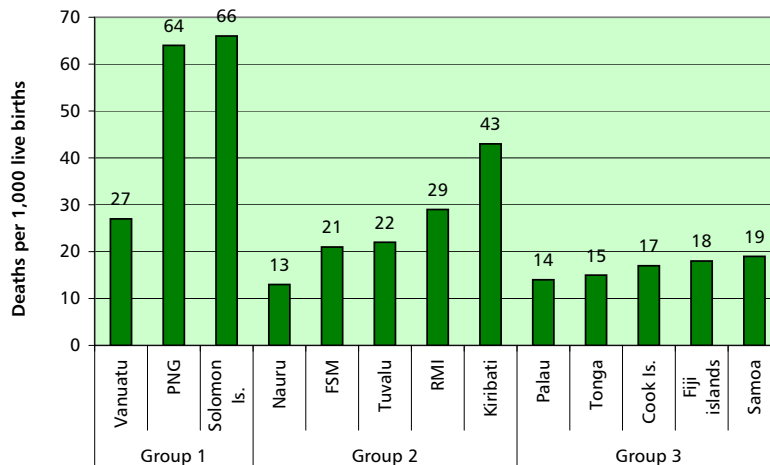
Note: Palau is not included in this analysis.

FSM = Federated States of Micronesia, Is. = Islands, PNG = Papua New Guinea, RMI = Republic of the Marshall Islands, % = percent, () = negative value.

Source: Booth et al., 2006 referenced in Voigt-Graf, 2007b, Table 4.

Social Indicators

Differences in country groups are evident in health and education indicators (Figures A1.6 and A1.7).

Figure A1.6: Infant Mortality

FSM = Federated States of Micronesia, Is. = Islands, PNG = Papua New Guinea, RMI = Republic of the Marshall Islands.

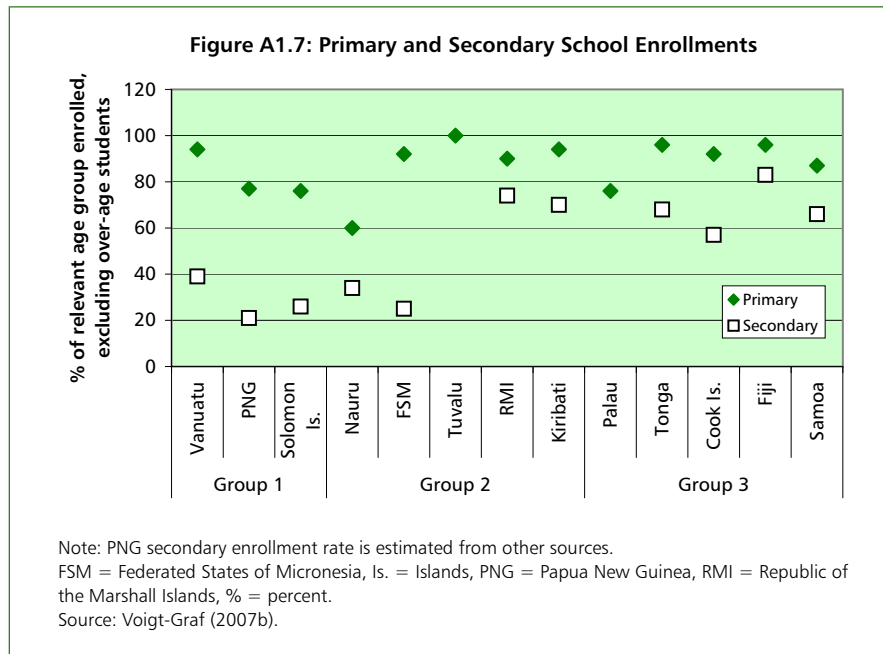
Source: Voigt-Graf, 2007b.

Net primary enrollment ratios are fairly even in the region, with almost 80% in Palau, PNG, and Solomon Islands; and virtually all eligible children in the FSM, Tonga, and Tuvalu. Net secondary enrollment ratios, however, diverge significantly, ranging from 20–30% of the age group in the FSM, Nauru, PNG, and Solomon Islands to 60–80% in about half the countries.

Dispersion is significant in terms of gender equity. Figure A1.8 shows the primary and secondary gender parity ratios (comparison of net enrollment ratios of girls to that of boys, by level). Five countries have more girls than boys at the secondary level.

Economic Indicators

PICs, in general, are at a disadvantage to other developing countries in terms of attracting foreign direct investment. Even when they have good policies, small states are considered significantly riskier because of factors such as diseconomies of scale and location, eroding preferential market access conditions, and relatively high costs of doing business. The cost of providing public services must be spread among a relatively small population, leading to higher per unit costs. Despite these inherent weaknesses, PICs continue to have, in a developing world context, high levels of per capita income and mostly fall into the lower middle-income category. These are partially derived from rent incomes (i.e., migrant remittances and development assistance).

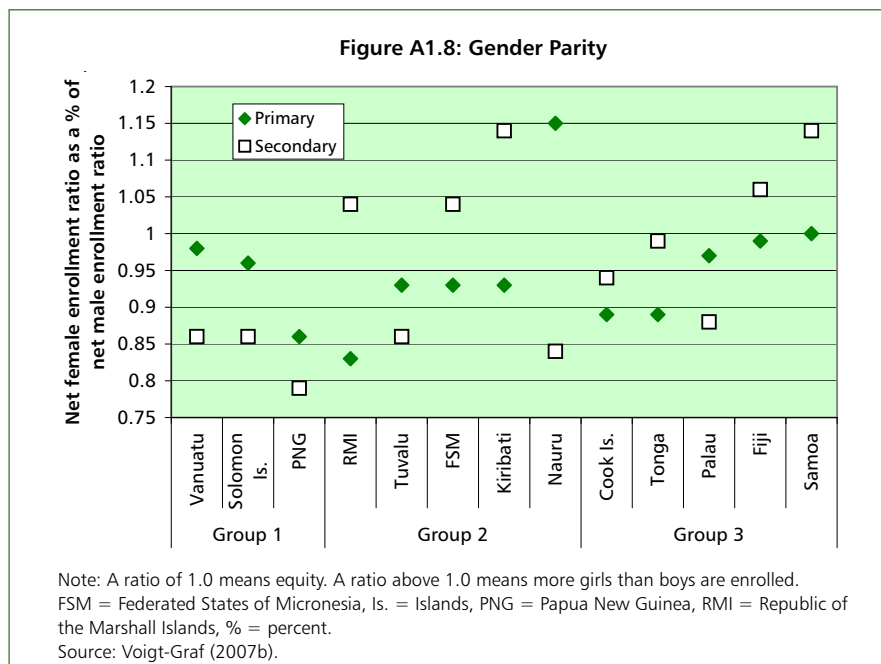


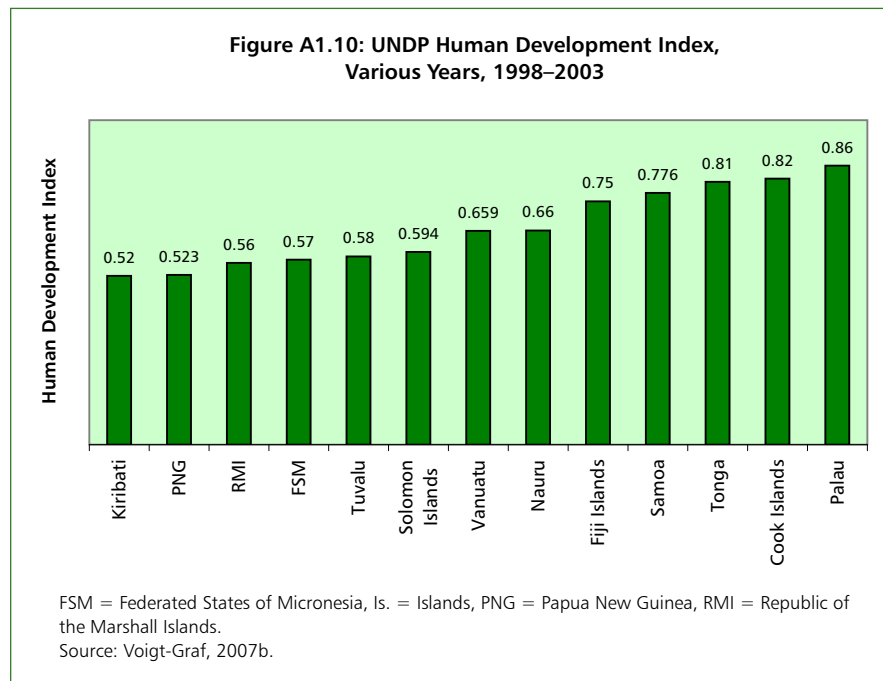
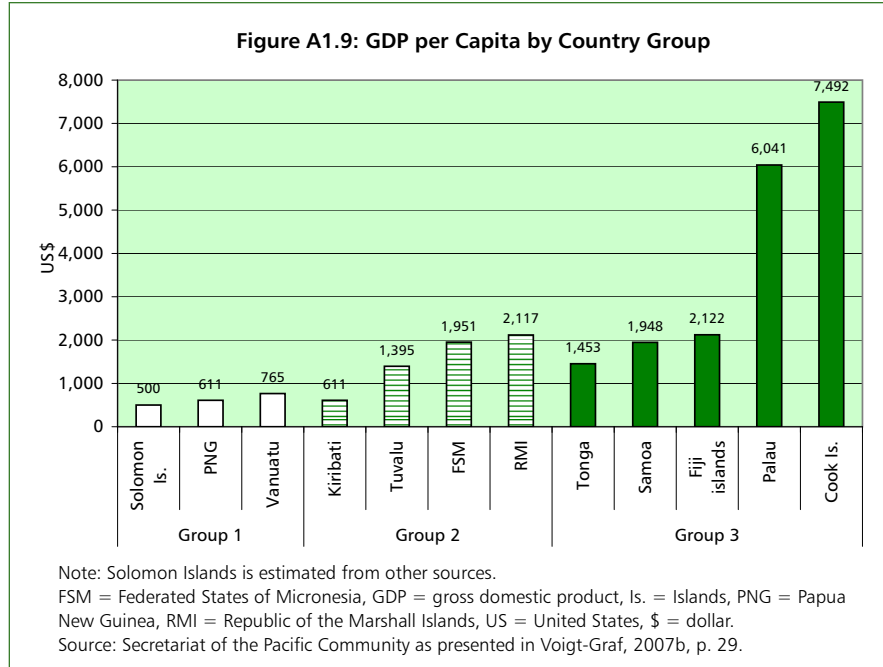
PNG, Solomon Islands, and Vanuatu all have per capita incomes of less than \$800 (Figure A1.9). At the other extreme, the Cook Islands has an average of almost \$7,500 per person. The midpoint (median) for the region is about \$1,650 per person.

The United Nations Development Programme (UNDP) Human Development Index (HDI) is a composite measurement of health indexes (e.g., life expectancy at birth), education (adult literacy rate and combined enrollments rates), and per capita GDP at purchasing power parity. The ranks among the countries in the Pacific are shown in Figure A1.10.

Labor Markets

In most countries of the region, reliable employment and labor market data are lacking. Partly, the structural characteristics of the economies are such that they hinder the collation of meaningful data. In addition, the nonexistence of a centralized labor market database must be regarded as a key challenge to address labor market issues. Conventional labor market statistics paint a misleading picture of productive work in PICs as they wrongly suggest that a large number of people in some countries are not economically active. They also underrepresent the productivity of the semi-subsistence sector. The labor force in PICs cannot easily be described using conventional labor force statistics. Only four of the 13 study countries (the RMI, Samoa, Tonga, and Vanuatu)





have conducted labor force surveys that include limited information on skill needs and/or training levels of the workforce.

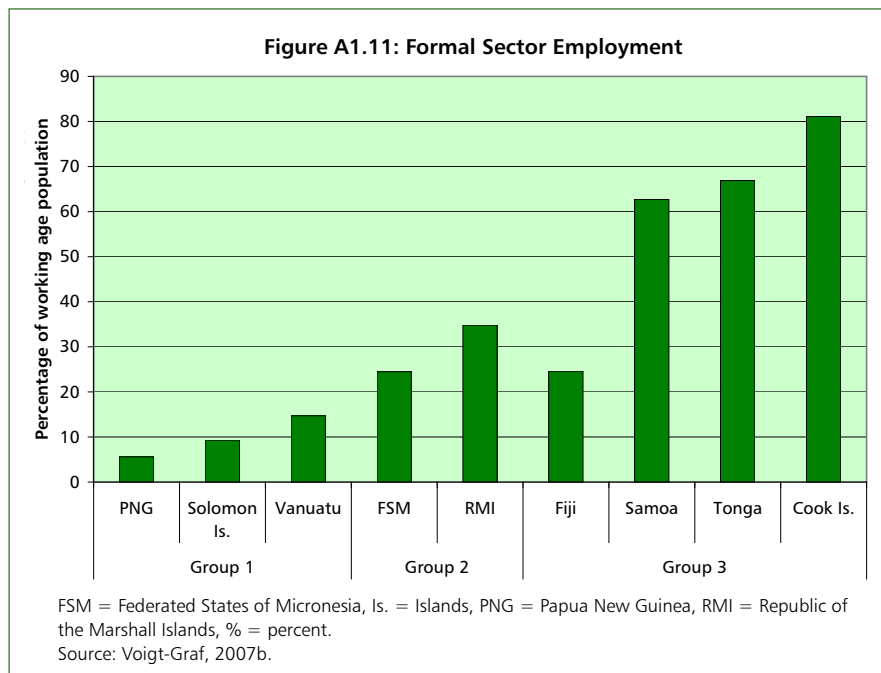
Formal and Informal sector Employment. The informal economy, defined as that outside wages and taxes, is large and growing in the Pacific. Figure A1.11 indicates the difference in formal sector employment by country group.

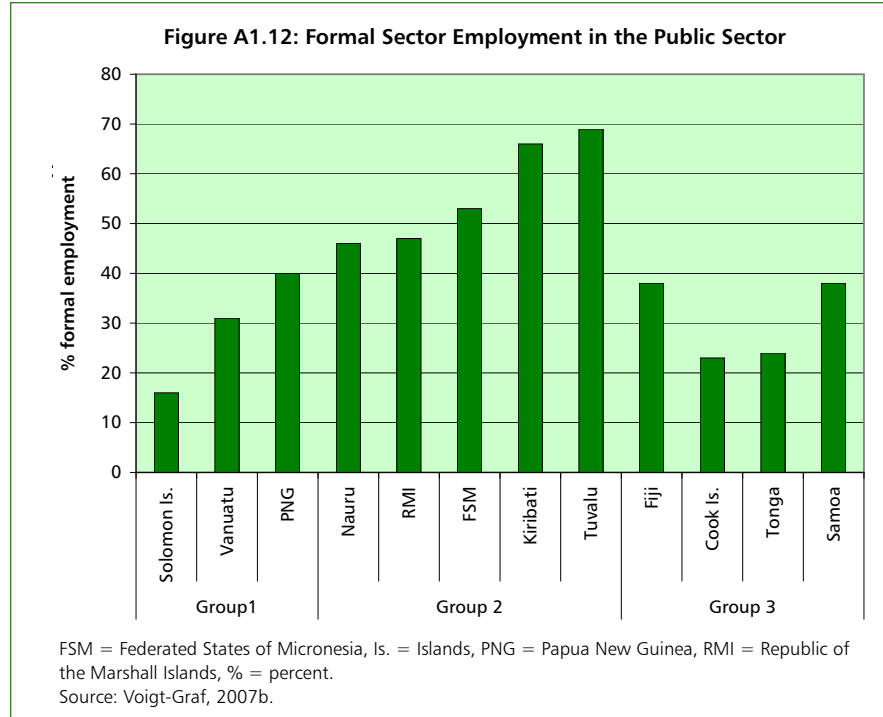
In PNG, Solomon Islands, and Vanuatu, only 6%, 9%, and 15%, respectively of the working-age population is in formal employment. The rest are in the informal sector.

The public sector also tends to dominate formal sector employment, particularly in the fragile island states, as seen in Figure A1.12.

In the absence of a vibrant private sector, the public sector has assumed a large role in economic activities, providing the bulk of cash employment opportunities in most PICs. The public sector in many PICs accounts for a large share of total wage employment. This has adverse effects on private sector employment and, by implication, prospects for growth in the medium to long term.

In many PICs, the public sector generally has better access to labor by virtue of its incomes being higher—up to six times—and by virtue of being able to plan human resources needs through public service commissions, the allocation of scholarships, and the bonding of students. The large public sector crowds out the private sector because it does jobs that could be undertaken by private business. The public sector also establishes





the scale for pay rates that adversely affects the private sector. Legislated minimum wages are high, compared with other Asian countries, and public wages tend to be higher than private sector wages. This distorts PIC labor markets, attracting the most highly skilled to government jobs. Another important constraint on the private sector is access to land and the inability to use land as collateral for loans.

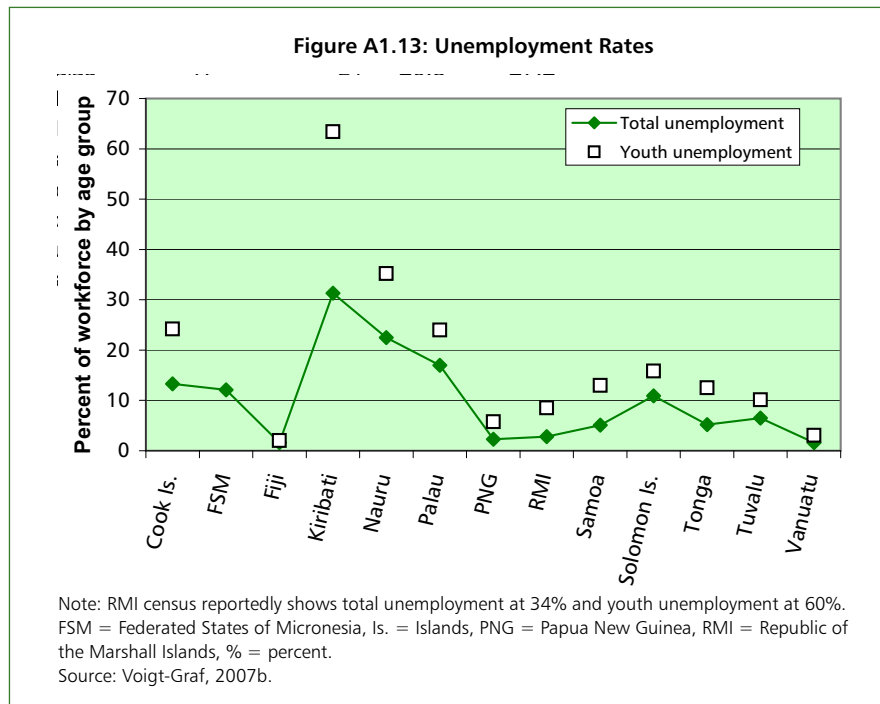
The private sector in PICs is generally characterized by widespread subsistence agriculture and fishing, cultivation and export of agricultural products, licensing, servicing, and supplying foreign fishing fleets within territorial waters; widespread but mainly small tourist sectors; small industries manufacturing products that are costly to transport over long distances; and substantial mining activity, particularly in PNG and Solomon Islands.

Private sector firms are typically small in PICs, primarily because small domestic markets limit entrepreneurial opportunities. Strengthening and developing the private sector is a major priority in the region at present, including under the Pacific Plan.

An overview of national economies and information at country level on major industries and sectors with potential to develop as well as the economic characteristics of the 13 study countries point to growth potential, particularly in the agriculture sector (especially in group 1 countries and the Fiji Islands), the fisheries sector (all countries), and the tourism industry (all countries).

Unemployment. Unemployment rates are notoriously difficult to determine in countries dominated by the subsistence sector, but there seems to be considerable variation in the PICs. Due to the ease of entry to and exit from subsistence production, conventional unemployment in the labor market is essentially nonexistent, as effectively all citizens can participate in subsistence production in the absence of opportunities for wage employment. Unemployment is particularly prevalent in urban areas and among youth. The “youth bulge” is one most profound challenge facing politicians, planners, and policy makers. Unemployment rates among school-leavers are invariably higher than for other population groups. Youth unemployment rates as reported in official statistics are not comparable between countries because of differences in the definition of the labor force. Therefore, what has to be compared is within countries: the unemployment rate of youth (16–24-year-olds) with that for all people of working age (16–64), and this is about twice as high (Figure A1.13).

Expatriates. Skills shortages throughout the region have led to reliance on considerable numbers of expatriate workers. In all PICs and across most industries, expatriates fill many specialist and management positions. The important role played by them in key areas reflects the failure of training systems to provide appropriate qualifications in sufficient numbers. At the same time, most PICs have put in place restrictions and



cumbersome procedures for obtaining or renewing work permits for noncitizens with the required skills.

Migration. Numerous migration flows across the Pacific region link PICs with each other, with the Pacific Rim as destination for Pacific migrants, and with Asian countries as sources of migrants into the Pacific. The largest migration flows in the Pacific are those from the islands to the metropolitan countries of the Pacific Rim. Several PICs maintain close relationships with developed Pacific Rim countries, which often result in special residency and work rights. The US grants free access to citizens of the three Compact States in the north Pacific—the RMI, FSM, and Palau. Cook Islanders are New Zealand citizens with full residential and work rights in New Zealand. Cook Islands has experienced substantial population losses; 83% of Cook Islanders now live in New Zealand, Australia, and elsewhere. Similarly, more Samoans live in New Zealand, Australia, and the US than at home. Hence, the region has extraordinarily high rates of emigration, particularly from Polynesian countries.

The main overseas employment opportunity for Tuvaluans and I-Kiribati is as seafarers on German merchant ships and Asian fishing boats. In contrast to Polynesians, Micronesians—and to an extent Fijians—there have been few opportunities for Melanesians to work overseas.

The lack of migration outlets has had adverse effects in Melanesia where population growth rates remain among the highest in the world. The Secretariat of the Pacific Community estimates population growth rates for 2006–2010 at 2.1% for PNG, 2.4% for Solomon Islands, and 2.6% for Vanuatu. Moreover, the mass of youth cannot emigrate and cannot find employment.

In recent years, migration opportunities in developed countries have tended to decline, and are increasingly targeted toward skilled migrants. Thus, migration flows from the Pacific are increasingly likely to be of skilled migrants from various sectors. In many PICs, the quality of services has been reduced due to emigration of skilled workers. PICs are also characterized by a shortage of competent tradespeople. The impact of migration is particularly damaging because it is often unpredictable and happens with the employer having no notice that workers are planning to leave.

PIC governments have not sought to intervene in emigration and have not tried to curb the loss of skilled workers. They are unlikely to do so in the future, given the financial benefits from remittances. Bonding of students who study on government scholarships has been the main policy directed at retaining qualified people temporarily.

There is a chronic excess demand for skilled manual, supervisory, technical, and managerial labor in the private sector. This is caused by migration and by the low quality of school and technical and vocational education and training (TVET) systems.

Informal Sector. Overall, there has been neglect of the informal sector in the

region (Connell and Lea 2002 cited in Voigt-Graf 2007b). Partly, this derives from a comparatively weak urban private sector that does not provide sufficient opportunities for the growth of small entrepreneurs to link with it. Notwithstanding opportunities in subsistence agriculture and informal sector activities, an issue of the choices people make between rural and urban living exists. Urban living is perceived to offer better opportunities, particularly in education and access to government services, but this can mean unemployment in an environment where subsistence living is impossible. For many people, especially urban dwellers, subsistence living and informal sector activity is not a real choice because there will be no permanent return to the rural sector for them.

Constraints to informal sector activity include the following:

- general business environment, including poor infrastructure, electricity, and water supply;
- poor access to land and other natural resources due to the complexity of land tenure and the insecurity of premises;
- lack of access to adequate human resources and a lack of people with the types of skills needed to sustain small enterprises;
- general shortage of entrepreneurship, reflected in conservatism and lack of innovative ideas;
- restricted spread of new processes and technology;
- lack of access to finance;
- lack of access to markets, which is one biggest hurdle to small rural business operators; and
- legal constraints such as licensing, registration, regulation of premises, labor laws and taxes.

Appendix 2. Methodology of Employer and Employee Surveys in Pacific Island Countries

Employers and employees in the formal nongovernment sector were surveyed using standardized questionnaires. The questionnaires for employers and employees were pretested in the Fiji Islands. Three employers and 24 employees participated in the pretest. The pretest confirmed that the questionnaires were well designed and there were little differences in interpretation by the respondents. The terminology used was clear and unambiguous. Based on this pretest, the questionnaires were finalized.

The ADB regional skills development project manager at the Pacific Islands Forum Secretariat (PIFS) centrally administered the surveys. In each 13-study country, the surveys were locally administered either through the study's domestic consultants or through an institution with links to private sector employers, such as chambers of commerce (table A2.1). The number of employer survey forms sent to each country was determined in consultation with the individual or institution administering the surveys. The administering individual or institution mailed out the questionnaires to a list of employers that was obtained from industry organizations or chambers of commerce. In the smaller countries, some questionnaires were delivered by hand.

Each employer was provided a survey form to be completed by the employer as well as up to 20 employee survey forms to be distributed among staff in the business. Twenty survey forms were distributed in organizations with 20 or more staff and a lower number was distributed in smaller businesses. Survey questionnaires were collected by, or returned to, the person or institution that had sent out the forms within each study country and were then returned in bulk to PIFS for data entry and analysis.

The main purpose of the employer survey was to identify technical and vocational skills gaps, training practices and needs, criteria for hiring new workers, and employers' opinions about the technical and vocational training system in their country. Employers were given a letter explaining the purpose of the survey as well as instructing them on how to fill in and return the questionnaire. In addition, employers were asked to distribute questionnaires to up to 20 employees in their business targeting technically and vocationally trained staff, and excluding low-skilled workers as well as highly skilled professionals. The employer survey was filled in by individuals holding positions, including chief executive officer, company director, executive director, administration manager, general manager, accountant, human resource manager, human resource officer, company owner, and various department managers. While employers identified the name of their organization, they were assured of confidentiality; therefore, the names of participating organizations will not be revealed in this report.

The main purpose of the employee survey was to analyze whether the respondents' present occupations matched their education and training, what kind of techni-

cal or vocational training they have received, and whether their employer provided any on-the-job training. Employees were given a letter explaining the purpose of the survey as well as instructing them on how to fill in and return the questionnaire. The employee survey was anonymous and respondents did not reveal their names.

Survey forms were sent out in October 2006, with the exception of Tuvalu, where the survey forms were sent out in September, and PNG, where two batches of survey forms were sent out (in October and December). Survey responses were received from all countries, except Vanuatu. The numbers of employer and employee questionnaires sent out and returned by country are shown in table A2.1. Employer questionnaires (1,855) were sent out and 277 valid responses were received (15% response rate). Nine invalid responses were received because of employers who had been explicitly excluded from the survey returning the forms. Employee questionnaires (14,965) were sent out and 2,164 responses were received, of which 2,156 were valid (14% response rate). Invalid responses were received from 47 government employees.

While a response rate of about 15% cannot be seen as high, response rates varied considerably between countries. Notably, a response rate of 82% was achieved among employers in the RMI and more employee questionnaires were returned than had been sent out. This was because the number of employees in each organization was unknown and too few questionnaires were included. A response rate of 72% of employers and 48% of employees was achieved in the Cook Islands, while the respective figures for Tuvalu were 70% and 63%. No questionnaires were returned from Vanuatu, and only 4% of employers and no employees took part in the survey in Palau.

In general, low response rates are a danger signal due to the possibility of response bias; cases with certain characteristics might be more likely to participate or not participate in a survey. This is a problem only when a random sample of the population is drawn that loses its random nature due to response bias, making it impossible to generalize the findings to the population. In the case of the employer and employee surveys discussed here, the population was unknown. It has never been the objective to draw a sample at random, which would permit a generalization of the survey results to the population. In the case of the employer survey, the population in each country consists of all formal nongovernment sector employers. Since no verifiable list of all formal nongovernment sector employers exists, the population is unknown. It was not possible to draw a sample at random.

Instead, the aim was to reach as many employers who were members of the respective employers' associations. This, in itself, is likely to present a bias such that larger employers can be assumed to be more likely to be members of such organizations. In the case of the employee survey, all employees of formal nongovernment sector organizations make up the population. This population is unknown. Our survey was

aimed at employees of those organizations that participated in the employer survey. It is not a sample drawn at random because the population is unknown and a maximum of 20 employees in each organization were given questionnaires by their employers. In the case of some organizations, employees participated in the survey but the employer form was not returned.

In short, the aim of the sampling method was to maximize the number of returned employer and employee questionnaires to determine associations between different variables. A region-wide sample of 277 employers and 2,156 employees allows for this, though greater caution has to be exercised when looking at the country level where sample sizes, especially for employers, are very small in some cases.

Upon return, the questionnaire data were entered into (SPSS) files by two research assistants based at PIFS. SPSS was the main software used to calculate descriptive statistics as well as associations in the form of cross tabs.

Table A2.1: Overview of Survey

Country	Administering agency	No. of employer surveys sent	No. of employer surveys returned	No. of valid employer surveys	Employer response rate (%)	No. of staff employed in surveyed organizations	No. of employee surveys sent	No. of employee surveys returned	No. of valid employee surveys	Employee response rate (%)	Employees sampled of all employees in surveyed organizations (%)
Cook Islands	Chamber of commerce	50	36	36	72	1,179	250	122	122	49	10
Fiji Islands	PIFS	260	45	44	17	11,693	2,600	679	679	26	6
Kiribati	Domestic consultant	50	23	23	46	1,243	250	72	66	26	5
RMI	Domestic consultant	50	42	41	82	1,815	250	373	365	146	20
FSM	Domestic consultant	150	17	16	11	566	750	115	114	15	20
Nauru	Ministry of Education	25	4	4	16	764	155	80	80	52	10
Palau	Chamber of commerce	50	2	2	4	28	0	0	—	0	0
PNG	Domestic consultant, Business Council of PNG	850	58	57	7	15,134	8,500	486	486	6	3
Samoa	Domestic consultant	50	26	21	42	1,482	250	187	101	40	7
Solomon Islands	Chamber of commerce	100	9	9	9	607	900	55	55	6	9
Tonga	Chamber of commerce	100	10	10	10	316	500	50	50	10	16
Tuvalu	Chamber of commerce	20	14	14	70	560	60	38	38	63	7
Vanuatu	Chamber of commerce	100	0	0	0	—	500	0	0	0	0
Total		1,855	286	277	15	35,387	14,965	2,257	2,156	14	6

Note: In the RMI, employee questionnaires were printed out in addition to the ones sent from the Fiji Islands, resulting in a response rate of 147%.
 FSM = Federated States of Micronesia, PIFS = Pacific Islands Forum Secretariat, PNG = Papua New Guinea, RMI = Republic of the Marshall Islands, % = percent, — = data unavailable.

Source: ADB/PIFS Expert Team, 2007.

Appendix 3. Labor Markets and Skills Shortages by Country Group

The Need for Adequate Regional Labor Market Information Systems

In most countries involved in this study, there is a lack of current, comparable, and useful¹ labor market data. In many countries (e.g., PNG, Fiji Islands, FSM, and Tuvalu), the only significant labor market information comes from the census and ongoing data collection by the central statistics bureau. Reports do not provide data about specific occupations, future demand for the occupations, and skill issues. TVET systems consequently have difficulty formulating goals in addressing changing needs. Lacking is a central authority, such as a labor department, that focuses on the collection of data that relate to skills formation and the support of livelihoods. Samoa is one exception where an organization, the Apprenticeship Administration and Labor Market Information Division, undertakes surveys. Labor force surveys have also been conducted in the RMI, Tonga, and Vanuatu.

Broad census data are also not always comparable nor are they recent. Differences occur particularly in specifying the economically active (Voigt-Graf 2007b). Part of the difficulty arises because of the comparatively small percentage of people and the dominance of the public sector in wage employment. Table A3.1 shows the overall employment and the unemployed in each country and illustrates the difficulty in comparison because of the different definitions of what constitutes employment. PNG has 45% employed because all people working in agriculture are considered employed; whereas, Solomons Islands has only 14% employed because employment means being paid for services. Formal employment in the Cook Islands is the same as employment, yet a substantial percentage are employed in agriculture. Data in many cases may not accurately classify a labor market situation to a level where the data are useful for planning purposes. Data are also often a number of years old, as is the case of the last census and labor market surveys in Vanuatu, undertaken in 2000. Data for comparability are also not always available for every country.

Limited Opportunities for Employment

Prior to engagement with industrial countries, regional countries were primarily involved with subsistence living from agriculture and, in many cases, fishing. Engagement with industrial countries introduced new industries (for example, phosphate mining in Kiribati and Nauru, and gold mining in PNG) and a cash economy. Agricultural crops quickly became an important part of the cash economy (for example, coconuts, coffee,

¹ Data need to be adequate for decision making by a range of stakeholders. In the case of the TVET sector, the data should be detailed to the occupational level to guide in planning.

cacao, and sugarcane). Manufacturing sectors emerged to serve other industries, such as phosphate mining and processing of agricultural crops. The Fiji Islands established a garment industry for export, based on preferential trade agreements. Tourism also gradually emerged to become an important industry, mainly for the Cook Islands, Fiji Islands, Samoa, Tonga, and Vanuatu. However, growth in employment opportunities over time has not kept pace with high birth rates. Thus, over many decades, countries have moved from a position where a subsistence existence was possible to one where it no longer is, due to a lack of access to land (particularly in highly urbanized environments) and limited opportunities in the formal and informal sectors. Increasingly, faced with other possibilities, youth are expressing disinterest in a subsistence existence.

Table A3.1 provides an overview of employment and unemployment in the Pacific regional countries. Using PNG and Vanuatu as benchmarks because they can offer employment opportunities to most people because of their access to substantial land areas, the data suggest significant unemployment problems in the Cook Islands, RMI, FSM, Solomon Islands, and Tonga.

Additional data (Voigt-Graf 2007b) about unemployment rates for those in the 15–64-year age group reveal that the RMI, FSM, and Nauru have very high rates of unemployment. Unemployment rates for youth (16–24-year-old age group) in the Cook Islands, RMI, FSM, Nauru, and Solomon Islands each exceed 19% compared to around 4% in Vanuatu (Voigt-Graf 2007b). A report on Solomon Islands (World Bank 2007)

Table A3.1: A Comparison of Employment in Pacific Regional Countries

Country	Year	Total employment	Total population	Share of population employed (%)	Total unemployed	Unemployed (%)
Cook Islands	2001	5,928	18,027	33	892	5
Fiji Islands	1996	219,314	775,077	28	17,265	2
Kiribati	2000	39,912	84,494	47	810	1
FSM	2000	29,175	107,008	27	8,239	8
RMI	1999	10,141	50,840	20	4,536	9
Palau	2000	9,383	19,129	49	224	1
PNG	2000	2,344,734	5,190,786	45	68,623	1
Samoa	2001	50,325	176,710	28	2,620	1
Solomon Islands	1999	57,472	406,598	14 ^a	27,652	7
Tonga	2003	34,560	97,784	35	4,502	5
Tuvalu	2002	3,237	9,561	34	—	—
Vanuatu	1999	75,110	186,678	40	1,260	1

a Employed does not include those in agriculture as is the case with PNG.
 FSM = Federated States of Micronesia, PIFS = Pacific Islands Forum Secretariat, PNG = Papua New Guinea,
 RMI = Republic of the Marshall Islands, % = percent, — = data unavailable.
 Source: Secretariat of the Pacific Community, available: www.spc.int.

indicates that about 50% of the youth of Solomon Islands are unemployed. For the fragile island states of the RMI and the FSM, limitations to land and food production—especially in urban areas, where about 70% live—mean few opportunities for subsistence living; thus, resulting in people, especially youth, being classified as unemployed. In main urban centers such as Port Moresby and Honiara, because of limitations on subsistence living, youth unemployment rates can be extremely high, giving rise to social tensions.

Land-rich countries such as PNG still offer employment opportunities in the long term notwithstanding issues on land rights. Urban living, however, raises expectations that are unlikely to be extinguished by access to land. For some countries such as the RMI though, alternative opportunities are virtually nonexistent as they approach and extend beyond the limits of their primary production potential. Threats to low-lying atoll societies from rising sea levels also erode the agricultural capability of those nations as well as job creation. Limits to formal and informal sector employment further reduce access to employment. Neither are there economic possibilities that might transform the situation. An issue for many regional countries is that they are unable now (and for the future) to provide employment opportunities for all their citizens who want employment.

Limited Opportunities in the Formal Sector

While Table A3.1 provides data on total employment that, in some cases, excludes certain types of work, and unemployment, table A3.2 provides data about formal employment. The difference between the two represents individuals in informal employment and agriculture. There is no difference between employment and formal employment in respect to the Cook Islands, Samoa, and Tonga. This, once again, may be due to country-specific definitions of employment and formal employment. The data that show the greatest difference between total and formal employment are in the land-rich and low-income countries, highlighting the relative importance of agriculture and the informal sector for employment.

In the case of the Fiji Islands and the FSM, for every person employed in the formal sector, another person is employed in agriculture and the informal sector. Formal employment is a small proportion of the labor market in the land-rich and low-income countries. With the exception of the countries that do not distinguish between formal employment and employment, the remainder countries have a formal sector employment share of the working-age group of 25–35%. Thus, for the Fiji Islands and the RMI, respectively, 25 and 35% of the working-age population have an opportunity for formal sector employment. While the shares in formal employment for countries such as the RMI are higher than for land-rich countries, alternative options such as informal and agricultural employment are less possible.

The limitations to formal sector employment are apparent when comparing

**Table A3.2: Employment and Working-age Population
Selected Pacific Island Countries, 2004**

Country	Total formal sector employment (No.) ^a	Working-age population (15–54) in 2004 (No.) ^b	Working-age population as share of total population (%)	Formal sector employees as share of working-age population (%)
Cook Islands	5,900 [2001]	7,300	52	81
Fiji Islands	120,000 [2003]	487,500	58	25
RMI	10,300 [2000]	29,600	54	35
FSM	15,100 [2003]	61,800	55	25
PNG	187,200 [2002] ^c	3,320,200	58	6
Samoa	57,100 [2001]	91,100	50	63
Solomon Islands	22,177 [2002] ^d	239,400	52	9
Tonga	34,600 [2003]	51,800	53	67
Vanuatu	16,300 [2004] ^e	111,000	51	15

a Sourced mainly from Asian Development Bank (2005). Adjustments have been made based on data from the Secretariat of the Pacific Community and elsewhere. The years to which the employment and unemployment data apply are shown in brackets.

b Sourced from the base-case tables used for the population projections.

c Said to include only jobs in urban centers.

d In 1996, the formal sector employment was shown as 34,200. Comparison with the figure for 2002 illustrates the impact of the 1997–2002 civil unrest on formal employment.

e Formal sector employment over 2000–2004 is said to include jobs in agriculture only where they are involved in "large-scale plantation-type businesses." In 1989, when this definition of formal sector employment was not used, and presumably, employment in other parts of agriculture was included, formal sector employment was 66,600.

FSM = Federated States of Micronesia, PNG = Papua New Guinea, RMI = Republic of the Marshall Islands, % = percent, — = data unavailable.

Source: Booth et al., 2006 referenced in Voigt-Graf, 2007b, p.13.

what formal sector employment is available. Table A3.3 compares the industry sectors in which people find employment, while table A3.4 indicates the occupations. Economic sectors can broadly be classified into productive sectors that generate revenue through export or through income substitution and service sectors that generally provide a range of services or products to the rest of the economy. Four countries had 10% or more of their wage employed engaged in nonagricultural productive sectors. Both the Fiji Islands and Samoa had more than 20% of the wage employed engaged in the nonagricultural productive sector.

Tourism activity, as another revenue earner, creates employment in the retail, wholesale, and hotel and restaurant sector. The share employed in this sector for the main tourist destinations of the Cook Islands, Fiji Islands, Samoa, Tonga, and Vanuatu is around 20%, but not all these jobs are tourist dependent. Thus, some countries such as the Fiji Islands have a significant share of the wage population in jobs that earn foreign exchange. There is much greater potential for an increase in the number of these jobs because they are linked to international markets. An increase or decrease is dependent upon the success of their products and services internationally. In turn, these sectors require additional services from other sectors; thus, leading to a gradual increase in wage employment overall.

Table A3.3: Percentage of Wage Employees by Industry Sector and Country

Country	Industry Sector								
	Agriculture, forestry, and fishing	Mining and quarrying	Manufacturing	Electricity and water	Construction	Wholesale and retail trade and restaurants and hotels	Transport, storage, and communication	Finance, insurance real estate and business services	Public administration, social/community services
Cook Islands ^a	7	0	6	1	6	33	10	5	31
Fiji Islands ^b	1	1	25	2	2	20	10	5	34
Kiribati ^c	7	0	2	2	4	14	11	3	52
RMI ^d	7	0	1	0	15	56	9	8	3
FSM ^e	1	0	1	2	5	24	6	4	55
PNG ^f	17	4	9	2	4	9	6	6	41
Samoa ^g	1	0	22	4	7	27	11	11	16
Tonga ^h	2	1	9	6	8	23	9	9	34
Tuvalu ⁱ	0	0	0		22	10	9	20	36
Vanuatu ^j	5	0	9	1	6	29	7	3	36

a 2001 data.

b 2000 data.

c An additional 3% had unstated wage employment (2006).

d Pertains to private sector wage employment only (2006), which in 2005 constituted 39% of all wage employees.

e (2004).

f 2000 National Census data.

g 2004 labor market survey.

h 2005 data from MLCI Business Survey.

i 2002 data.

j 2002 labor market survey.

FSM = Federated States of Micronesia, MLCI = , PNG = Papua New Guinea, RMI = Republic of the Marshall Islands.

Conversely, if countries have most of the wage employed offering internal services, there is less scope for an increase in the number of jobs over time. Countries such as Kiribati, RMI, FSM, and Tuvalu have few people employed in nonagricultural productive sectors. Much of the employment in these countries is in service-oriented sectors, with a significant proportion employed in the public sector.

Another measure of the labor market is the number of people employed in various occupations. Kiribati is notable for the high percentage of people employed under the category of legislators and managers, indicating the prominence of public sector employment. Kiribati, RMI, and Solomon Islands have around 20% of the wage workforce in the sales sector serving the local economy in the absence of a significant tourist industry, indicating a general lack of other opportunities. Associated with industrial activity, the Fiji Islands, Nauru, PNG, and Samoa have the highest share of the workforce engaged in craft work, and hence, these constitute nations with the highest demand for skilled workers.

Table A3.4: Percentage of Wage Employees in Occupational Classifications

Country	Occupational Classification							
	Legislators, senior officials, and managers	Professionals, technicians, and associates	Clerks	Service and sales workers	Skilled agricultural and fishery workers	Craft and Related workers	Plant and machinery operators and assemblers	Elementary occupations
Cook Islands	14	20	12	18	5	10	5	17
Fiji Islands ^a	4	22	13	13	1	11	16	16
Kiribati	19	19	14	17	6	8	11	6
RMI	4	15	13	20	21			24
Nauru ^b	1	16	18	13	0	15	7	20
PNG	5	25	13	14	1	15	8	19
Samoa ^c	1	7	9	11	42	12	7	10
Solomon Islands ^d	0	14	8	21	0	6	4	44
Tuvalu ^e	9	27	12	10	1			35
Vanuatu	9	25	12	18	3	3	6	16

^a An additional 3% of the workforce is in the armed services.

^b From the Nauru Bureau of Statistics, available: www.spc.int.

^c These figures represent overall employment rather than wage employment. An additional 3% had unstated occupations.

^d Estimate from World Bank (2007).

^e 2002 data.

FSM = Federated States of Micronesia, PNG = Papua New Guinea, RMI = Republic of the Marshall Islands, % = percent.

Table A3.5: Skills Shortages in Fragile Island States

Skill shortage area	Tuvalu	Kiribati	FSM	RMI
Formal sector in-service skill areas				
Financial	x		x	
Management/supervision	x	x	x	
Human resource management			x	
Planning		x	x	
Land management		x		
Client service		x		
Formal sector occupations				
Plumbers				x
Carpenters				x
Construction trades			x	x
Electricians			x	x
Maintenance workers			x	x
Air-conditioning/refrigeration mechanics				x
Food preparation workers			x	x
Hospitality management			x	x
Hospitality workers			x	x
Information technology workers			x	x
Finance staff				x
Mechanical trades generally			x	x
Electronics repairers			x	
Fishing plant operators			x	
Agriculture/informal sector skill sets ^a				
Project proposal writing	x			
Vegetable production	x	x		
Coconut production	x	x		
Chicken/pig husbandry		x	x	
Fishing techniques	x	x	x	
Navigation		x		
Fish/food preservation			x	
Sewing	x	x		
Cooking	x			
Printing	x			
Handicraft	x	x		
Home maintenance/carpentry	x		x	
Mechanical and other technical	x			
Small business management	x			
Secretarial/clerical	x			
Irrigation			x	

^a Reflects shortages expressed by individuals rather than training needs expressed by employers (Tuvalu). Surveys of the needs expressed by individuals generally show a desire by males for training in technical areas such as carpentry and mechanics; whereas, women usually show a preference for sewing, cooking, and handicraft. These needs, however, tend to reflect an individuals' desire for training rather than an actual skills shortage.

FSM = Federated States of Micronesia, RMI = Republic of the Marshall Islands.

Source: Country reports.

Table A3.6: Skills Shortages in Land-rich but Low-income Countries

Skills, shortage area	State		
	PNG	Vanuatu	Solomon Islands
Formal sector in-service skill areas			
Entrepreneurial skills		x	
Financial			x
Management/supervision generally		x	x
Human resource management			x
Computer skills			x
Office management			x
Communications			x
Planning			x
Report writing			x
File and record management			x
Policy development			x
Customer service			x
Sales and marketing			x
Public service understanding and ethics			x
Public service procedures			x
Clerical functions			x
Machine shop skills			x
Formal sector occupations^a			
Chefs	x	x	
Hospitality workers			X ^b
Plumbers	x		x
Carpenters		x	x
Gyprock plasterers		x	
Building finishing trades—high quality	x		
Construction technicians and supervisors		x	
Electricians	x	x	x
Bricklayers			x
Mechanics		x	x
Welders	x		
Maintenance workers		x	x
Chefs	x	x	
Air-conditioning/refrigeration mechanics	x	x	
Machine operators	x		
Electrical fitters	x		
Lathe operators	x		
Stock control personnel	x		
Laboratory technicians	x		
Quality control personnel	x		
IT technicians			x
Heavy plant operators—logging			x
Air-conditioning/refrigeration mechanics	x	x	
Machine operators	x		
Electrical fitters	x		
Lathe operators	x		
Stock control personnel	x		
Laboratory technicians	x		
Quality control personnel	x		
IT technicians			x
Heavy plant operators—logging			x

Table A3.6: Skills Shortages in Land-rich but Low-income Countries (cont.)

Skills, shortage area	State		
	PNG	Vanuatu	Solomon Islands
Agriculture/informal sector skill sets^c			
Basic management/business operations	x	x	
Marketing	x	x	
Budgeting		x	
Project management			x
Use of labor-saving implements		x	
Use of herbicides and pesticides		x	
Use of fertilizers	x		
Vegetable production	x		x
Coconut production and processing		x	x
Coffee production and processing	x		
Cocoa production	x	x	x
Cocoa processing	x		
Vanilla cultivation	x		x
Seaweed cultivation			x
Beekeeping			x
Livestock husbandry	x	x	x
Production of improved pastures	x		
Aquaculture	x		
Reforestation		x	
Fishing techniques			x
Turtle farming		x	
Cooking/baking		x	x
Handicraft making		x	
Sewing		x	
Home maintenance/carpentry		x	x
Mechanical and other technical	x	x	x
Plumbing		x	
Water tank construction		x	
Logging			x
Road construction and maintenance		x	

a For Solomon Islands, data are derived from the Public Service Department 2006 vacancies listed in World Bank (2007).

b Includes barpeople, waiters, tour guides, and events organizers.

c Data for PNG are skills gaps identified, for Vanuatu relate to skills gaps, and for Solomons Islands are indicated by villages.

IT = information technology, PNG = Papua New Guinea.

Sources: Country reports; World Bank, 2007.

Table A3.7: Skills Shortages in “Advanced” Island States

Skill Shortage Area	Fiji Islands	Samoa	Tonga	Cook Islands
Formal sector skill areas				
Financial		x		x
Time management		x		
Interpersonal		x		
Management and supervision	x	x		x
Communications		x		
Customer service		x		x
Public relations		x		
Clerical		x		
Computing and IT		x		
Fishing		x		x ^a
Driving		x		
English—written and verbal		x		
Basic safety		x		
First aid		x		
Food preparation and handling		x		
Sales		x		
Record keeping		x		
Numeracy, literacy, and generic				x
Formal sector occupations				
Plumbers	x	x	x	x
Carpenters	x	x		x
Electricians	x	x		x
Building finishing trades—high quality	x			
Building technicians	x			
Building supervisors				x
Maintenance workers	x			
Civil construction workers	x			x
Air-conditioning/refrigeration mechanics	x		x	x
Motor mechanics	x			x
Mechanical technicians				x
Hospitality workers	x	x		x
Hospitality industry middle management	x			x
IT workers	x			x
Finance staff		x		
Tour guides		x		
Fisheries workers			x	
Hairdressing			x	
Dressmakers			x	x
Textile workers				x
Hydraulics technicians				x
Electronics technicians				x
Dental technicians				x
Digital editors				x
Pearl seeders				x
Specialist pearl jewelers				x
Restricted class-6 master engineers				x

a These include fish location, long-line fishing, fish handling and chilling, fish processing skills, GPS navigation, radio communications, refrigeration, first aid, fire fighting, and navigation.

GPS = global positioning system, IT = information technology.

Source: Country reports.

Appendix 4. Training for the Rural and Informal Sector

Themes

Rural and informal sector training in the Pacific addresses five main themes:

- Poverty reduction through the facilitation of increased employment and income generation.
- Equity and empowerment of disadvantaged groups, especially rural women and out-of-school youth.
- Alternative livelihoods, based on the sustainable use and management of local environmental and natural resources.
- Private sector development through the promotion of self-employment and microbusinesses in both rural and urban areas.
- Migration and labor mobility, through equipping individuals with skills and competencies to enable them to access both internal and external labor market opportunities.

Issues

The main issues area as follows:

- Economic growth in most Pacific island countries (PICs) cannot generate even a fraction of the new jobs required to meet annual increases in the labor force. Additional employment opportunities must, therefore, be created by using informal sector training to promote self-employment in the local economy and increase the income-generating potential of subsistence agriculture.
- Training for the rural and informal sector suffers from a lack of prominence in most countries' national training agendas. As a result, it receives inadequate public funding and policy guidance to meet the needs of the great majority of unemployed youth, women, and rural poor in the Pacific.
- Even the limited resources available are not used as effectively as they could be due to the fragmented nature of informal sector training provision and the lack of adequate coordination between various government and NGO providers. In the Fiji Islands, for example, both the Ministries of Youth and of Education deliver similar short-cycle training programs to school-leavers but each develops its own separate portfolio of programs and materials. Improved coordination could facilitate the pooling of resources and a more cost-effective means of producing common informal sector programs and training materials. In Vanuatu, poor coordination between various NGO providers operating rural training centers (RTCs) has resulted in a geographic imbalance in facilities and unequal access to training in different parts of the country. In the Cook Islands, the lack of coordination between compulsory and postsecondary education and training was a major finding of the

- 2002 training needs analysis report (Catherwood and Topa-Apera 2002).
- There appears to be widespread gender bias when it comes to the types of informal sector training provided to men and women in the Pacific. Men tend to monopolize technical and trades training while women are found almost exclusively in home economics and domestic science-related programs. This directly constrains women's ability to start their own businesses or compete for jobs in the local labor market. There is an urgent need to broaden the training opportunities available to women and promote their active participation in "nontraditional" trades and management-related subjects.
 - Informal sector training throughout the Pacific lacks the necessary feedback and evaluation measures to provide information on the impact of training activities. Information from graduates in the form of post-training tracer studies should be collected 3–6 months after the completion of training and the results used to inform decision making on subsequent training course provision. This has been a standard component in externally funded projects for the informal sector, such as the community-based training projects in Bangladesh and Nepal implemented by the ILO in the 1990s and, to some extent, in the current ADB Employment-Oriented Skills Development Project in PNG, but less so in government- and NGO-supported programs, namely, the RTCs in Vanuatu.
 - Informal sector training needs to be closely linked to the world of work if it is to achieve credibility and long-term sustainability. Partnerships between training providers and the private sector should be promoted wherever possible as a means of improving the relevance and external efficiency of informal sector training.
 - Building institutional capacity to design, deliver, and follow up informal sector training activities is a common need among both government and nongovernment training providers. Here, there appears to be considerable scope for cooperation and complementarity, with government providers focusing on the development of policy guidelines, appropriate methodologies, and materials, and NGOs using their grassroots organization to provide effective delivery systems and follow-up services.
 - In atoll economies such as Kiribati and the RMI, the delivery cost of outreach programs constitute 80–90% of total training costs. The disproportionate ratio of delivery to total costs is one main reason for the paucity and low quality of training programs in the outer islands. In such cases, there would appear to be a justification in both economic and training terms for attaching informal sector training programs to existing educational infrastructure, thereby reducing delivery costs and freeing resources for program development and quality improvement.
 - Providing informal sector training programs using ICT-based ODL modes could

significantly reduce the delivery costs of certain types of training for outer island target groups such as small business training, entrepreneurship, and self-employment-oriented programs. But experience from the Tarawa Technical Institute, which received funding from AusAID to conduct on-line training from Australia in the early 2000s, found that the telecommunications costs of running such programs in the Pacific is high and the institutional capacity needed for monitoring and following up ODL programs substantial. It is unlikely that these twin constraints can be overcome by individual atoll economies in the near future.

- The use of training technology to support informal sector skills development is limited in most PICs, but prospects are improving as computer facilities begin to penetrate rural areas. In the Fiji Islands, for example, MOE's Advanced Vocational Training Program is planning to use existing e-learning facilities in 21 rural secondary schools to establish e-community training centers and e training-cum-production centers to support and enhance informal sector training programs. Here, there would appear to be two main application areas to consider: the use of technology to provide or enhance the content of informal sector training programs (e.g., in accessing the experiences of similar programs in other countries via the internet; and the use of technology to produce more effective audiovisual training materials). The latter is particularly relevant in situations where target groups lack functional literacy skills, e.g., school dropouts, rural women.

Constraints

Among the major constraints are the following:

- Low funding priority accorded by governments. In part, this is a function of the inadequate allocation to TVET in general in the region (e.g., only 6% of total education budget in the Cook Islands), but it also reflects the lingering belief in government that NGOs should be responsible for rural and informal sector training. In some countries such as Vanuatu, such training is funded almost exclusively by NGOs, churches, and other private organizations.
- Low status of all types of nonformal education and training. Training officials in the Fiji Islands, PNG, and Vanuatu confirmed that formal, institution-based schooling continues to be the education of choice of parents and the public at large. This negatively affects participation rates in informal sector programs and the extent of support provided by local authorities. In some countries such as PNG and Vanuatu, efforts are underway to address this issue by incorporating informal sector programs into national qualification frameworks, thereby, providing them with a degree of accreditation and recognition, which most lack at present.
- Weak links to local labor and product markets. Training providers have very little

information on the demand for skills and competencies in the local economy and, hence, on the relevance of the training provided in terms of available employment or income-generating possibilities. This is a critical constraint in countries such as the Fiji Islands and PNG with large and increasing numbers of school-leavers. It needs to be addressed by trainers, local authorities, and local interest groups, including chambers of commerce, business and employer associations, and community development authorities.

- Lack of follow-up monitoring and evaluation. A corollary to the absence of labor market information is the lack of follow-up information on graduate outcomes. Monitoring and evaluation of programs is limited to donor-funded projects, and tracer studies of graduates are rare.
- Unequal access to training. Rural and informal sector training has developed in an ad hoc and largely unplanned manner in most countries. The distribution of facilities and programs is uneven and the provision of training opportunities is unequal between different islands, provinces, and geographic regions. In Vanuatu, for example, the availability of training at RTCs varies from one center per 2,400 people in Penama province to one center for every 18,000 people in Sanma province.
- Gender divisions. Female participation rates continue to be significantly lower than for males in rural and informal sector training programs for two main reasons: most RTCs are boarding facilities and many parents are unwilling to send girls to them; also, technical training is the main emphasis in most informal sector programs and, as yet, there is little participation of women in the Pacific in either trades training courses or artisan-based employment.
- Lack of coordination. This is between and within government and NGO providers. Scarce training resources could be used more effectively if there was better coordination between them. While each have their own constituencies and priorities, these often overlap or coincide, providing opportunities to cooperate, contribute to common objectives, and reduce costs.
- No interface between training and the agriculture economy. Agriculture represents a potential source of employment and income generation for participants of rural and informal sector training programs, in both service-related and small-scale agri-business activities. However, the lack of a functioning extension system linking improved agricultural practices to changes in the subsistence economy largely precludes possibilities to exploit this potential.
- Absence of cost-effective delivery systems for remote islands and atolls. The atoll economies of the Pacific are unable to provide adequate training services to significant portions of their populations living on remote and sparsely populated

islands. In Kiribati, the proportion of the population on outer islands is 50%, while in Tuvalu and the RMI, it is about 30% and 40%, respectively. Existing outreach programs are expensive and infrequent, with the delivery component—i.e., travel and per diem of staff—typically accounting for 80–90% of total training costs. In some countries such as the Cook Islands, many outreach programs rely exclusively on donor funding.

- Limited access to credit for self-employment. Access to credit is improving slowly after management problems with credit unions and development banks closed or froze many schemes in the late 1990s. However, coverage is still inadequate in rural areas and often limited to members of specific group-based savings and lending programs.
- Limited NGO training capacity. NGOs are charged with delivering a substantial portion on informal sector training in PICs. However, while staff are generally dedicated and committed, they often lack the pedagogical expertise and institutional support to design and deliver quality training.
- Outdated and inappropriate training hardware and software. Established rural training systems, such as RTCs, community-based training centers, and vocational centers presently operating in PNG, Solomon Islands, and Vanuatu need to be upgraded with new equipment and materials and their curricula modularized to facilitate the provision of short flexible training programs, instead of the 2–3-year courses at present offered in most.

Innovative Practices

These include:

- Integrated Agricultural Training Program (Rabaul, PNG). A modular training program for subsistence farmers that introduces them to basic tools and techniques for managing their assets and resources more effectively.
- Public–Private Partnerships for Income Generation (Kiribati). A collaborative approach between NGOs, development agencies, and the private sector to establish microbusinesses that is focused on environmental preservation in atoll economies.
- Mobile Training for Coastal Fishermen (Vanuatu). A novel boat-based delivery system for bringing new knowledge and improved techniques on fishing and fish-processing to coastal communities.
- Leveraging Traditional Trades for Basic Skills Training (Waan Aelon in Majel [WAM] program in the RMI). An NGO-run nonformal training program that uses traditional Marshallese boat-building techniques as a model for developing vocational skills in at-risk youth.

- Sustainable Skills Development for the Informal Sector through Training Funds (Employment-Oriented Skills Development Project, PNG). An example of a project-based donor–government training fund intended to provide a permanent source of financial support to informal sector training.
- Incorporating cultural values into nonformal skills training (RMI). The inclusion of cultural resource persons—usually elderly local residents—in outreach training programs of the Ministry of Internal Affairs, to describe and explain the importance of maintaining and preserving Marshallese cultural traditions in the face of a rapidly changing social and economic conditions. WAM also includes elders and cultural resource persons in vocational training programs to describe and explain the importance of maintaining and preserving Marshallese cultural traditions.
- Creating an enabling environment for informal sector activities (PNG). With the active involvement of the private sector and the Government, PNG has introduced legislation to promote and regulate informal sector activities in the country—the only such legislation in the region—and produced an informal sector training manual and resource directory to support informal sector development. While a small study in 2005 indicated that there is still a long way to go in changing official attitudes toward the informal sector in general and discrimination against informal sector operators in particular, legislation has provided the basis for drafting a comprehensive informal sector policy in PNG. This policy would address specific issues such as priority target groups, informal sector development strategies, and allocation of government resources.

What Works—and What Does not—in Informal Sector Training *Adding Value*

Training for the informal sector seems to work best when it enhances an existing employment, productivity, or income-generation situation or opportunity. For example, Vanuatu’s mobile training program for coastal fishing people has worked well because it adds value to an existing economic activity. The training program enables coastal fishing people to develop or improve their fishing and seafood handling skills, to work more safely, and to operate and repair small boats and engines, thereby enhancing the occupation and lifestyle of coastal fishing people. Similarly, the integrated agricultural training program in New Britain shows subsistence farmers that they have assets and introduces them to new ways of using and managing them. In the process it opens up possibilities for introducing further improvements in the subsistence economy. What these examples suggest is that the rationale for providing informal sector training should be carefully examined and validated with the proposed target group before organizing and delivering programs.

Providing Post-training Support Services

There are few labor market services available for job seekers in rural areas. Training for unemployed target groups, school-leavers for example, therefore needs to be accompanied by a range of post-training support services that help graduates find jobs and facilitates the application of learning to productive employment or self-employment activities. Information on graduates from the ADB Employment-Oriented Skills Development Project in PNG indicate that most young people who received training did not have access to post-training support services and were unable to take advantage of the training received.

Training Projects and Institutional Capacity

Training projects for the informal sector have an important role to play in providing scarce resources for developing and validating innovative and cost-effective approaches to training provision. Nevertheless, without corresponding institutional capacity to absorb and effectively apply the knowledge and techniques developed in projects, sustainability will not be achieved and investments will be lost. The ADB Skills Training and Vocational Training Project in the RMI seems to prove this point. The training centers were built and equipped in the expectation that this would strengthen women's entrepreneurship training and provide NGOs with an outreach capability to serve outer island target groups better. However, the absence of a portfolio of appropriate training programs to run in the centers and the limited pedagogical capacity of NGOs to develop them meant that much of the envisaged training to end users was never given.

Training Funds

Most of the discussion on training funds focuses on the problems of good fund management and the means of ensuring that the available resources actually go for the purposes intended, i.e., sustainable training financing. The donor-supported training fund that was set up for the ADB Employment-Oriented Skills Development Project in PNG was managed by an individual with prior experience of fund management and the scheme generated a substantial amount of earned income. The problem was that the administrative procedures at both central and provincial levels were unable to process training proposals from prospective training providers and allocate timely. The result was that after waiting 6 or 9 months for a decision, government, private, and NGO providers in the participating provinces lost interest and the number of activities actually financed by the fund remained small in relation to the available resources. Therefore, training funds can provide a sustainable source of finance for informal sector training but they need to be properly dimensioned and administered efficiently at the training proposal and delivery levels.

Rural Training Centers

RTCs were established in the late 1970s and 1980s to deal with the “push-out” problem, i.e., the growing numbers of rural primary (and later lower secondary) school students who were unable to qualify for the next level of formal education. Most RTCs incorporated agricultural training in their curriculum, but the main emphasis was on traditional artisan-type skills such as carpentry, masonry, plumbing, and auto mechanics usually provided in 2–3-year programs. While actual tracer study data are scarce, discussions with RTC managers suggest that only a small proportion of RTC graduates were able to secure employment or enter into self-employment in the local communities, where they often competed with the output from regular vocational training institutions. Nevertheless, RTCs represent a substantial training resource in all countries where they exist, i.e., PNG, Solomon Islands, and Vanuatu.

What is needed is a revamping of their curricula to reflect the potential income-generating opportunities in the local economy, the switch from 2–3-year courses to shorter modular-based training programs to improve flexibility and efficiency, the introduction of regular monitoring and follow-up procedures to maintain relevance, and a general upgrading of facilities staff and equipment to improve the quality of RTC outputs. Some of this is happening in PNG under the ADB Employment-Oriented Skills Development Project and similar measures are planned under the AusAID project in Vanuatu. Where this has been implemented, the results appear positive. At the Raval Vocational Center in Rabaul, for example, the curricula for conventional trades were redesigned under a German Technical Cooperation program and new competency-based modular programs developed. By the beginning of 2004, more than 80 courses had been delivered for over 800 fee-paying participants. In 2005, the provincial authorities agreed to earmark 10 teaching positions exclusively for short courses, which were lengthened to a standard 20 weeks. Vocational centers can now plan, promote, and implement a continuous program of short courses year-round.

Training Strategies for the Rural and Informal Sectors

Country Group 1: Papua New Guinea, Solomon Islands, and Vanuatu*

Objective 1: Improve the relevance and effectiveness of existing RTCs.

Means 1: Reorient RTCs toward short-cycle skills development programs linked to employment and income-generation opportunities in the local economy.

- Carry out a training audit of existing RTCs to determine the current level of institutional resources and how effectively they are being used.
- Carry out a tracer study of recent RTC graduates from selected institutions to

* Please refer to the Map of the Pacific Island Countries by Category on page 10.

determine impact of training received, i.e., the number who have been able to obtain employment or enter into income-generating activities based on the training received.

- Discontinue long-term courses for which there is little or no evidence of impact.
- Identify potential income-generating opportunities at the local level.
- Determine related training and nontraining needs required to ensure the successful application of training to employment and/or income-generating activities.
- Work with RTC instructors and subject specialists to develop a portfolio of short-cycle modular training programs for each identified training field.
- Develop entrepreneurship skills. All types of training should be accompanied by preparation for self-employment. Provision should be made for simple management and business skills including market analysis and marketing, costing and book/record keeping, and linkages with small-scale credit.

Means 2: Improve the quality of RTC training.

- Upgrade the pedagogical and technical skills of RTC trainers.
- Ensure that RTCs are adequately supplied with training materials and equipment, especially hand tools in such subjects as carpentry and joinery, plumbing, electricity and auto mechanics.
- Introduce regular monitoring and follow-up procedures to assess quality and outcomes.
- Encourage RTCs to become more attuned to the skills needs of local employers and communities.

Means 3: Strengthen links between RTCs and the agricultural economy.

- In collaboration with the relevant departments of agriculture and livestock, review existing curricula for agricultural training in RTCs.
- Carry out surveys to identify viable and profitable local agricultural products and markets.
- Identify investment requirements and potential sources of rural credit.
- Develop short-cycle modular training programs on the production, processing, and marketing of selected local products.
- Provide short courses on basic farm-management and entrepreneurial skills.
- In cooperation with local cooperatives or growers associations, develop training and information materials on the promotion and marketing of locally produced agricultural products.
- Establish supply-chain linkages between the training centers and local retailers

and wholesalers of agricultural products, both as cost-recovery and quality-control measures.

Objective 2: Enhance the capability of NGO training providers to deliver community-based skills training at the local level.

Means 1: Strengthen existing NGO capacities to identify training needs and income-generation opportunities at the local level.

- Support the regular collection and analysis by NGOs of detailed information on community-based skill needs and income-generation opportunities in selected rural communities.
- Promote the use of comprehensive field-tested community-based training methodologies.

Means 2: Support the development of short outreach training programs and related audiovisual materials to support community-based training activities.

- Establish partnerships with selected RTCs to develop suitable outreach programs and training materials.
- Develop and test alternative delivery systems for community-based training programs, including distance learning modes and mobile training units.

Means 3: Strengthen the existing pedagogical capacity of NGO trainers.

- Organize a series of training-of-trainers workshops for NGO/private sector trainers on:
 - o Identification of training objectives in outer islands;
 - o Application of community-based training methodologies;
 - o Effective use of training materials and audiovisual aids; and
 - o Evaluation of community-based training programs.

Objective 3: Promote increased cooperation and coordination in local skills development between government departments and NGO training providers.

Means 1: Create a joint government—NGO organizational framework and procedures for promoting increased coordination and cooperation in the planning, implementation, and funding of nonformal skills development programs.

- Establish a nonformal skills development working group at the national level with representatives from government departments and NGO training providers.
- Develop a joint master plan for organizing and delivering skills training for the informal sector, indicating priority training areas and target groups, required resources, and proposed implementation strategies.

- Develop guidelines and procedures for ad hoc training partnerships between government and NGO training providers.
- Develop a proposal for financing nonformal skills development on a sustainable basis through the establishment of a joint government, NGO, and donor-supported training fund.

Country Group 2: Kiribati, RMI, FSM, Nauru, and Tuvalu

Objective 1: Improve access to short-cycle skills development programs on remote or outer islands

Means 1: Identify economic opportunities and training needs of outer island populations.

- Conduct annual surveys of potential economic opportunities on remote and selected outer islands, e.g., those with existing primary or secondary school facilities.
- Identify and analyze the economic feasibility of potential opportunities in terms of markets, required inputs/investments, and expected returns.
- Identify proposed training target groups.
- Present and discuss results with local community representatives and interest groups.
- Create a short list of viable economic activities, training needs, and required nontraining inputs.

Means 2: Design and develop short-cycle modular training programs linked to pre identified and assessed income-generating opportunities for outer islands.

- Identify lead training institution with expertise and experience in modular program development.
- Recruit part-time subject specialists as required.
- Design training curricula and training support materials, based on identified economic opportunities, training objectives, and target group characteristics.
- Test and validate program content and objectives.
- Identify and train trainers.
- Develop procedures for determining training demand.

Means 3: Develop cost-effective delivery systems for skills training in remote and outer islands.

- Conduct an inventory of existing training facilities, qualified staff, and material resources on the outer islands to provide a basis for deciding on which approach to training provision is most likely to be feasible and sustainable in the medium

to long term.

- Identify and adapt local education facilities to become local training venues.
- Determine the feasibility of establishing low-cost local training institutions on selected outer/remote islands.
- Identify potential local instructors and provide training in community-based training methodologies.
- Develop and test a mobile outreach capability to provide specialized training content/courses.
- Investigate possibilities for using technology-based ODL delivery modes.

Objective 2: Actively engage the NGO community in providing short-cycle training programs dealing with livelihood skills for women, out-of school youth, and other vulnerable groups

Means 1: Strengthen the existing capacity of NGOs to identify design and to deliver livelihood training to women, out-of-school youth, and other vulnerable groups on remote and outer islands.

- Establish local NGO-led working groups to identify priority livelihood skills for women and out-of-school youth on remote and outer islands.
- Update existing information on livelihood training needs and identify priority programs and target groups.
- Discuss proposals and cost implications with local authorities/institutions.
- Short list potential training activities with budget estimates.
- Identify potential sources of funding at national and local levels.
- Strengthen NGO training capacities in curriculum design and the development of audiovisual materials to support livelihood skills training.
- Develop and test livelihood-training packages.
- Conduct local training-of-trainers courses.
- Select appropriate delivery system alternatives.
- Develop and disseminate training course information to target groups and local authorities regularly.
- Obtain feedback and evaluate results.

Country Group 3: Cook Islands, Fiji Islands, Palau, Samoa, and Tonga

Objective 1: Provide increased training opportunities for school-leavers.

Means 1: Expand intake into existing programs.

- Replace 1- and 2-year programs with short-cycle modular-based programs.
- Expand existing franchise or cooperative programs to cover more subjects and institutions.

- Use available training facilities and equipment in secondary schools for skills training in evenings and on weekends.
- Recruit additional part-time training staff.
- Support the expansion of the private training market, e.g., by providing subsidies to private training providers or bursaries/vouchers to students.
- Provide increased information in secondary schools on nonformal skills training opportunities.

Means 2: Establish new community-based training programs.

- Collect information on training and skill needs at the community level.
- Identify potential income-generating opportunities and training requirements.
- Develop a modular databank of new short training programs and make it available to NGO and private training providers.
- Encourage employers and the private sector to sponsor short skills development programs for out-of-school youth.
- Contract local institutions and NGOs to design and deliver new ad hoc training programs for which there is demand.

Objective 2: Improve the quality of nonformal skills training.

Means 1: Improve the quality of training inputs.

- Validate the curricula of all nonformal skills development programs.
- Provide regular upgrading opportunities for nonformal skills trainers and instructors.
- Ensure that short training programs are adequately supplied with training materials and equipment, especially hand tools in basic artisan skills.
- Leverage available technical expertise in the local community.

Means 2: Improve the quality of the training process and outcomes.

- Develop, test, and validate quality assurance criteria and evaluation procedures.
- Introduce regular monitoring and follow-up procedures to assess outcomes.
- Encourage training providers to become more attuned to the skill needs of local employers and communities.

Objective 3: Develop entrepreneurial skills for increased self-employment.

Means 1: Promote increased entrepreneurship training.

- Introduce a component on entrepreneurship and self-employment into all non-formal skills training programs.
- Obtain, adapt, and use available structured training materials on entrepreneur-

ship development, such as the ILO's Know About Business modular training program.

- Make extensive use of case studies and best practice examples in training activities.
- Create and maintain a roster of resource persons from the private sector and specialized training institutions willing to provide inputs to entrepreneurship programs.

Means 2: Promote linkages between training and the private sector.

- Establish linkages between entrepreneurship training programs and local private sector organizations, e.g., chambers of commerce and employers' associations.
- Develop partnerships with private sector firms willing to provide short practical attachments for successful course graduates.
- Provide participants with information on locally available business development services, including credit and technical advisory services.

Means 3: Develop flexible and cost-effective ODL systems for entrepreneurship training.

- Identify and analyze existing examples of good practice in the provision of ODL in the region.
- Identify the strengths and weaknesses of ODL.
- Identify potential ODL programs and target groups/beneficiaries for entrepreneurship training.
- Identify required resources and partners for ODL program development.

Means 4: Create a conducive environment for the promotion of self-employment in the informal sector.

- Identify and amend local legislation and by-laws that discriminate against informal sector economic activities.
- Take proactive measures to facilitate informal sector trade and commerce, e.g., designating local venues as informal sector market places.
- Discourage harassment of informal sector vendors by local law enforcement officials.

Appendix 5. Donor Funding for Pacific TVET

International donors such as the Australian Agency for International Development (AusAID); European Union (EU); Japan International Cooperation Agency (JICA); New Zealand's Agency for International Development (NZAID); Taipei, China; and the United States, as well as international financial institutions, especially the Asian Development Bank (ADB) and the World Bank, play a considerable role in financing technical and vocational education and training (TVET) for Pacific island countries (PICs). The northern Pacific countries of the RMI, FSM, and Palau have compacts of association with the US, which funds most of the education budgets (90% for the FSM and more than 50% for the RMI). Cook Islands, Kiribati, Nauru, and PNG also receive considerable large development assistance grants from AusAID, NZAID, and EU. JICA has paid for both Samoa and Tonga to extend and refurbish their technology institutes.

Regional projects sponsored by the Commonwealth of Learning have assisted with funding for establishing the Pacific Association of Technical Vocational Education and Training (PATVET) and supported the development of open distance learning (ODL). The Pacific Regional Initiatives for the Delivery of Basic Education (PRIDE) project, funded by the EU and NZAID, offers substantial planning assistance to Pacific ministries of education, although to date relatively little has been done in the TVET area. Across the Pacific, most informal sector training is provided by nongovernment organizations (NGOs), which are heavily funded by international donors.

ADB has provided a number of grants and loans (PNG, RMI, and Tuvalu) for informal sector livelihood-improvement projects and microcredit schemes. The Pacific receives one of the developing world's highest per capita rates of donor funding and some of this flows into the TVET area. There is substantial scope for a coordinated regional approach by donors and financial institutions to support long-term sustainable improvements in the formal and informal TVET sectors. The rest of this appendix provides a summary of recent donor assistance in the TVET sector as identified in the country reports prepared for this study.

Cook Islands

Donors fund the major part of the Cook Islands' human resource development, including TVET. NZAID is the major donor for the Cook Islands and pays for most government scholarships, in-country training programs, and overseas training attachments. AusAID is also a major donor, and EU contributions under EDF9 played a significant role in the newly constructed Trade Training School.

The Department of National Human Resources Development (NHRD) is responsible for coordinating in-country training, scholarships, and work placements. NHRD receives 75% of its funds from donors with the Cook Islands Government contributing 25%.

An in-country training committee meets annually to consider proposals for in-country training as well as scholarships and short-term training assistance for block trades training in New Zealand. The committee consists of a private sector representative, industry representatives, donor officials, and NHRD staff. Currently, NHRD channels more of its resources to administration of donor funding and less on the development of policies that promote sustainable human resource development.

The Trades Training School provides the major technical skills training from Level 1 to Level 5 for building construction, plumbing, automotive, electrical, and computing. Local tutors, funded by NZAID, support formal trade qualification courses. The Trades Training Center has not received an operational budget from the Cook Islands Government since it opened recently and is fully dependent on donor support, as are the Hospitality Training Center, Teachers College and the University of the South Pacific (USP).

NZAID also funds a tutor for outer island students enrolled in level two business administration and computing courses delivered by the New Zealand Open Polytechnic in collaboration with USP. NZAID has agreed to fully fund outer island students for their level 3 business courses.

The Marine Training Center (MTC) delivers maritime training for domestic purposes, rather than training seafarers to international standards as in other PICs. MTC receives funding from NZAID with course fees only contributing to course refreshments and training materials. Course fees are waived on the outer islands.

NZAID has also funded a small business enterprise center, referred to as Te Mato Tupuranga. It was originally established to assist the transition of redundant public servants to the private sector following Cook Islands' substantial public sector reforms in the 1990s. It now offers a range of business services and continues to receive most of its funding from NZAID.

The ongoing availability of donor funds encourages the Government to place little emphasis on funding TVET programs. A more sustainable approach to tertiary education and training is required. The current approach heavily stresses administration of donor funding, and places insufficient emphasis on sustainable policies that promote self-reliance. The Cook Islands Government needs to emphasize direct funding of TVET programs more rather than rely on donors for ongoing operational funding.

Federated States of Micronesia

The FSM is heavily dependent on USAID through the Compact of Free Association relationship, with a substantial proportion of the FSM budget being met by the US Government. A training unit within the FSM government's executive branch coordinates all training opportunities, including TVET, conducted either within the FSM or overseas. The financing of 90% of all education programs delivered within the FSM either by the

FSM national or state departments of education are paid for by Compact funds and other discretionary assistance programs. Replacing Compact financing for education generally and TVET specifically is the greatest challenge for the country.

FSM's major trade training program—trades, training, and testing (T3)—was designed as part of Pacific regional vocational education initiatives sponsored jointly by the United Nations Development Programme (UNDP) and the International Labour Organization (ILO). T3 has offered programs in construction, electrical, and mechanical trades since 1984.

Private training providers, NGOs, and not-for-profit organizations receive donor funding for informal capacity-building initiatives ad hoc. These stand-alone and short-term (1–2 days) skills training services are aimed at addressing immediate livelihood needs. This includes the Chuuk Women's Council Small Micro-Enterprise Development program, which was originally funded by the UNDP Small Grants Scheme in 1999. The program has since become a self-funding operation.

Nonformal training is largely provided and managed by a multitude of NGOs, civil society organizations, community-based organizations, and faith-based organizations, all funded primarily by donors.

While the FSM does not currently have any TVET-related donor projects, an ADB technical assistance on private sector development recently conducted a TVET audit.

A number of donor projects include some element of human resource development, capacity building, and institutional strengthening, including:

- (i) Pohnpei Business Development Center – a private sector business-training program funded through ADB. This program is designed to help generate new and expand existing small and medium enterprises through appropriate provision of advisory and technical skills training for business entrepreneurial activities.
- (ii) Public Sector Capacity-building Road Map – another ADB-funded project, established to address current gaps in macroeconomic management capacity, especially those in the areas of economic planning, statistics and financial management, vis-à-vis human resource development and management.
- (iii) Basis Social Services Project – an ADB-funded technical assistance project aimed at improving the policy environment of the education and health sectors. One deliverable in the education sector is the development of an education information management system.

Fiji Islands

Education in the Fiji Islands has benefited from a number of donor-funded development projects.

The following projects have specifically provided assistance for TVET in the school system:

- (i) AusAID–Fiji Education Sector Programme (FESP) – equipping nine TVET centers, plus technical assistance for entrepreneurship education and industry-school compacts.
- (ii) EU–FESP – assistance in equipping schools, and technical assistance on competency-based assessment.
- (iii) JICA – assistance in equipping schools.
- (iv) PRIDE – assistance in curriculum development for vocational subjects in secondary education.

NGOs and donor agencies are the main financial supporters of nonformal training in the Fiji Islands and it is only recently that efforts have been made to include nonformal programs into the regular offerings and budget of the Ministry of Education (MOE). NGOs and other community-based organizations work at the grassroots level to deliver informal training to improve subsistence livelihoods. Organizations such as the Fiji Council of Social Services and the regional NGO, Foundation of the Peoples of the South Pacific, can facilitate the delivery of funding agency inputs and services, such as microcredit for end users.

ILO has supported an Integrated Human Resource Development Programme for Employment Promotion through its Suva office. This is an ambitious attempt to address employment generation in the informal sector in a holistic and coordinated manner. The project brought together some 17 government ministries and departments to identify potential income-generating activities in various small business sectors. The project provided necessary technical and business training and facilitated initial credit requirements by establishing a national center for small enterprise development with a microcredit component. By the end of April 2005, the project had initiated 20 income-generating activities of which 17 (85%) were deemed successful. Generated were 3,800 jobs and average profit margins varied between 20% and 100%.¹ ILO considered the project only partly successful and it never gained the kind of momentum to carry the project past the pilot stage. The reasons, below, reflect weaknesses common to many training programs for the informal sector:

- lack of support from central ministries;
 - not regarded as part of MOE’s normal work of officials;
 - not part of the Government’s key results areas;
 - no officially approved coordination mechanism;
 - restrictive local regulations; and
 - no support from local technical officials.
- Although as a project it never achieved the coverage or impact that was intended,

¹ ILO. 2005. Integrated Human Resource Development Programme for Employment Promotion Progress Report. Suva.

individual components of the project survived and continue to operate in their respective ministries or as stand-alone institutions.

Kiribati

Kiribati has several active donors in the education sector including AusAID, EU, and NZAID. AusAID and NZAID are harmonizing their efforts in funding and are focusing on providing support to education, public service performance, resource development, and urban renewal. AusAID is examining the strengthening of the Tarawa Technical Institutes (TTI), the country's premier technical training institution, in areas such as electrical trades and plumbing. An EU project—the Kiribati Training Programme II, a TVET-strengthening project—has been completed and TTI has received a new workshop complex from this project.

ILO has continued supporting the Ministries of Labour and Human Resource Development and of Commerce, Industry, and Cooperatives, especially in funding short-term skills training. While there is no documentation about the outcomes of this training, interviews suggest that the actual use of the training has been poor in the case of training for self-employment. In some cases, the opportunities are limited, particularly so if capital is required to set up a business and finance is unavailable. There is also an issue of the suitability of candidates, that is, people with an interest in the skills and an intention to set up a business.

Lessons learned from past projects are avoidance of development of infrastructure which may not be sustainable through recurrent funding; and avoiding training provision that is unlikely to have employment/self-employment outcomes through an appraisal of opportunities, appropriate selection of candidates, and provision of support including microcredit.

Nauru

Nauru is heavily dependent on international donor assistance for skills development of all types and donor grants from AusAID and NZAID make up more than 50% of the education budget, including finances for the limited TVET activities. Scholarships are by AusAID; Thailand; Taipei, China; Canada; Japan; and the Commonwealth.

Papua New Guinea

The Government of PNG has had considerable amounts of donor funding since independence in 1975 with donors funding more than 85% of the national education budget in 2005. AusAID, EU, and ADB are the main external donors supporting TVET through various projects, including informal sector training. TVET has benefited from the following donor-funded development projects.

Promotion of Vocational Training Project funded through the German Technical Cooperation (1993–1995 orientation phase; 1995–2001 implementation phase). Core activities included:

- identifying pilot vocational training centers for project activities;
- introducing competency-based training (CBT) and development of CBT curricula;
- training of vocational center instructors and managers; and
- providing advice and support at the national and provincial levels.

AusAID assistance to the TVET sector since 1997 has occurred under three programs. The first for AU\$18 million focused on developing skills standards and a skills-testing system. Included in this development was refurbishing parts of technical colleges to be used as skills-testing centers. Substantial training of teaching staff also took place in competency-based instruction. The outcome of this project was an operational skills-testing system that had already unified many elements of the TVET system. Companies use the system to plan their own training and TVET providers use the standards as benchmarks for curricula. However, the system was limited to only seven occupational areas.

The second AusAID project, Project on Occupational Skills and Standards worth AU\$3 million (2004–2006), focused on extending the range of occupational standards and hence the extent of skills testing. A range of new standards has been produced, thus, substantially enhancing the overall capacity of the National Apprenticeship and Trade Training Board. However, skills testing has not yet begun in the new standards areas.

The current AusAID activity is the Education Capacity Development Program (ECDP) (2005–2009; K138 million). It supports education reform through strengthening education operations and improving systematic integration among all levels of administration responsible for managing and financing the education sector. Chief beneficiaries are officers at the National Department of Education headquarters, and provincial and district officers charged with developing effective and efficient delivery mechanisms. ECDP provides some support to TVET including improvement to curriculum planning and the development of the TVET national qualification framework.

ADB has funded the Employment-Oriented Skills Development Project, which began in 2001 and was based on an ADB technical assistance (TA) project carried out in 2000, which examined constraints to informal sector development in PNG. The project addressed three main priorities identified in the TA project, namely, the absence of an enabling environment for informal sector activities in PNG, lack of institutional capacity to design, develop, and deliver informal sector training programs, and need for a financial mechanism to promote long-term sustainability in informal sector training. The total value of the project was US\$39 million, of which US\$20 million was provided by

an ADB loan. The project was originally scheduled to close in June 2006 but has been extended until December 2007.

EU has identified two projects to support the development of community-based training and nonformal education in rural areas. The first is the Community Participation in Vocational Training Project, which is about to be launched, and which seeks to reorient vocational centers in four pilot provinces toward the needs of local communities and to provide opportunities for students to acquire skills of relevance to the nonformal sector. The project builds on the experience of previous and ongoing activities by German Technical Cooperation and ADB and focuses on strengthening the management of vocational centers and linking them more closely to the needs and priorities of local communities. The 5-year project is scheduled to run until the end of 2011, and has a proposed budget of €7.7 million.

A second related project funded by EU is the Community Learning and Awareness project, which will provide nonformal education learning opportunities, including income-generation training, for individuals who have not experienced or completed formal education. The project will provide institutional support to the Department of Community Development to enable it to better carry out its new responsibilities for nonformal education in partnership with the nongovernment sector. It will also support community-based learning by providing learning materials to teachers. The project budget is €4.5 million.

The Ginigoada Business Development Foundation in Port Moresby has been receiving AusAID support since 2002. It focuses on preparing residents in the Port Moresby area for self-employment with a combination of technical and business skills delivered through short courses, in collaboration with the chamber of commerce, the local vocational training center, and a local micro finance institution. Participants, mostly women and urban youth, receive an intensive 2-day modular course on basic business awareness, in which they identify potential self-employment opportunities. The second day is devoted to teaching participants the principles of costing, pricing, record keeping, and family income management. Participants then embark on the technical skills training component that lasts from 1–2 weeks to 3 months at the vocational center. The foundation has financed the training of 400–500 people a year. To date, it estimates that some 2,000 individuals have participated in its programs and that about half of these have gone on to set up microbusinesses in the informal sector.

The immediate goal of the foundation is to raise incomes for disadvantaged groups, primarily families and individuals from the urban settlements of Port Moresby. The long-term objective is to establish an appropriate and efficient microenterprise program based on self-employment in the informal sector.

Republic of the Marshall Islands

The RMI's national budget has averaged just above \$100 million in recent years, two thirds of which is funded by foreign assistance, primarily the US and Taipei,China. More than half the education budget is funded by grants under the US Compact of Free Association.

TVET providers, predominantly NGOs, are now funded mostly by grants from international organizations with some government funding. Training for the rural and informal sector in the RMI is gaining momentum as it becomes clear that the economy cannot generate even a fraction of the estimated 300–400 new jobs a year required to absorb the annual output from the education system.

In 2000, MOE, in an effort to address the job shortage, launched a 5-year skills development project with financial assistance from ADB.² One objective was to establish a decentralized training capacity and community outreach program for women and unemployed youth. This component was to improve income-generating opportunities for women and youth, especially in the outer islands, by delivering short-cycle skills training, linked to income-generating opportunities, and supported by a women's training, marketing, and information center. The training for this program depends mainly on NGOs.

The Ministry of Internal Affairs (MIA) also provides training, workshops, and other information to encourage the development of import-replacement products and improve the production of existing products. In addition to regular government funding and project support from Taipei,China, the ministry accesses financial support and technical assistance from regional and international bodies such as the Secretariat of the Pacific Community, UNDP, the Pacific Islands Forum Secretariat (PIFS), and the Food and Agricultural Organization of the United Nations. The ministry has two extension and demonstration facilities on Laura Village in Majuro and both are managed through a technical assistance program funded by Taipei,China. With training support from Taipei,China, a Laura farmers' association was recently formed for cooperative farming, marketing, and sales.

MIA runs 12–16 training workshops for income generation per year (3–4 per quarter), each of a week's duration, for farmers, fishing people, and small-scale producers from both Majuro and the outer islands. The ministry collaborates closely with special interest groups such as women and cooperatives and has links with the Small Business Development Center (SBDC). In 2005, about 400 individuals attended the ministry's programs which, typically, are organized for 25 participants each. In addition to the technical content, training is also provided on such topics as packaging and marketing of processed goods and handicrafts. However, the ministry estimates that less than

² ADB. 2001. Skills Training and Vocational Education, Loan No. 179. Manila.

10% of participants in its programs have actually gone on to set up income-generating activities.

Two reasons were given for this low figure: limited availability of credit for small-scale entrepreneurs and the absence of a central marketing facility for displaying and selling products. Both issues are now being addressed. The Majuro local government has just inaugurated a central market in Majuro where individual producers can sell their goods. The Bank of the Marshall Islands has recently established, with Taipei, China's financial assistance, a microcredit scheme to support self-employment and microbusiness development. The scheme is based on a \$700,000 grant from Taipei, China and is intended to support both new and existing small business throughout the country. Links between the bank and SBDC mean that those who require assistance in developing business plans in connection with loan applications can approach SBDC for assistance. SBDC is part of the US Small Business Administration (SBA) program and was established in the RMI in 2001. SBDC provides occasional training and workshops on business planning, financial statements, marketing, and customer service. SBA and the RMI cofund SBDC, with \$60,000 coming from SBA and \$20,000 from the RMI (for FY2007). The program provided training to 126 people in 2005 and it will increase this to over 200 through at least 21 training sessions in 2006.

The Marshall Islands Council of Nongovernment Organizations (MICNGO) was established in 2003 to serve as a voice for nonprofit, community-based organizations in the RMI and to facilitate communication between local NGOs and third parties at national, regional, and international levels. MICNGO received funding for small education projects from ADB and the United Nations Educational, Scientific and Cultural Organization (UNESCO). It has submitted several additional funding proposals to EU, the Small Grants program of the Global Environment Facility, and the US Department of the Interior.

MICNGO's first priority has been to strengthen the capacities of its seven members to manage their respective organizations, identify resource needs and access funds from government and external donors. To facilitate funding possibilities, MICNGO has participated in several regional and international workshops organized for nonstate actors by ADB, EU, and World Bank. In 2005, it supported the implementation of the ADB-funded TA project on youth social services, and MICNGO staff were also involved in a subsequent ADB TA on increasing ownership and effective demand for education in the RMI. As neither MOE nor MIA has the personnel or financial resources to significantly expand outreach training activities, the National Training Council (NTC) looks to the NGO sector to assume an increasing share of training responsibility.

Women United Together Marshall Islands is currently implementing or awaiting approval on eight donor-funded projects on various aspects of women's development

and woman's rights for a total value of just over \$300,000. Funding agencies include AusAID, NZAID, Pacific Resources for Education and Learning, United Nations Development Fund for Women (UNIFEM), and UNDP.

WAM is an innovative NGO that teaches out-of-work youth the traditional craft of canoe building. It has identified five potential sources of funding: government sources such as funds offered by NTC, US federal government programs, the private sector, the international donor community, and self-generated funds.

The Skills Training and Vocational Education (STAVE) Project was an ambitious, multiyear, multiparty effort to bring RMI skills development and career awareness into the 21st century. STAVE ran from January 2001–August 2005 and was worth \$9.1 million, \$6.8 million of which came in the form of an ADB loan and the remaining \$2.3 million provided by the RMI. STAVE was to improve skills training to provide well-trained skilled workers for sustained economic and social development. This was to be done by implementing an integrated and articulated national skills training and certification program.

Specifically, STAVE aimed to strengthen the quality of the career awareness program to provide guidance to high school students in career and skills training options, improve relevance and quality of skills training, and increase skills training oriented to short-term employment and self-employment for the unemployed and underemployed on the outer islands, with a special emphasis on women and youth.

However, there was limited success in a number of areas. Some important assumptions built into the project did not materialize. For example, the College of the Marshall Islands was assumed to be a major provider of skills training throughout the project and thereafter, but unforeseen events there prevented it from fulfilling this role. The WIA program was also assumed to be a major training provider but its exit from the RMI under the amended Compact, prevented this. NTC participation and leadership throughout the project was weak. Part of the original terms of reference that called for institutional strengthening of NTC—including development of national skills standards, testing and certification systems, etc.—were never accomplished. The project's steering committee had limited engagement in the project. Roles and responsibilities of various stakeholders also remained unclear at the end of STAVE.

In short, the hardware development and installation component of STAVE succeeded, but both the software and networking components were not so successful. The RMI is now struggling to meet debt repayment commitments, exacerbated by rising servicing fees.

Samoa

Samoa has had a number of donor projects specifically dealing with TVET over the past few years, focused on Samoa Polytechnic. The National University and the Polytechnic

merged in recent years to form the National University of Samoa, Institute of Technology (NUSIOT). These projects have complemented the Strategy for Development of Samoa and they reflect the Government's commitment to education.

The following are TVET-specific projects that have been for implemented through NUSIOT over the past few years.

JICA upgraded the Samoa Polytechnic (now NUSIOT). New workshops, classrooms, and an administration block were built, other facilities were renovated, and new equipment provided. This project, completed in 2006, will upgrade the standard of TVET provision in Samoa. It will also continue supporting TVET development within NUSIOT by training staff for equipment maintenance and management. JICA has also funded upgrading of TVET teacher qualifications through the Samoa Association of TVET Institutions program to upgrade teaching skills, develop curriculum, and enhance assessment abilities.

AusAID funded a strengthening project for developing the TVET curriculum and human resources. Sunshine Coast Technical and Further Education College implemented this project between 1997 and 2001 and it converted the trade program curriculum to CBT and assessment. This was achieved by changing the curriculum for each course into modules. Students are now assessed at the end of each module's training before they start on the next module. If they fail, they can always be reassessed, so there is limited or no chance for failure and students are properly trained in their areas of specialty when they graduate.

The feedback from stakeholders and industry advisory panels has been positive but the curriculum will need to be monitored and improved to keep pace with fast-changing technology. NUSIOT certificate-level courses use CBT curricula and can easily review and change course content and modules from occasionally to accommodate changes in labor market needs. The main concern about CBT is the high cost of resources and materials required because of the increased number of assessments. Another criticism is the level of student specialization at the cost of general competencies gained in other areas under the former time-based curriculum.

NZAID designed and implemented a project between 1997 and 2001 that established academic and corporate services policies as well as undertaking staff-development programs by offering certificates in adult teaching courses. The policies developed because of this project are now used as guidelines for all academic and corporate services developments to meet the needs of students and industries. Other areas of support by NZAID include training of staff under its short-term training scholarship scheme, directly benefiting NUSIOT staff by improving their skills and qualifications.

Other donor assistance includes the establishment and ongoing support for the Marine Training Center (now School of Maritime Training) from the Government of Ger-

many. The International Maritime Organization (IMO) through SPC had also assisted in curriculum and staff development. The Samoa Qualifications Authority is being initially funded by UNDP with the Government assuming funding responsibility after the first 2 years.

Other TVET providers in the formal and nonformal sectors receive considerable donor agency support. Private providers are funded by their own organizations, e.g., churches, school fees, with some annual financial assistance from the Government and donor agencies.

The Samoa Umbrella for Nongovernment Organizations (SUNGO) is the national body that represents and coordinates training for NGOs. It also monitors and evaluates training programs and has indicated a high level of success with the training provided. Most of this training is funded by donors and has to comply with donor requirements. SUNGO states that this training is successful about 60–70% of the time. National data on training evaluations and tracer study results on the outcomes of training are needed to ensure the level of success and sustainability.

A National Coordinating Committee for Second Chance Education provides youth that have dropped out of school and people in communities with opportunities to reenter the formal education stream and go on to further education. Through donor assistance from the Commonwealth secretariat, and others, overseas tutors are running courses on curriculum development for representatives of local organizations to promote training for “second-chance” students.

Solomon Islands

Funding agencies have contributed to TVET in Solomon Islands in both the formal and nonformal sectors. EU is the biggest donor helping TVET with support to the RTC project commencing in 1993. This project assisted 28 “working” RTCs throughout the country. There have been two phases and a bridging period. Phase 1 began in 1993 for 3 years and was then extended by 1 year and cost €1.7 million. Phase 2 started in 2000 for 3 years, was then extended, and completed in April 2004. A bridging period then began in September 2006, costing €1.96 million.

Phase 2 was intended to consolidate the results of phase 1 and incorporated the following features and dealt with curriculum development for RTCs and both preservice and in-service training for teachers. The midterm review (2003) and the subsequent evaluation in 2005 of the TVET curriculum-development activities point to the project as having limited impact. A tracer survey of RTC graduates in 2002 revealed that graduates were not well integrated into their communities, and the skills gained were not regarded of the quality necessary to achieve an impact. The project did not tackle the fundamental issues of quality of training, management of RTCs, institutional structure,

support, or capability. Nor did it tackle basic systemic weaknesses that appear to have long plagued the provision of TVET by RTCs.

Other donors including NZAID, AusAID, and JICA have assisted TVET development, in a limited way, in the form of equipment and infrastructure for RTCs.

The national technical institution, Solomon Islands College of Higher Education (SICHE), has benefited from donor assistance, mainly from EU and NZAID, in the form of student bursaries and program support to the schools of education, marine and fisheries, and finance and administration. In 2005, Taipei, China through MOE provided SI\$0.5 million for improving student facilities at the Kukum campus of SICHE.

AusAID, EU, NZAID, and the World Bank jointly funded a National Skills Training Plan study in 2006. The study identified a number of options for improving the quality of and increasing access to skills training. While there is significant unemployment in the country, there remains a strong demand for skilled labor in specific occupational areas. This situation exists in both the private and public sector. The report suggests that the present workforce does not have access to the kinds of high-quality skills training necessary for employment in these high-demand occupations. It also suggests priorities for training and a rationale for proposed reforms. Reforms should take place at tertiary education, training centers, and in short-term, in-service training.

The EU will be funding a major TVET project to begin in 2007 worth \$4 million. The project outcomes will include establishing and strengthening a national training authority and three provincial councils, developing labor market survey and instructor training, the providing infrastructure and training equipment to selected institutions, and establishing a skills development fund.

Tonga

Funding agencies help TVET training in Tonga in various areas. AusAID and NZAID fund short-term training courses conducted in Tonga in areas relating to development priorities, including improved governance, public sector reform, finance, and revenue collection. Some courses support the objectives of the major AusAID funded development projects (health, tourism, waste management, and fisheries). The in-country training program for 2005/06 to be funded by AusAID included 27 training sessions with a budget of \$404,090. The approved NZAID allocation for the in-country training program for 2006/07 is \$350,000 (covering fees and disbursements for the training providers and program management). The New Zealand High Commission in Tonga provides financial support for students to attend local postsecondary institutions and to undertake study leading to formal qualifications. An in-country awards program operated in 2000–2005, and the rationale was to offer a more cost-effective way of promoting the postsecondary training required for Tonga's development.

The in-country awards program provided 50% of the school fees for awardees with a further 50% refund for students with A and B average passing rates and 25% refund for students with a C average. An accommodation award was also available for students who resided in hostels at the USP Tonga Center and Hango Agricultural College.

The Government and other stakeholders have expressed a preference for a staged approach to handing over of the management of the in-country awards program to the Scholarships Office of the Ministry of Education. This action would be consistent with NZAID principles to achieve effective partnerships, sustainability, and donor harmonization.

Toward achieving stated objectives the program has:

- attracted about 200 applicants each year;
- supported 145 student-years of post-compulsory study in Tonga in 2000–2004, with a further 33 student-years begun in 2005;
- awarded, on the average, half of these student-years to females; and
- awarded, on the average, 26% of these student-years to outer island students and supported enrollments at an outer island institution (Hango).

The Government of Japan has assisted education as a whole through the Grant Assistance to Grassroots Programme for construction of classrooms and other school facilities. This included the construction of the new facility for electrical and electronic courses at TIST. Other forms of assistance included the continued provision of instructors by JICA and Japanese Overseas Cooperation Volunteers to TIST and to the Community Development Training College.

Tuvalu

International donor assistance has focused on the Tuvalu Maritime Training Institute (TMTI) and studies of the TVET system. ADB approved a loan of \$1.85 million plus a TA grant of \$0.3 million to the Government in 2002 for refurbishing and expanding TMTI. Facilities to be built or upgraded include a wharf extension and safety-at-sea training equipment, firefighting equipment, water catchment and storage facilities, new and renovated staff housing and better trainee quarters, and specialist training and operational equipment. Delays in contracting postponed the start of construction to 2006. Within 6–9 months the Institute was scheduled to have six classrooms instead of two, male boarding capacity of 80 students (compared with 40 at present), 18 teacher houses (double the nine at present), and a house for female trainees. In addition, equipment will be replaced in the engineering and seamanship workshops. The ADB project will provide TMTI with possibilities to either expand its current intake or to offer places to female trainees at some future date. Expansion, however, should be based on international demand for trained seafarers. Currently, the shipping market does not seem to indicate any demand

for significant increases in the number of trainees.³

In addition, Taipei, China has agreed to earmark \$200,000 a year for 4 years for TMTI out of its grant to the Government. These funds are supposed to be ring fenced. However, the Government only paid the amount owed for 2005 in mid-2006 and by mid-2007 had paid nothing for 2006.

The New Zealand Government has been assisting TMTI through a contract for technical assistance through the New Zealand Maritime Institute, including services of the principal until a permanent one can be recruited.

AusAID has been providing short courses delivered by Australian experts. Usually, these are 2-week courses for 22–30 participants. In 2003/04, courses were delivered in Tuvalu in the following technical and vocational subjects: vehicle maintenance, industrial electronics, joinery, plumbing and drainage, and electrical generator maintenance. These courses tended to be cost effective compared with sending Tuvaluans abroad. On the average, the short courses cost \$24,000, or around \$1,000 per participant. Another advantage is that they include some people from the outer islands as well as those who have lower levels of education.⁴

Several studies have been carried out on the TVET system in Tuvalu. These include: AusAID's HRD Study (2003) which makes several recommendations aimed at improving strategic human resource development processes; The Tuvalu Technical Vocational Education and Training Study (NZ AID 2003), which commented that the most feasible TVET option was to build on and enhance the capacity of existing institutions and programs—the ADB team working on the Education and Training Sector Study and Education Sector Master Plan with MOE (March 2004) raised similar concerns regarding the urgency of providing more TVET options—and NZ AID Support for the Training Needs of the Kaupule, Falekaupule and Community in Tuvalu: Training Needs Assessment and Project Feasibility Mission, (2004) by Peggy Fairbairn-Dunlop, Martin Grinstead, and Lete Avenitele. This report concentrates on support for administration of island trust funds, but also identifies training needs on the outer islands.

Vanuatu

The TVET sector in Vanuatu has arguably received the Pacific's highest level of donor support. Vanuatu has put in place many of the elements of a strong TVET system with donor assistance including the Vanuatu National Training Council (VNTC), Vanuatu Institute of Technology (VIT), the national qualification framework, and registration/accreditation of institutions and programs.

3 ADB. 2004. Improving Technical Education and Vocational Training: Strategies for the Asia Region. p. 59.

4 Australian Agency for International Development. 2004. AusAID In-Country Training: Tuvalu. Fourth quarterly report, 2003–2004. April–June.

AusAID has been providing substantial, comprehensive, and sustained assistance to the TVET sector in Vanuatu with the first intervention spanning 1995–2004 and focusing on assistance to VIT. Under the project, VIT's capacity was strengthened through management training, staff training, development of equipment and facilities, establishment of a train the trainers program for TVET instructors, and development of curricula in business, tourism and hospitality, joinery, masonry, mechanical, automotive, and electrical. Australian assistance is being continued and broadened through a 6-year, three-phase, AU\$12-million, TVET Sector-Strengthening Program that started in November 2005. The program seeks to support and strengthen existing systems rather than establish new ones in both formal and nonformal TVET.

Of particular interest are efforts under the AusAID program to create a quality fund to which institutions can apply for small grants (maximum Vt2,000) for equipment. The program will also establish two provincial training centers (essentially an office building with training space) and mobile training for outreach to communities. Any NGO or other provider will be able to use the premises to conduct courses. In addition, the program will pilot the "alternative" TVET streams at the senior secondary level in five secondary schools with spare hostel and workshop capacity.

Education consumes more than 25% of the government budget, but only 6% is allocated to TVET. Current funding to the TVET sector is small and will be strained further by recurrent funding of the developments from the current AusAID project.

NGOs are deeply involved in providing training in rural areas and an extensive system of RTCs exists. Fees alone cannot sustain the RTCs, so assistance is sought from both the Government and overseas donor agencies. From 1996–1999, the United Kingdom (UK) provided salary support to individual centers and, after 1999, for the purchase of training materials. In the late 1990s, donor assistance shifted from allocations to individual RTCs to the umbrella organization, Vanuatu Rural Development and Training Centers Association (VRDTCA), in an effort to strengthen the latter's coordination and support functions. In addition to the UK, VRDTCA also received support from Oxfam New Zealand for strengthening teachers' training, developing new curricula, and restoring the cyclone damage done to some RTCs in 2004. More recently, assistance has been received from the American Peace Corps in the form of volunteer teaching and support staff.

During the past 3 years with NZAID, VRDTCA has developed and implemented a competency-based training-of-trainers manual and organized a series of in-service programs to upgrade the pedagogical skills of RTC teaching staff. The manual introduces teachers to the competency-based approach, illustrates how competency-based training programs are designed and delivered, and covers aspects of assessment and evaluation.

Vanuatu has sought to increase access to rural credit by sponsoring several credit and microfinance schemes, most of which relied on funds from external donor agencies. Two of these were the Ni-Vanuatu Small Business Development Fund (NVSBDP) and the Cooperative Development Fund (CDF), both established with a grant provided by the People's Republic of China. The former provided loans to individuals and the latter lent to village cooperatives for purposes such as procuring copra from their members and providing vehicles for transporting produce to markets. Two other credit programs were also established: (i) a pilot project by the National Bank of Vanuatu (NBV), with technical assistance from ADB, to test a rural lending scheme on the outer island of Tanna; and (ii) a UNDP-supported replication of the Grameen Bank model, known as the Vanuatu Women Development Scheme (VANWODS), which provided small loans to poor urban women and was implemented by the Ministry of Women.

During the past few years however, several government-sponsored loan schemes have closed or their remaining resources have been frozen due to poor loan management and low recovery rates because of lax approaches to the screening of applications. This is the case with both NVSBDF and CDF. The exception is VANWODS, which continues to receive support from UNDP and the Government and which is seeking to transform itself into a commercially oriented institution but still focused on the needs of disadvantaged groups.

In an attempt to develop a suitable instrument for providing increased financial services to rural populations, ADB is assisting NBV in building on the successful experience of the Tanna pilot project (which achieved a 100% loan recovery rate) and examine ways in which its lending facilities can be extended to a wider rural clientele. The advantage that the NBV has is that it already possesses a substantial outreach capability in terms of rural savings accounts, and it is now seeking to develop this into a wider range of financial services for rural populations.

An ADB skills development project is planned for Vanuatu, which will focus on enhancing the match between the demand for and supply of nonformal vocational skills training. ADB has provided, on a grant basis, technical assistance to the Government that has resulted in: (i) a survey and analysis of the vocational training needs of 22 rural communities; (ii) an assessment of the institutional strengths and weaknesses of the major training providers in rural areas; (iii) an examination of the demand and supply mismatch for nonformal skills; (iv) a survey of informal sector microenterprises; and (v) the design of a sustainable financing mechanism for funding nonformal TVET. In addition, ADB technical assistance made an important contribution to the development, in 2003, of the TVET Masterplan that identified formal and nonformal TVET priorities for the period 2003–2010 and created the framework within which various TVET providers agreed to work toward common goals.

The Ministry of Youth Development and Training is the responsible authority for coordinating nonformal skills development and has the responsibility to facilitate nonformal TVET training provided by NGOs, women, youth, and church groups. It also facilitates requests for funding from agency donors by the nonformal providers. In this context, it recently coordinated train-the-trainer workshops organized by the Life Skills Training Programme, funded by UNICEF.

Regional

Australia–Pacific Technical College

In October 2006, Australia announced funding of AU\$149.5 million for establishing and operating a new Australia–Pacific Technical College (APTC). APTC is being established in partnership with industry and Pacific island governments to produce “work-ready” Pacific island graduates to Australian standards. The project started in mid-2007 with a coordination office in Nadi, Fiji Islands and campuses progressively operational in PNG, Fiji Islands, Samoa, and Vanuatu.

Students will be self-funded, supported by an APTC scholarship, or sponsored by industry or other funding donors. It is expected that around 3,000 students will graduate in the first few years of operation. Further support will be sought from industry and donors to increase student numbers and to make effective use of Australia’s investment in APTC.

The training will be managed by the Sunshine Coast Technical and Further Education College (Queensland) for the schools of automotive, construction and electrical, and manufacturing; and Box Hill Technical and Further Education College (Melbourne) for the school of hospitality and tourism. An advisory board will be appointed and include representatives from PICs and the Australian industry. More information on the development of the APTC can be obtained from the APTC website www.aptc.edu.au from August 2007.

Pacific Regional Project for the Delivery of Basic Education

The Pacific Regional Initiatives for the Delivery of Basic Education (PRIDE) project seeks to enhance student learning across 15 PICs by strengthening the capacity of each MOE (or equivalent) to plan and deliver high-quality basic education through formal and nonformal means and to improve the coordination of donor inputs to assist countries implement their plans. PRIDE defines basic education as all education provisions for children and youth, except higher education. It includes early childhood, elementary, primary, and secondary education—together with TVET—and covers both the formal and nonformal sectors.

The project will assist countries to implement, monitor, and evaluate such plans

by way of capacity-building activities at the national and regional levels. The development of an on-line resource center will encourage sharing of best practice and experience.

The project is being implemented by the Institute of Education at USP. EU, through the European Development Fund and New Zealand through NZAID, jointly funded it. EU has signed a financing agreement with the 15 Pacific countries where it will contribute €8 million over 6 years (2004–2009) and NZAID has signed a memorandum of understanding with USP where it will contribute at least NZ\$5 million over the life of the project.

Commonwealth of Learning

The Commonwealth of Learning (COL) has assisted Pacific TVET providers through PATVET members. This has included developing TVET programs to be delivered by ODL as an option for TVET delivery to isolated communities and islands. The courses designed using ODL for community-based providers included the following:

- Supervisory Skills Certificate. TTI in Kiribati was helped to adapt a face-to-face course for distance delivery. The course has since been adapted by FIT and is being delivered to learners in Fiji Islands.
- Learning About Small Business. This was designed and developed at the request of education ministers who wanted to encourage entrepreneurial skills at community level, for people who were semi-literate or only literate in their own languages. Samoa Polytechnic has adapted and translated the material, and trained trainers to deliver the material in the community. A tracer study was conducted with all the organizations that used the course material in PNG and Samoa. The study shows positive results—improved knowledge of how businesses operate, experience of undertaking a learning experience with colleagues from one's community, and financial and time management skills. Vanuatu has also adapted the material.
- Tourism. Three community courses have been designed and developed with representatives from Samoa, Tonga, and Vanuatu.
- Basic Trades for Small Islands. These were requested by the Cook Islands, Kiribati, Nauru, Niue, Tokelau, and Tuvalu. Representatives from these countries met to determine the courses' content and level. Courses on working with timber and with concrete are available and are being used in-country. There are tutor and student workbooks, and videos shot by the COL multimedia centers in each kit. The last course in the series, on working with small engines (outboards, brush cutters, chainsaws), was distributed in June 2007.
- ODL Course on Literacy and Livelihood. A course to improve the level of literacy and livelihood in PNG, Solomon Islands, and Vanuatu is being developed. It will be adopted by other PATVET members.

Other important areas of COL involvement include:

- Regional cooperation—through the establishment of PATVET in 2001; and
- Capacity building—by coordinating three leadership training institutes in New Zealand with the support of NZAID and the Open Polytechnic of New Zealand to advance the knowledge and understanding of chief executive officers and other TVET providers in leadership positions, especially in ways that open and flexible learning can be used in the region. A meeting was held at the Samoa Polytechnic in Apia in 2003 with the support of COL and UNESCO to further promote the aims and objectives of TVET education in the region. COL has sponsored attachments of Pacific TVET staff to the Open Polytechnic of New Zealand, provided in-country workshops, supported staff distance learning, and has supported the establishment of multimedia centers in the Fiji Islands, Kiribati, Samoa, and Vanuatu, with equipment and training.

Appendix 6. Summary of Country Priorities and Projects

Priorities	Projects/investments
<p>Cook Islands</p> <ol style="list-style-type: none"> 1. Relevance—build in-country training capacity; 2. Quality—strengthen existing institutions and programs; 3. Organization and management—establish a coordinating committee responsible for oversight of all postsecondary education and training; and 4. Equity—remove inequities between Rarotonga and the Outer Islands. 	(not yet specified)
<p>Fiji Islands</p> <ol style="list-style-type: none"> 1. Launch institutional reforms: <ol style="list-style-type: none"> (i) National TVET coordinating body; and (ii) Costed national plans; 2. Enhance quality: <ol style="list-style-type: none"> (i) Establish a national qualification framework; (ii) Carry out quality audit of vocational programs in secondary schools, and prepare a costed strategy for quality improvement; (iii) Improve quality assurance under the FIT franchise program; and (iv) Undertake a quality audit at FIT against international benchmarks; and 3. Expand outputs: <ol style="list-style-type: none"> (i) TPAF; (ii) Training fund; (iii) Skills for generating income among rural inhabitants and the unemployed. 	<ol style="list-style-type: none"> 1. Establish a national training council; 2. Carry out quality audits of MOE, secondary schools, and FIT; 3. Expand TPAF outputs and establish a training fund; and 4. Strengthen TVET in rural areas.
<p>Kiribati</p> <ol style="list-style-type: none"> 1. Reform the JSS curriculum and build on JSS infrastructure to provide skills that will be useful to the majority of I-Kiribati for the near future; and 2. Build the capacity of TTI to provide a greater range of skills and international standard skills. 	<ol style="list-style-type: none"> 1. Enhance the infrastructure of JSS to deal effectively with education for livelihoods; 2. Enhance the infrastructure of JSS to be a resource for TVET mobile training; 3. Enhance the capacity of TTI to deliver additional areas of study; 4. Expand the overall system of skills testing; and 5. Upgrade training capacity on gender, poverty, and employment.

Priorities	Projects/investments
<p>Republic of the Marshall Islands</p> <ol style="list-style-type: none"> 1. Increase basic skills attainment; 2. Enhance TVET opportunities for women and youth; 3. Develop TVET institutional capacity; and 4. Secure financing for TVET over the long term. 	<ol style="list-style-type: none"> 1. Establish a national skills development facility; 2. Offer basic skills training for women; 3. Develop capacity development at the National Training Council; and 4. Establish a TVET trust fund.
<p>Federated States of Micronesia</p> <ol style="list-style-type: none"> 1. Consolidate T3 programs into an autonomous not-for-profit national training institute (modeled after the Training and Productivity Authority of Fiji), including the ability to mobilize resources from fees; 2. Establish a TVET council under main stakeholders that, in turn, should (i) prepare a TVET policy and action plan, and (ii) implement quality assurance, standards, accreditation, and certification; 3. Improve TVET data collection and processing; 4. Merge and consolidate College of Micronesia states' campuses and state ancillary practical training programs; and 5. Renovate TVET training facilities. 	<ol style="list-style-type: none"> 1. Establish an FNTI out of T3; 2. Establish a TVET council; 3. Develop a TVET-reform strategy and action plan; 4. Establish a TVET management information system; 5. Establish a quality assurance framework (standards, testing, accreditation, and certification); 6. Build partnerships with key TVET organizations, such as the Pacific Association of Technical and Vocational Education and Training; and 7. Strengthen financial sustainability of FNTI.
<p>Nauru</p> <p>Nauru Secondary School to offer TVET subjects at years 8–11, including:</p> <ol style="list-style-type: none"> 1. Introducing FIT/TPAF franchise program and class 3 certificate examination; 2. Providing for upgrading of instructor training abroad, and twinning of staff with Fiji Islands secondary schools; 3. Recruiting specialist teachers; 4. Upgrading of physical facilities and tools and equipment bought; 5. Arranging industrial attachment for vocational students; and 6. Forming a national skills development body with industry links to promote TVET and develop computerized information. 	<p>See priorities.</p>
<p>Papua New Guinea</p> <ol style="list-style-type: none"> 1. Expand informal sector training; 2. Develop organization and management; and 3. Improve quality, via a fund for instructor and facility development. 	<ol style="list-style-type: none"> 1. Provide integrated support services for self-employment promotion in the informal sector; 2. Build capacity for a national TVET strategic planning organization; and 3. Initiate a capital investment fund for upgrading technical and business colleges and vocational centers.

Priorities	Projects/investments
<p>Samoa</p> <ol style="list-style-type: none"> 1. Establish the Samoa Qualifications Authority; 2. Establish a national qualification framework with flexible pathways; 3. Develop a national reform plan; 4. Convert from time-based to competency-based training; 5. Mobilize additional financing for TVET through increased government financial support to by introducing a payroll levy; and 6. Expand training outputs in areas of critical shortages. 	<p>Project for Improvement of National TVET Coordination and Management:</p> <ol style="list-style-type: none"> 1. Develop and establish a national TVET coordination plan, including: <ol style="list-style-type: none"> (i) Collecting data on TVET providers; (ii) Collecting labor market surveys; and (iii) Analyzing available training in comparison to labor market needs; and (iv) Identifying priority needs of training providers; 2. Design an implementation and financing strategy for the plan.
<p>Federated States of Micronesia</p> <ol style="list-style-type: none"> 1. Consolidate T3 programs into an autonomous not-for-profit national training institute (modeled after the Training and Productivity Authority of Fiji), including the ability to mobilize resources from fees; 2. Establish a TVET council under main stakeholders that, in turn, should (i) prepare a TVET policy and action plan, and (ii) implement quality assurance, standards, accreditation, and certification; 3. Improve TVET data collection and processing; 4. Merge and consolidate College of Micronesia states' campuses and state ancillary practical training programs; and 5. Renovate TVET training facilities. 	<ol style="list-style-type: none"> 1. Establish an FNTI out of T3; 2. Establish a TVET council; 3. Develop a TVET-reform strategy and action plan; 4. Establish a TVET management information system; 5. Establish a quality assurance framework (standards, testing, accreditation, and certification); 6. Build partnerships with key TVET organizations, such as the Pacific Association of Technical and Vocational Education and Training; and 7. Strengthen financial sustainability of FNTI.
<p>Solomon Islands</p> <p><i>Coordination at the National Level</i></p> <ol style="list-style-type: none"> 1. Establish an NSTC as a parastatal body; 2. Prepare a national skills training plan; 3. Establish an NSTF/levy; and 4. Set up comprehensive and robust youth-employment schemes. <p><i>Training</i></p> <ol style="list-style-type: none"> 1. Make RTCs more attuned to employer and community needs; close programs with low-placement rates; 2. Upgrade vocational and rural training centers, strictly limiting their programs until effective monitoring and evaluation are established; and restrict them from conversion into RTCs; and 3. Establish mobile-skills training programs based at selected RTCs to support 	<ol style="list-style-type: none"> 1. Establish and strengthen a national training authority and three councils (training and productivity, quality awards, standards, and accreditation); 2. Establish and finance a skills-development fund; 3. Develop a labor market survey; 4. Develop instructor training; and 5. Provide infrastructure and training equipment to selected institutions.

Priorities	Projects/investments
<p>Solomon Islands (cont.) community projects and train youth for self-employment.</p> <p><i>Private Employment Sector</i></p> <ol style="list-style-type: none"> 1. Establish a small but well-organized apprenticeship scheme, monitored and evaluated through NSTC with a partial subsidy; 2. Provide incentives under NSTF for enterprise-based training; and 3. Review and relax regulatory and oversight requirements for private training providers. <p>Note: Solomon Islands "Priorities" are based on World Bank (2007). Solomon Islands "Projects/Investments" are from the draft country report (Fakaia 2007).</p>	
<p>Tonga</p> <ol style="list-style-type: none"> 1. Relevance: eliminate skills shortages by (i) forging closer cooperation with employers, and (b) increasing flexibility in training through CBT; and 2. Quality: (i) Implement the National Qualifications and Accreditation Board system; and (b) Increasing supplies of qualified instructors. 	<p><i>TVET Training Council Project</i></p> <ol style="list-style-type: none"> 1. Develop and implement a national policy for TVET in Tonga; 2. Develop training standards; 3. Establish a national system of certification and accreditation; and 4. Establish a labor market information system.
<p>Tuvalu</p> <ol style="list-style-type: none"> 1. Raise the quality of Tuvalu Maritime Training Institute; 2. Provide skills to out-of-school youth; 3. Develop livelihood skills for adults; 4. Provide entrepreneurship skills; 5. Improve the quality of vocational subjects within secondary education; <p>In addition, Tuvalu needs to:</p> <ol style="list-style-type: none"> 6. Provide more informed direction and management of the TVET system; and 7. Mobilize additional resources for training. 	<ol style="list-style-type: none"> 1. Secure expert assistance for developing a TVET policy and plan; 2. Carry out a feasibility study on establishing community training centers to provide modular training for out-of-school youth (especially girls) and adults; 3. Develop a national vocational training center (perhaps the community training center on Funafuti); and 4. Continue and expand ad hoc in-country training as currently provided with AusAID help to the Public Works Department Training Center.
<p>Vanuatu</p> <ol style="list-style-type: none"> 1. Develop a rural training strategy; 2. Reform and strengthen RTCs; 3. Develop income-generating programs for rural adults, particularly women; 4. Develop delivery capacity for VQFs 3 and 4 through selected secondary schools; 5. Strengthen further national TVET structures (VNTC and VQF); and 6. Make more efficient use of resources that are being spent on TVET. 	<p>See priorities 1–5.</p>
<p>FIT = Fiji Institute of Technology, FNTI = FSM National Training Institute, FSM = Federated States of Micronesia, JSS = junior secondary school, MOE = Ministry of Education, NSTC = national skills training council, NSTF = national skills training fund, RTC = rural training center, T3 = trades, training, and testing, TPAF = Training and Productivity Authority of Fiji, TTI = Tarawa Technical Institute, TVET = technical and vocational education and training, VNTC = Vanuatu National Training Council, VQF = Vanuatu Qualification Framework. Source: In-depth and Country Reports, 2006, 2007.</p>	

Appendix 7. Summary of Main Points from the Final Workshop

Introduction

This summary of proceedings is the account of the Workshop on “Skilling the Pacific” held in Denarau Island, Nadi of the Fiji Islands on 8–10 May 2007 as the final phase of an Asian Development Bank (ADB) regional technical assistance project, executed by the Pacific Islands forum secretariat. Over the previous year, a major study of technical and vocational education and training (TVET)¹ in the Pacific region had been undertaken. This involved studies from 13 countries, surveys of employers and employees, and a literature survey. The workshop reviewed a comprehensive synthesis report, as presented in this publication, which—it is hoped—will contribute considerably to future TVET strategies and investments in the sector, including the regional level.

Participation from the countries and regional organizations was at a very high level and involved leaders from across the Pacific. Stakeholders representing regional TVET institutions, ministries of education, nongovernment organizations (NGOs), and Pacific private sector bodies attended the workshop. Much constructive discussion took place. The interchange among participants was very good and the quality of the comments was high and offered guidance for the final report and the investment proposals (in Chapter 7 of this publication).

The workshop was planned in conjunction with the Pacific Association of Technical and Vocational Education and Training annual general meeting (AGM), which was held at the same venue on 11 May 2007. Many participants attended both the workshop and the AGM.

The following paragraphs summarize the main comments at the workshop.

Overall

- TVET is important, and becoming more so, in the region for several reasons: (i) skills development contributes to worker productivity and national competitiveness in a global economy; (ii) the increased output of students from basic education who need skills training; (iii) emigration of skilled people has created shortages and gaps in many countries of the region.
- It is important to recognize the diversity of the Pacific region. The countries are at different stages of development and have different needs.
- Consequently, the conclusions cannot be applied to all countries. There is no single model to fit all.

¹ The term TVET is used interchangeably for skills development in the study.

Relevance

- TVET is a service, but it is often out of touch with its clients and its markets.
- TVET should be demand driven, but on whose demand? Employers? Individuals?
 - o Employers need to be more involved in training, as they should know best the kinds of skills required for the wage sector.
 - o However, employers often have little incentive to assist training. Their time is short and it is difficult for training authorities to get them involved. The Training and Productivity Authority of Fiji (TPAF) counters this problem by sending its staff out to enterprises, contacting more than 600 enterprises in 2006.
 - o Many employers do not know labor market needs.
 - o Individual demand for courses may not reflect country needs. For example, are TPAF courses driven by what people will pay for, or what individuals want? The Fiji Islands needs skilled workers in construction, but the highest level of demand by individuals is for automotive courses.
 - o Employers require not just skills, but also discipline/attitudes and work experience.
- Several countries of the region are experiencing “supply-chain” problems, where the output of skills does not reach or match the demand, including PNG.
- Other countries experience skills shortages because of migration—including Cook Islands, Fiji Islands, RMI, and FSM. This shows that the labor market is not just national, but international. Emigration-induced shortages often have to be met by in-migration of skilled labor from other countries (i.e., Cook Islands, RMI, and FSM).
- Some national policies also impact on skills shortages, such as lack of a minimum wage and lack of constraints in immigration.
- TVET should cover more than just the formal sector of the economy. It is also vital to train for the informal sector since that is where most people will have to be “employed” in the future. In this context, training for self-employment and livelihoods are vital.
- Communities must be consulted about their priorities for training and about traditional skills.
- An important question is: When should TVET begin? Several participants were interested in integrating TVET with general education at the secondary level and even in primary education. Some felt that this would enable students to discover their own potential and would help counter the second-class notion of TVET.

Equity

- TVET is frequently perceived as a second-class, inferior option for the less academically able students.
- Changing the mindset of parents regarding TVET and the stigma against it are needed. Some participants felt that integrating TVET early in general education, perhaps at the primary level, would help change attitudes. However, attitudes are not likely to change until the wages of vocational and technical graduates compete with white-collar workers. In New Zealand, skilled workers in trades are in such short supply that they can command wages at the level of professionals. They are called “gold-collar” rather than “blue-collar” workers.
- Gender:
 - o Females are not excluded from TVET institutions in the Pacific—e.g., Tarawa Technical Institute (TTI) and Tonga Institute of Science and Technology (TIST)—but usually choose not to attend for social reasons.
 - o Entrenched are “socially constricted views” of the work that women can do. Thus, females often cannot get jobs even if they were training in available TVET programs.
- National qualification frameworks contribute to equity through recognition of prior learning, or “recognition of current competence” obtained on the job outside TVET institutions.
- Language can be a barrier to participation in TVET, especially at the postsecondary level where English is usually the medium of instruction.
- Equity should also be analyzed in terms of access to enterprise-based training and scholarships.

Quality and Effectiveness

- One speaker defined quality as “fitness for purpose.”
- Quality is defined first by standards, which should be defined by customers, employers, and suppliers.
- Levels of quality differ by purpose, for example, an electrician in a mining enterprise or an electrician for housing.
- There is often a mismatch between the level of quality (competencies) training and that required in the labor market. For example, Cook Islands trains two- or three-star hospitality workers while the hotel industry demands five-star skills.
- TVET tends to get academically less-able students, which affects quality and attitudes.
- A key question is: Where should TVET be provided? Most learning, perhaps 90% of what is learned, is acquired on the job. This suggests that TVET may be best

delivered on the job. The second most effective place would be in institutions dedicated exclusively to training. TVET offered as part of general education tends to be less effective because of shortages of trained instructors, of funds for equipment and supplies and because the overall “ethos” of the school values academic pursuits more highly than vocational ones.

- One first priority is accreditation. Accreditation of institutions is an important tool for assuring a minimum level of quality. It is practiced mainly for private TVET institutions, but could also be applied fruitfully for public institutions. Initially, this would require systematic quality audits of the existing standards at all public institutions.

Organization and Management

The discussion was particularly rich on organization and management of TVET.

- A key question is: Where should TVET be placed organizationally? The view expressed was that education is supply oriented. In contrast, TVET is service oriented. They are not the same thing, there is a different mindset, and they should not be put in the same pool.
- Examples were given of the lack of coordination and duplication in TVET, particularly in larger countries. PNG has three different accreditation agencies and reportedly the “left hand does not know what the right is doing.” In the Fiji Islands, the three different TVET providers (i.e., Ministry of Education, TPAF, and Fiji Institute of Technology) provide training independently and sometimes duplicate offerings.
- Most issues mentioned—lack of clear mandates, lack of coordination, conflict of interest—are structural. The solution is to have a structure of TVET with clear lines of authority. The structure of TVET needs to be sorted out first before anything useful can be done. At present, mainly units within ministries of education and labor handle TVET. There is a case for raising the level of authority to an apex institution run by all the stakeholders, particularly employers and government. Training should be run like a business, which is delivering services to clients.
- Training should be based on partnerships between all stakeholders. The organizational structure should link public, private, and NGO providers and employers to achieve a common purpose.
- Sorting out the respective roles of the government or public sector in TVET is needed and that of the nongovernment or private sector.
 - o The public sector can neither do everything in TVET nor can it do everything well. Its focus should be on the things that the nongovernment sector cannot do. These include developing TVET policies, regulatory functions,

- accreditation, training instructors, collection of data on TVET, monitoring and evaluation of TVET, coordination of efforts, and financing training both for equity reasons and to narrow skills gaps.
 - o The role of the private sector should be articulating needs and demands for training—what kind, what competencies, and how many; helping set standards for training; providing internships; providing complementary financing; and helping with quality assurance.
- The importance of good data to develop TVET policies was mentioned (Tonga), but this is complicated by the lack of basic information on enrollments, progression of trainees, throughput, outputs, and impact.
- Research on TVET is almost nonexistent, but two masters' theses are being or have been done on TVET at the University of the South Pacific.
- Government training institutions that have, more or less, assured budgets tend to inertia and to lack incentives for better performance, such as through monitoring, self-evaluation of outputs, and tracer studies.

Finance and Internal Efficiency

- Financing of TVET at the rate of 2–4% of MOE budgets does not match the need.
- TVET tends to be “the poor cousin” and often does not get sufficient resources (e.g., the Fiji Islands’ MOE and FSM). This raises the question: Is TVET worth doing if minimum input standards cannot be financed?
- Some TVET systems suffer from disincentives for mobilizing resources, e.g., the FSM where any revenue generated by a public training institution cannot be added to the budget but must be sent to the treasury (consolidated revenue).
- Willingness of individuals to pay for training and, by extension, the income of TPAF in the Fiji Islands is facilitated by access for parents to their accounts in the Fiji National Provident Fund. Without this access, demand for courses would drop by perhaps half.
- The key question is: How to make TVET sustainable? Increasing tuition costs may help, but could reduce enrollments and discriminate against poorer segments of the population. Managers need to become proactive and use premises at night, on weekends, and during vacation periods.

Priorities

- Group 1: Land-rich, low-income countries—i.e., PNG, Solomon Islands, and Vanuatu
 - o Make training demand driven, based on industry standards. Make training

- o supply flexible to respond to changes in demand.
 - o Training should not be just for the formal sector, but must prioritize the informal sector. In this context, orient training to employment and self-employment for youth.
 - o Acknowledge the importance of employer-driven standards and accreditation.
 - o It is important to involve industry in planning. Substantial policy development is needed for TVET. Industry and stakeholders in communities must inform these policies.
 - o In particular, managers of TVET systems and institutions need training for better performance.
 - o TVET systems need better accountability, monitoring, resource sharing, and multiple use of facilities.
 - o TVET institutions need capacity building to increase their sustainability.
- Group 2: Small, vulnerable island states (i.e., Kiribati, RMI, FSM, Nauru, and Tuvalu)
 - o The first priority is improving organization and management, particularly creating or strengthening apex institutions of all providers, as well as strengthening of NGO providers. TVET requires regular review, monitoring, and assessment.
 - o Socioeconomic relevance is the primary rationale for TVET. Training for livelihoods should be added, in addition to programs for the formal sector.
 - o One cannot have equity without good management and finance of TVET. Subregional centers and better delivery of modules to remote areas are needed, such as through use of information and communications technology. NGOs should be supported because they concentrate on nonformal training.
 - o Harmonizing is vital. TVET is expensive and duplication should be avoided.
- Group 3: “Advanced” island states—i.e., the Cook Islands, Fiji Islands, Palau, Samoa, and Tonga)
 - o Expand training for the formal sector, but also training for the other 70% in the informal sector.
 - o TVET should be organized based on new partnerships of all relevant stakeholders.
 - o Harmonizing is a priority. Structures and policies should be rationalized.
 - o Organizational development priorities include institutionalizing formative monitoring and evaluation.

Conclusions

- Relevance:
 - o TVET is becoming more important in the region because of burgeoning numbers of youth who need training for the informal sector. Issues include competitiveness and emigration of skilled people.
 - o Training should become more demand driven by linkages with the needs of employers, but the limitations of employers should also be recognized.
 - o Social demand for training may not be a good indicator of country priorities.
 - o Demand–supply imbalances characterize many economies in the region, both because of supply-chain problems and emigration.
 - o Training for the informal sector and self-employment resulting in improved livelihoods is a major need. However, this is being handled haphazardly and insufficient funding is devoted to it.
 - o Interest was expressed for integrating TVET into general education at the secondary and, perhaps, even primary level. This is widely practiced in the Pacific, but there is little evidence of its cost effectiveness.
- Equity:
 - o Efforts should be made to counter the stigma of TVET as a second-class option, perhaps through earlier exposure to TVET in general education and by linking TVET better to well-paying wage jobs.
- Quality:
 - o Standards are the starting point for quality, preferably expressed in terms of competencies.
 - o Customers and employers should play a major role in determining standards.
 - o Most skills development takes place on the job, not in training institutions. This underscores the importance of apprenticeships, internships, and work attachments. Institutional training is most effective when closely linked to employers or communities.
- Organization and management:
 - o TVET should be directed by partnerships of those representing the demand for skilled workers and relevant stakeholders.
 - o TVET should be elevated above ministries and managed as business/service providers in apex institutions, such as national training councils.
 - o A mental shift is needed. TVET should not be viewed as the same thing as education. TVET is providing service and it should be demand oriented and

customer focused.

- o The respective roles of government and the private sector should be clearly defined and differentiated in TVET. The government cannot do everything and the private sector needs to help. The functions of the public sector should be to develop TVET policies, carry out regulatory functions, accreditation, train instructors, collect data on TVET, monitor and evaluate TVET, coordinate efforts, and finance training both for equity reasons and to narrow skills gaps. The role of the private sector should be to articulate needs and demands for training—what kind, what competencies, and how many; help set standards for training; provide internships; provide complementary financing; and help with quality assurance.
- o Training of managers in TVET systems and institutions can have strong impact at reasonable cost. This should include capacity building to increase financial sustainability.
- Finance and internal efficiency:
 - o Substantial increased investment is needed in TVET if it is to carry out its functions and meet the social and economic requirements.

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