

EXECUTIVE SUMMARY, CONCLUSIONS AND RECOMMENDATIONS FOR NATIONAL INTEGRITY SYSTEM NATIONAL VALIDATION WORKSHOP 13 MAY 2014

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III. EXECUTIVE SUMMARY

Corruption is rarely an isolated phenomenon found only within a specific institution, sector or group of actors. It is usually of a systemic nature and fighting it requires a holistic and all-encompassing strategy. This is why Transparency International developed the concept of National Integrity System (NIS) assessments in 2001. To date, assessments have been completed in more than 100 countries around the world, including in Latin America, the Caribbean, Europe, Asia and Africa. The purpose of a National Integrity System assessment is to assess systemic corruption risks faced by a country and produce a set of recommendations on how to mitigate those risks in the future. Those recommendations can then be used by actors in civil society, government and the private sector for promoting integrity and creating defences against corruption in the country. In order to be effective and sustained, the prevention of corruption must be considered a responsibility of leaders and communities in all areas of society; it is a task that falls on many rather than any one individual.

In 2013, Transparency International Vanuatu commenced a National Integrity System assessment. This is the third National Integrity System assessment that has been done in Vanuatu, with previous assessments occurring in 2004 and 2006. The assessment focuses on an evaluation of the key public institutions and non-state actors in a country's governance system with regard to (1) their overall capacity, (2) their internal governance systems and procedures, and (3) their role in the overall integrity system. The assessment examines both the formal legal framework of each pillar and the actual institutional practice. The analysis highlights discrepancies between the formal provisions and reality on the ground, making it clear where there are gaps in the integrity system.

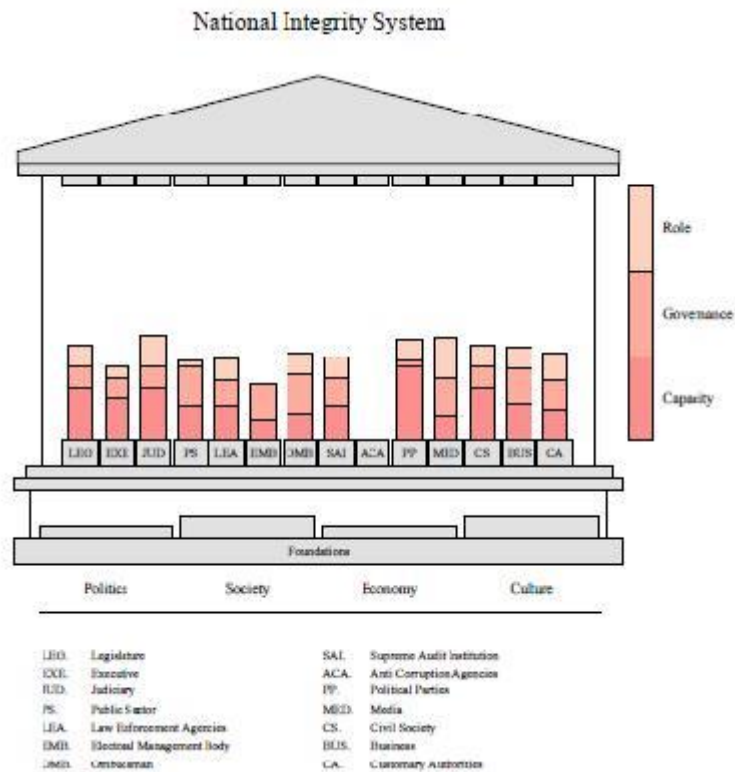
The assessment process in Vanuatu has been consultative and has involved key stakeholders. An advisory board was established and has met regularly. Interviews with key stakeholders, public meetings and the publication of discussion papers have all been used to widely engage people. In May key stakeholders met together to finalise the recommendations. All discussions have been constructive and well attended by most stakeholders, who appeared to place high importance on the dialogue.

It is Transparency International's hope that the Vanuatu assessment will generate a set of concrete recommendations for the island's key institutions and local actors to pursue in order to strengthen transparency, accountability and integrity. It should also provide a set of good governance benchmarks for the citizens of Vanuatu to hold their government and elected officials to account through public dialogue, policy engagement and voting.

National Integrity System context

Any country's National Integrity System is deeply embedded in the country's overall social, political, economic and cultural context. Vanuatu is a developing country that only gained Independence in 1980. It has a small population that is spread over about 60 inhabited islands. It is difficult to provide state services and infrastructure outside of the main urban centres. Vanuatu is ethnically and linguistically diverse and there are over 100 distinct indigenous languages. Traditional authority remains just, if not more, important than state authority for much of the population. Traditional culture strongly promotes involvement in community governance and many people are actively involved in governance at this level. Traditional authority has a different, more communal, value structure than that which underpins modern democracies. Whilst the state maintains a representative democracy, democratic behaviours which rely upon behaving in accordance with unwritten underlying values, rather than written rules are not well embedded in social practice. This contributes to political instability, which undermines the quality and consistency of leadership.

It can also encourage “islandism” or hinder the development of actions that will benefit Vanuatu as a whole nation, rather than a particular island or ethnic group. This in turn undermines development of an effective and consistent national integrity system.



Vanuatu has a limited formal economy, which limits the resources available for Government programmes. There is a divide between resources in rural and urban areas. There is also a divide between people engaged in the cash economy and those who are not. The presence of a strong informal traditional economy in rural areas means that “poverty” in the form of starvation and destitution are not significant problems for Vanuatu. Rather poverty relates to lack of opportunity to access goods such as education. This in turn means that, for many Vanuatu citizens, their focus is on day-to-day living and they do not have the luxury of time and the resources to attend to broader societal issues.

Overall assessment of the National Integrity System

The institutions studied in this National Integrity System assessment can be organised by three broad groupings: institutions relating to political integrity (Electoral Management Body, Legislature, Executive, and Political Parties); state “watchdog agencies” (Ombudsman, Supreme Audit Institution, Judiciary, Law Enforcement); and non-state institutions (Media, Civil Society Organisations, Private Business, Traditional Authorities). The Public Service structure, including the Public Service Commission, has a role in ensuring that public servants act with integrity, so can be grouped with state watchdogs.

Non-state institutions tend to perform better than state institutions. One major gap here is that non-state institutions do not necessarily recognise that the role they have been assigned within the National Integrity System Framework is one that they should be fulfilling. This arises, in part, from lack of awareness. State watchdog agencies tend to lack capacity, which in turn undermines their ability to fulfil their roles. Further, the Ombudsman and the Office of the Auditor General ultimately rely upon Legislature and/or the Executive to ensure that reports are acted on. As these pillars are weak the overall “cycle of accountability” does not function well. Weaknesses in the Legislature and the Executive have their roots in the socio-political foundation.

The above diagram visualises the scores for the pillars and illustrates their relative strength. The overall score for each pillar is made up of the quantitative assessment of the three dimensions: capacity, governance and role. The

foundations represent the country profile analysis of the political-institutional foundations, socio-political foundations, socio-economic foundations and socio-cultural foundations.

Whilst the diagram shows that there are weaknesses across all pillars, it should be remembered that Vanuatu is a developing country that has been independent for less than 35 years. The scores within the national integrity system framework are not, however, adjusted to take these factors into account. Instead, the national integrity system framework presents ideal standards for all countries. As such they are aspirational.

It can also be observed that almost every pillar is currently undertaking activities to strengthen various aspects of capacity and governance. If all of these activities are completed then it can be expected that the next assessment of Vanuatu's national integrity system will show considerable improvements.

National Integrity System pillars

The Judiciary is one of the strongest institutions of the Vanuatu National Integrity System. This finding is very important as it shows that the institution which is entrusted to provide oversight and uphold the rule of law has relatively high levels of integrity. This study shows that it is largely independent, although it lacks some resources. In order for the Judiciary to effectively act as a check, however, cases must be brought before it. Weaknesses in other agencies mean that this does not always happen. For example, even when and recommendations of the Ombudsman and the Office of the Auditor General are effectively issued, the lack of prosecutions means that the Judiciary cannot act to uphold the rule of law.

The Media is another institution that performs better than others. Whilst capacity for sustained investigative journalism is limited, it is active in reporting on allegations of corruption. The media is also active in informing the public about Government activities. As such it helps to bring a degree of transparency to Government operations.

The assessment reveals that there are particular concerns about the political and electoral processes in Vanuatu. The Electoral Management Body should be mentioned first because of its pivotal role in safeguarding the integrity of the electoral process. Vanuatu's electoral roll has long been acknowledged to be inaccurate and there are concerns about the degree to which the Electoral Office can operate independently. There are also frequent allegations of wrongdoing during by candidates during elections. Prosecutions for electoral misconduct do not, however, occur. No agency has oversight of electoral campaign financing.

The weakness of the laws regulating the electoral management body is of particular concern given the governance challenges facing Political Parties. Whilst political parties "score high" this is because they can operate very independently. There are no checks on political party financing and no other external mechanisms to ensure accountability or integrity. There is also an increasing number of political parties. Political parties often rely on support of individual leaders, rather than the support of clearly articulated policies.

The increasing number of political parties is a sign of the increasingly fragmented nature of politics. Government is by coalition, with the Executive changing frequently in attempts to maintain power balances and support from coalition members. Motions of no confidence by the Legislature are frequent, but are usually opportunistic rather than policy driven. As both the Legislature and the Executive frequently have their attention diverted by "horse-trading" their roles as central accountability mechanisms and developers of sustainable national policy initiatives are undermined. Some issues relate to lack of capacity, and increased training and support for members of the Legislature would help them to fulfil their ideal roles better.

The Ombudsman and the Supreme Audit Institution both have limited capacity to act effectively as watchdogs. Another problem which undercuts the ability of these pillars to hold leaders to account and which undermines the integrity of a number of pillars is that, although leaders are required to file annual returns disclosing assets and liabilities, the law does not permit routine scrutiny of these returns. There is also, often, little follow up by the Legislature, the Executive and other agencies in response to reports issued by these bodies.

Law enforcement, in respect of the key anti-corruption law, the Leadership Code Act, is weak. There has never been a prosecution under the Leadership Code Act. The Office of the Public Prosecutor has not been functioning well and in 2013 the Public Prosecutor resigned rather than facing a Commission of Inquiry. Some investigations and prosecutions of misappropriation offences do occur, and in the Department of Customs is becoming more active in detecting crimes in relation to tax avoidance. These prosecutions are not, however, directed at leaders.

The Public Sector does have a code of conduct and regularly processes disciplinary complaints. However, there are currently no ongoing programmes to encourage ethical behaviour by public servants. Nor does the Public Sector have a defined role in respect of educating the public about corruption. The Public Sector is sometimes undermined by strong influence of the Executive on appointments in the sector.

Civil Society Organisations are able to operate freely and some are active in promoting national integrity. This sector suffers from lack of capacity and lack of coordination. Internal governance is also a challenge for many civil society organisations. Whilst Civil Society Organisations can and do, at times form successful short term partnerships with Government agencies on policy advocacy and public awareness, there is a perception that Civil Society Organisations are not viewed by the Government as legitimate stakeholders in the policymaking process.

Business is not usually perceived, within Vanuatu, as having a clear role to play in upholding national integrity. Whilst businesses support Civil Society Organisations in areas such as sports and provision of health services, ongoing business partnerships supporting anti-corruption activities are lacking. Few businesses have voluntary codes of good corporate practice. In general there is a reactive approach regarding integrity issues, with businesses responding to Government initiatives that would potentially impact on the operation of the private sector.

Customary authorities operate throughout the entire country quite independently of the State and are central to community governance, particularly outside of the urban areas. There is integration of customary authorities and the State through the National Council of Chiefs, or Malvatumauri Council of Chiefs. This body has limited resources which hinders its activities, although recent constitutional amendments will increase its ability to act as a check on the Legislature in respect of making laws affecting aspects of custom.

Vanuatu does not have an independent anti-corruption institution. Such an institution is recommended in the United Nations Convention against Corruption, which Vanuatu is a party to.

Policy recommendations

The Vanuatu NIS assessment has yielded a number of concrete recommendations to address the weaknesses identified through the research and to strengthen the anti-corruption safeguards in the country. The 5 key areas which require particular attention are identified below. More targeted pillar-specific recommendations are presented at the end of each pillar assessment and are restated in Chapter VIII (Conclusions). Some common themes in issues across pillars can be identified. These common themes have given rise to five cross cutting policy priorities.

1. In many instances it would be unfair to attribute weak performance to intentional corruption. Instead technical knowledge and, more fundamentally, an embedded understanding of roles, responsibilities and good practice is often lacking. This indicates a lack of HUMAN RESOURCE CAPACITY. As well as developing specific human resource capacity, all reforms and strategies to strengthen national integrity should be designed to be achievable within Vanuatu's resource constraints.

2. The functioning of most pillars is weakened by failures within the Legislature and Executive to play their role in the "cycle of accountability" and to maintain a stable policy direction. These failures largely stem from lack of POLITICAL INTEGRITY. Unless lack of political integrity is addressed it will be impossible to consistently develop laws, policies and practices that support national integrity.

3. There are significant gaps in the legal frameworks for ACCOUNTABILITY of institutions and individuals and the practical implementation of those frameworks. Accountability mechanisms act to reduce the gap between law and practice. Unless accountability mechanisms are strengthened laws will continue to have little impact on practice.

4. Laws and practices tend not to support TRANSPARENCY of actions by institutions and individuals. Transparency increases detection of bad behaviour, which in turn enhances accountability. Unless transparency is improved it will remain difficult to hold institutions and individuals to account and to develop public will for change.

5. National integrity ultimately rests on each person's internal ethical foundation. This gives rise to an embedded understanding of roles, responsibilities and good practice. AWARENESS to engage both "hearts and minds" is critical. Whilst it is easier to build knowledge of rules, systems and behaviours, developing internal ethical awareness that is appropriate to a modern democracy must not be overlooked.

The scope and holistic approach of the National Integrity System Assessment suggests a coordinated and planned approach to the wide ranging number of recommendations is needed. There is no short term solution to addressing

the policy priorities. A sustained response which sees a proactive rather than a reactive approach to building national integrity is needed. Ongoing implementation of policy interventions, monitoring and evaluation and development of further policy interventions as the “national integrity landscape” changes is necessary. In order to make sustained and sustainable progress on these policy priorities and to continue momentum that has been developed whilst undertaking this National Integrity Assessment the three key recommendations are:

1.The Vanuatu Government must establish a national integrity committee made up of both government and non government representatives.

2.The national integrity committee must develop and implement a plan for strengthening national integrity, using the outcomes of the 2014 national integrity systems report as a starting point for this plan. The plan should include clear statements of what will be done to achieve each recommendation and when recommendations will be achieved.

3.The Government should declare 2015 to be the Year of National Integrity and the national integrity committee should use this as a focus for implementing changes.

Legislature

Strengths	<ul style="list-style-type: none"> Individual members of parliament are provided with a range of resources, including offices, computers and travel allowances. The independence of parliament is guaranteed in law. Parliament maintains twinning relationships and other links with a number of overseas legislatures and these relationships are very useful in providing ongoing support and development for the Vanuatu legislature. 	
Areas for improvement	<ul style="list-style-type: none"> Public consultation by members of parliament is weak. The legislature lacks technical capacity to be able to fulfil its role as the central law making and accountability body, and in particular committee structures do not operate effectively. Members' allocations encourage clientelistic politics. 	<ul style="list-style-type: none"> Rec 1(a): review Standing Orders; rec 2: increase training Rec 1(c): strengthen committees; rec 2: increase training rec 5: review mp's qualifications Rec 3: review members allowances
Coordination with other pillars	<ul style="list-style-type: none"> The legislature is the hub of accountability and should receive and debate reports from a wide number of agencies. This should also provide transparency for a wide number of agencies. The legislature currently does not debate reports, nor does it make reports tabled in parliament accessible through its library. This undermines accountability and transparency of a wide number of agencies. Whilst members of parliament are leaders under the Leadership Code Act and should be accountable through the Office of the Ombudsman, weaknesses in law and practice mean that members of parliament are not effectively held to account. Weaknesses in the electoral system undermine the extent to which elections are used to hold mp's to account. The judiciary has a role in overseeing the activities of the legislature and cases are actively brought before it. Motions of no confidence (instability in the executive) undermine activities of the legislature. 	<ul style="list-style-type: none"> Rec 1(a): review Standing Orders; rec 1(b): put all tabled documents into parliament library; rec 1(c) strengthen committees; rec 2: increase training Rec 4: revise integrity mechanisms; also see recs in ombudsman section. See recs in electoral management body section. Rec 6: institute position of opposition counsel. See recs in executive section.
Changes since 2004/2006	<ul style="list-style-type: none"> The Parliament Administration Act came into force in 2006, defining internal governance structures. Since November 2013 parliament sittings have been broadcast live over internet and television. In 2010 changes to how members allocations were paid reduced clarity over the use to which members allocations were to be put. 	<ul style="list-style-type: none"> ☺ ☺ ☹

Executive

Strengths	<ul style="list-style-type: none"> The Council of Ministers has sufficient financial and secretarial resources. There are, in law, a number of accountability and integrity mechanisms contained within the Leadership Code Act. 	
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	<ul style="list-style-type: none"> The Government Act provides a clear structure for the Executive to work within. 	
Areas for improvement	<ul style="list-style-type: none"> Technical support for the Council of Ministers largely depends upon political advisors, and there are no specified qualifications required in order to hold this post. There is little transparency in respect of actions of the Council of Ministers or policies of governing coalitions. Fragmentation within the legislature (due in part to increases in the number of political parties) results in coalition governments, which are inherently unstable. Motions of no confidence undermine stability of the executive. Political appointees numbers appear to be growing. 	<ul style="list-style-type: none"> Rec 2: introduce qualifications requirement Rec 1: introduce a number of transparency measures Rec 3: publically consult on and implement stability measures. See also recs in political parties section Rec 4: Limit the number of political appointees
Coordination with other pillars	<ul style="list-style-type: none"> Whilst the executive are leaders under the Leadership Code Act and should be accountable through the Office of the Ombudsman, weaknesses in law and practice mean that the executive are not effectively held to account. The Executive is not active in ensuring implementation of Ombudsman's recommendations. 	<ul style="list-style-type: none"> See recs in legislature and ombudsman sections See recs in legislature and ombudsman sections
Changes since 2004/2006	<ul style="list-style-type: none"> The number of parties represented in coalitions is increasing. Instability within the executive is an ongoing problem and is increasing. The former (Carcasses) Government released a 100 Day Plan containing a number of integrity/anti-corruption initiatives and there appears to be political commitment to continue this agenda. 	<ul style="list-style-type: none"> ⊗ ⊗ ⊗

Judiciary

Strengths	<ul style="list-style-type: none"> Courts are generally perceived as being impartial, independent and fair (although this may be changing). Courts are active in overseeing the actions of the Legislature, Executive and other agencies when cases are brought before the court. The Court of Appeal settles cases rapidly. 	
Areas for improvement	<ul style="list-style-type: none"> There is a public perception that courts are becoming increasingly corrupt. There is no mechanism for receiving public complaints about judges or court services. Transparency of decision making in subordinate courts is very limited. Delays in decision making can occur (although this is currently being addressed as part of the Court Improvement Plan). 	<ul style="list-style-type: none"> Rec 2: increase accountability rules and public awareness of them Rec 2: implement accountability mechanisms Rec 3: publish subordinate court decisions Rec 1: independently review implementation of the Court Improvement Plan.
Coordination with other pillars	<ul style="list-style-type: none"> Relies on other parties to bring cases relating to court. Weaknesses in law enforcement and the capacity of others to bring executive decisions for judicial review limits the extent to which the judiciary hears corruption related cases. 	See recs in legislature, law enforcement and Ombudsman sections
Changes since 2004/2006	<ul style="list-style-type: none"> In 2007 the court house in Port Vila and in 2011 the court house in Santo burned down. In 2012 a court improvement plan which deals widely with issues of accountability, integrity and service delivery was launched and a number of changes have been implemented. 	<ul style="list-style-type: none"> ⊗ ☺

Public sector

Strengths	<ul style="list-style-type: none"> • There is a reasonable legal framework for accountability and integrity of public servants. • Some public servants are held accountable via disciplinary actions. • The public service is reasonably well resourced. It can be noted that whilst there are resource gaps ensuring efficient management of resources is usually more of a priority than allocating more resources. 	
Areas for improvement	<ul style="list-style-type: none"> • There are currently no ongoing programmes to encourage ethical behaviour by public servants, • only limited engagement of the public by the about corruption. • Nor is there a public mechanism to make complaints about public servants. • Public procurement needs to be addressed, both in law and practice. • Perceptions of political interference, nepotism and lack of integrity in the public service need to be addressed. • Transparency is hindered by difficulties in accessing information. 	<p>Rec 2(a)</p> <p>Rec 1(c)</p> <p>Rec 2(b)</p> <p>Rec 3: Law commission to review public procurement</p> <p>Rec 1 (a), (b) (d); 1(e); rec 2(c)</p> <p>Rec 1(a)</p>
Coordination with other pillars	<ul style="list-style-type: none"> • Whilst senior public servants are leaders as defined by the Leadership Code Act, weaknesses in both the law and practice of the annual reporting system for leaders undermines the operation of this integrity mechanism. • There is a “natural grouping” of the Ombudsman, the Auditor General and the Public Service Commission, as promoters and overseers of good conduct by public servants. There should be regular cooperation between these agencies. 	<ul style="list-style-type: none"> •
Changes since 2004/2006	<ul style="list-style-type: none"> • In 2011 the law changed to give the Prime Minister the power to appoint and terminate Director Generals. • The Public Service Commission is currently working to improve the Public Service Code of Conduct. • There are plans to develop a website for Public Service Commission, and for this website to include a section on the core values of PSC as well as the PSC manual, PSC instructions and PSC circulars. • In 2012 the Vanuatu Institute of Public Administration and Management was established to provide functional and development training for public servants. • Some public sector agencies do use the media to raise awareness about their activities and compliance with laws. • Some public sector agencies do use the media to raise awareness about their activities and compliance with laws. 	<ul style="list-style-type: none"> •

Law enforcement

Strengths	<ul style="list-style-type: none"> • Longstanding support of the Vanuatu Police Force by AusAID and other partners has resulted in improvements in training, resources and operational practice. • There is a Police Code of Ethics. 	<ul style="list-style-type: none"> •
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Areas for improvement	<ul style="list-style-type: none"> • A review of the operations of the Office of the Public Prosecutor is urgently needed. • Perceptions that political interference in high profile corruption cases and/or personal connections results in misuse of police and prosecutorial powers should be addressed. • There are limited provisions in the law to ensure the transparency of law enforcement agencies and personnel and grant public access to relevant information. • There is a perception that law enforcement agencies are not held accountable by internal disciplinary procedures. • Corruption prosecutions are hindered by the fact that the VPF are not empowered to investigate breaches of the Leadership Code Act in the absence of an ombudsman's report 	<ul style="list-style-type: none"> • Rec 1, Rec 4, rec 2 Right to Information rec in other sections; rec 1, rec 2, rec 3 Rec 3 Rec 5
Coordination with other pillars	<ul style="list-style-type: none"> • Whilst senior police officers and the Public Prosecutor are leaders as defined by the Leadership Code Act, weaknesses in both the law and practice of the annual reporting system for leaders undermines the operation of this integrity mechanism. • Whilst the Police were the subject of an Ombudsman's report in 2010, no public action was taken in response to this report. • Whilst the Police came under significant criticism in a Coroner's Report into the death of a prisoner whilst in police custody, no public action was taken in response to this report. It can be noted that the then Commissioner of Police appealed the findings and that a number of them were held to be outside of the scope of the Coroner's authority to make. • The Police do use the media to provide some updates on police operations and law and order issues. • Prosecutors rely on the courts to manage cases and hear cases in a timely manner, although this usually does not result in problems. • The lines of responsibility between police and prosecutors for serving summonses is unclear and can result in court cases being delayed. 	<ul style="list-style-type: none"> •
Changes since 2004/2006	<ul style="list-style-type: none"> • In 2010 the Police Act was amended to provide that the Commissioner of Police must be a citizen of Vanuatu. • In 2013 the Government signed an agreement to establish an independent police complaints authority. • In late 2013 the Public Prosecutor submitted her resignation, and in April 2014 an Acting Public Prosecutor was appointed. • After a period of instability in the position of Police Commissioner, in 2013 a Police Commissioner was appointed. • There have been increases in funding to the VPF to accommodate training and professionalisation of the VPF, infrastructure development and internal VPF governance. • The Stretem Rod blong Jastis programme which is funded by AusAID provides funds to strengthen the PPO, Police, SLO and Judiciary. 	<ul style="list-style-type: none"> •

Electoral Management Body

Strengths	<ul style="list-style-type: none"> • Candidates themselves help to ensure electoral rules are complied with through the liberal use of electoral 	<ul style="list-style-type: none"> •
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	<p>petitions, although it can be observed that electoral petitions are not always processed in a timely manner.</p> <ul style="list-style-type: none"> • There are a number of legal lines of accountability of the Electoral Office. • Despite enormous challenges elections occur, are largely peaceful and, in national elections, there is good voter turnout. 	
Areas for improvement	<ul style="list-style-type: none"> • Until the integrity of the electoral roll is ensured it is not possible to say that Vanuatu has free and fair elections. • A number of laws, including (but not limited to) laws in relation to proxy voting, laws protecting the independence of the principal electoral officer and laws relating to election petitions need to be reviewed. • The Electoral Commission should deliver reports after every election, and these reports should be made public. They should also be scrutinised by Parliament, in order to ensure that legal lines of accountability operate in practice. • The Government should ensure that there is timely provision for international and domestic observers to observe all elections. It can be noted that observers are usually permitted although arrangements can be “last minute”. • There is no regulation of campaign financing. • Training and control of regional registration officers is weak. • Prosecutions for electoral offences do not occur 	<ul style="list-style-type: none"> • Rec 1 <p>Rec 3; rec 4</p> <p>Rec 6(a)</p> <p>Rec 6(b)</p> <p>See reces in political parties Rec 2</p> <p>Rec 5</p>
Coordination with other pillars	<ul style="list-style-type: none"> • Voting in elections is part of civic responsibilities. All pillars and other institutions such as the education system have a role in promoting civic responsibilities. • The Electoral Office effectively uses the media to notify people of polling dates, candidate lists and electoral results. • Crimes committed under the Representation of the People Act are not prosecuted, which suggests better coordination between the Police, the Office of the Public Prosecutor and the Electoral Office/Electoral Commission is needed. • There have been successful partnerships with civil society organisations to deliver voter education programmes. • The Electoral Office is subject to external audits by the Auditor General and has been the subject of an audit investigation. 	<ul style="list-style-type: none"> •
Changes since 2004/2006	<ul style="list-style-type: none"> • Changes to the Representation of the People Act in 2012 made it more difficult to succeed in an electoral petition alleging corrupt practices. • Changes to the Representation of the People Act in 2007 allowed people who reside out of the Port Vila and Luganville municipal boundaries, but work inside of the municipal boundaries to vote within the Port Vila and Luganville constituencies. • There were changes to the position of the Principal Electoral Officer during the lead up to the 2012 national election, and for a number of months this position was only filled on an Acting basis. • A generic voter registration system is being introduced, with plans to computerise the electoral roll by 2016. 	<ul style="list-style-type: none"> •

Strengths	<ul style="list-style-type: none"> • Not subject to direct political interference. • Public reports are freely available. • The Office of the Ombudsman will work with civil society organisations in conducting public awareness activities. 	•
Areas for Improvement	<ul style="list-style-type: none"> • Public reports are often not acted upon and there is no mechanism to prevent Ombudsman's recommendations from being ignored. • File management needs to be improved, in order to address both delays and accurate reporting of activities, although it can be noted that there are plans for the file management system to be upgraded in 2014. • The role of the Ombudsman is promoting good practice (including providing education and public awareness about how to make complaints with the Office of the Ombudsman) needs to be specifically recognised and endorsed. • Whilst the Ombudsman is a leader as defined by the Leadership Code Act, weaknesses in both the law and practice of the annual reporting system for leaders undermines the integrity of the Office. • Transparency could be improved 	<p>Rec 1</p> <p>Rec 4; rec 5(a)</p> <p>Rec 3</p> <p>Rec 1</p> <p>Rec 5</p>
Coordination with other pillars	<ul style="list-style-type: none"> • The Office of the Ombudsman is hindered by lack of action on recommendations contained in Ombudsman's reports from other pillars such as the Office of the Public Prosecutor, relevant government agencies and members of the Executive (Council of Ministers). • The functioning of the Office of the Ombudsman has been hindered by slow recruitments by the Public Service Commission. • Lack of scrutiny of Ombudsman's annual reports by Parliament reduces accountability. • There is an opportunity for the Office of the Ombudsman and the Public Service Commission to work together to promote ethics in the public service, although currently these agencies do not work together in this area. • CSOs can work with the Office of the Ombudsman to promote good governance 	<p>Rec 2(a)</p> <p>Rec 6</p> <p>Rec 2(b); 3(d)</p> <p>Rec 2(c); 3(c)</p>
Changes since 2004/2006	<ul style="list-style-type: none"> • There has been a decline in the number of complaints received by the Office of Ombudsman and the number of public reports issued, although it can be noted that some complaints are being resolved via mediation, which does not result in public reports being issued. • Staff levels have declined significantly. • Annual reporting has improved, although annual reports are still delayed. 	•

Supreme Audit Institution **TO DO**

Strengths	<ul style="list-style-type: none"> • There are no examples of direct political interference in the operations of the Office of the Auditor General. • Changes since 2009 (see changes below) indicate that the Office of the Auditor General is strengthening its operations. • At times audit recommendations have resulted in the public servants having their employment terminated. 	•
Areas for improvement	<ul style="list-style-type: none"> • The Office of the Auditor General is severely hindered by lack of staff. This situation reflects a general skills shortage within Vanuatu. 	• Rec 1(a)

	<ul style="list-style-type: none"> • There is a backlog of audits, audit reports and annual reports. • There are no express requirements as to the content of annual reports or timeframes for issuing annual reports. • There are no express legal provisions in place to allow for audit reports to be made public, or for the public to make complaints directly to the Office of the Auditor General. • Whilst the Auditor General is a leader as defined by the Leadership Code Act, weaknesses in both the law and practice of the annual reporting system for leaders undermines the integrity of the Office. 	Rec 1(b)
Coordination with other pillars	<ul style="list-style-type: none"> • The Public Service Commission does use audit reports as the basis for staff disciplinary actions. It can, and does, terminate employment of public servants on the basis of recommendations, but does not have the power to order recovery of misappropriated money, Misappropriations are instead recovered as part of criminal actions, which must be initiated by the Office of the Public Prosecutor. • The Office of the Auditor General relies on a strong Public Accounts Committee, situated within the Legislature, in order to ensure that recommendations are acted upon. Currently the Public Accounts Committee does not operate effectively. • The Public Accounts Committee relies upon others to act on its recommendations. Little action resulted from the last Public Account Committee report, issued in December 2011. • The Office of the Auditor General relies upon the Ministry of Finance submitting consolidated government accounts. These accounts are up to date. 	•
Changes since 2004/2006	<ul style="list-style-type: none"> • In 2009 a new Auditor General was appointed. • Since 2009 technical assistance has improved planning and operations of the Office of the Auditor General. • Backlogs in annual reporting are in the process of being cleared. • Backlogs in audits are being reduced. • The Office of the Auditor General is actively working to ensure compliance with international accounting standards. 	•

Political Parties

Strengths	<ul style="list-style-type: none"> • There appear to be relatively high levels of political party membership and public involvement in political parties. • Parties operate independently without state support, and the larger number of active political parties that are successful in contesting elections indicates that lack of state support does not create significant barriers. • The State does not restrict the formation of political parties. 	•
Areas for improvement	<ul style="list-style-type: none"> • There are no laws allowing for transparency and accountability in respect of political party financing or campaign financing of both political parties and independent candidates. 	•

	<ul style="list-style-type: none"> • Some political parties may lack technical capacity to develop policy statements and internal governance structures. • There are concerns that the increasing number of political parties and independent candidates is contributing to fragmentation and instability, although it should also be noted that direct regulation of the number of political parties interferes with fundamental principles of democracy and any regulation of the formation of political parties must be approached with caution. 	
Coordination with other pillars	<ul style="list-style-type: none"> • As political parties are almost entirely unregulated there are no formal/legal areas of coordination between political parties and other pillars. • The number of political parties represented within Parliament directly impacts on the constitution of the Government and is thought to contribute to instability of the Government. • Political party members themselves refer matters to court in the event of allegations of breaches of internal rules. 	•
Changes since 2004/2006	<ul style="list-style-type: none"> • There has been an increase in the number of political parties contesting elections and the number of political parties represented in government. • Some political parties have included the need for political party regulation in their policy platforms. • There appears to be an increase in the number of internal governance disputes within political parties. 	•

Media

Strengths	<ul style="list-style-type: none"> • There is a wide spread of ownership of print and broadcast media. • The media is active in relaying information about government activities to the public. • The media regularly reports about allegations of corruption. • Media organisations support NGO activities aimed at educating the public about corruption. • There is a voluntary industry code of ethics and practice, although it could be reviewed to ensure that it is sufficiently comprehensive. 	•
Areas for improvement	<ul style="list-style-type: none"> • The Media Association of Vanuatu lacks resources to ensure that there are mechanisms for receiving and responding to complaints about the Vanuatu Media Code of Ethics and Practice. • Investigative journalism needs to be developed further. • There is no right to information/freedom of information law. 	•
Coordination with other pillars	<ul style="list-style-type: none"> • Media outlets support civil society organisations' anti-corruption activities by providing free publication of public education and awareness material. • Threats to and intimidation of journalists reduce independence of the media. Intimidation of journalists can come from the Government. • Media is active in publishing information about Government activities. 	•

Changes since 2004/2006	<ul style="list-style-type: none"> • The Media Association of Vanuatu has formalised its structure and registration. • The Vanuatu Institute of Technology has established certificate and diploma programmes in journalism. • There has been an increase in the number of media outlets in Vanuatu. • A Right to Information Bill has been drafted and was listed for debate in the November 2013 Parliament session, although it was withdrawn to allow for some further review. • A Right to Information Policy was adopted by the Government in April 2014. 	•
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Civil Society

Strengths	<ul style="list-style-type: none"> • NGOs are free to operate without undue government influence. • A variety of aid donors operate in Vanuatu to support NGO activities. • NGOs can and do form successful short term partnerships with Government agencies to conduct advocacy and public awareness campaigns on specific issues. • NGOs have established groups with formal and informal networks at the community level. 	•
Areas for improvement	<ul style="list-style-type: none"> • There is no voluntary or mandatory code of conduct for CSOs in Vanuatu, which could cover matters such as accountability to members and transparency of activities. • There is a lack of overall coordination between NGOs and also between NGOs and government. However there are some good examples of where CSO collaboration and engagement with government is very effective. There is no forum where NGOs and government can interact on anti-corruption issues. 	•
Coordination with other pillars	<ul style="list-style-type: none"> • CSOs should be viewed as a partner in policy development, education and community outreach programmes by all other pillars. 	•
Changes since 2004/2006	<ul style="list-style-type: none"> • In December 2013 an extraordinary general meeting to rehabilitate VANGO, the umbrella body for NGOs and community based organisations. • There are specific examples of CSO collaboration and coordination which also contribute to effective engagement between civil society and government for example the Vanuatu Climate Adaptation Network (VCAN) and the Vanuatu Humanitarian Team (VHT) and other emerging sector focused networks.. • In 2012 an attempt was made to set up an NGO Anti-Corruption Committee. Whilst this attempt was short-lived, it stands as a clear expression of will to coordinate to address corruption. 	•

Business

Strengths	<ul style="list-style-type: none"> • The legal framework in place for the establishment of business is relatively straightforward and allows for some transparency and accountability. 	•
Areas for improvement	<ul style="list-style-type: none"> • The perception that the domestic private sector is not a partner with a role to play in reducing corruption in Vanuatu needs to change. 	•
Coordin	<ul style="list-style-type: none"> • Businesses can be affected by having to interact 	•

ation with other pillars	<p>with a number of Government agencies in order to maintain licenses. These interactions can be inefficient and, whilst there is no evidence to show that they increase corruption, there is global concern that the need for a large number of interactions can increase opportunities for the payment of “speed money” and other petty forms of corruption.</p> <ul style="list-style-type: none"> • Business can be impacted by lack of consultation by the Legislature during law reform processes and lack of consultation or prior notification by members of the Executive when regulations are made. • Business currently does not tend to partner with and support CSOs’ anti-corruption activities. • Major law reform by the legislature that impact upon the activity of the business sector • In the event of undue external interference, it is possible for businesses to seek judicial review of administrative decisions via the courts. 	
Changes since 2004/2006	<ul style="list-style-type: none"> • Regulatory authorities have been established to oversee telecommunications and utilities. • The Financial Intelligence Unit has been significantly strengthened, both in terms of human resources and in relation to legal frameworks. 	•

Customary authorities

Strengths	<ul style="list-style-type: none"> • Customary authorities can and do operate independently of the State and without State support. • Customary authorities are familiar to most in Vanuatu, and are widely respected. • Customary authorities are the basis of much order in Vanuatu, particularly in places where the State has little presence. • The nature of customary authority means that there is a high degree of transparency and accountability built into the exercise of authority at the community level. 	•
Areas for improvement	<ul style="list-style-type: none"> • External influences, and in particular the potential for giving customary land monetary value, make it important to clearly establish who are the correct chiefs, and what are the correct authorities of chiefs, in order to minimise potential exploitation and abuse. • The intersection or legitimate relationship between customary authority and State authority is not always clear. • The Secretariat of the Malvatumauri Council of Chiefs lacks resources. 	•
Coordination with other pillars	<ul style="list-style-type: none"> • At a community level, chiefs coordinate with women’s groups, youth groups, religious groups, and others to ensure community governance. • The Malvatumauri Council of Chiefs has a constitutional advisory role in respect of the Legislature. • Chiefs do, at times, instruct people on how to vote in national elections. 	•
Changes since 2004/2006	<ul style="list-style-type: none"> • In December 2013 the requirement for the Legislature to consult with the Malvatumauri Council of Chiefs was made mandatory in respect of law changes affecting custom and custom land. • In December 2013 the Customary Land Management Act was passed, which, once it comes into operation, will change processes in respect of 	•

<p>customary land dispute resolution.</p> <ul style="list-style-type: none"> • In late 2013 the PSC appointed a new CEO to the Malvatumauri Council of Chiefs, after about 2 years of having an Acting CEO. 	
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Foundations

1. **Politics** are affected by clientelistic relationships, which are not conducive to developing a policy-led democratic political system. The members of parliaments' allocations reinforce clientilism as does the system of political appointees, discussed later in the section on the executive. Clientilism (or more broadly the *wantok* system) affect other pillars also. When implementing reforms to pillars, the potential impact of clientilism and ways in which clientilism may be reduced should always be considered.
2. Vanuatu's **society** is patriarchal. Gender imbalances affect women in a number of ways, including through underrepresentation in politics. When implementing reforms to pillars, increasing gender equity, particularly in the political sphere, should always be considered.
3. Vanuatu's domestic **economy** is limited, and this contributes to inequality of service delivery. All measures to build national integrity and address corruption should bear in mind the need to promote a strong domestic economy and reduced inequality of service delivery.
4. Vanuatu's traditional **culture** remains strong, and community governance engages many people. The potential for working with community governance structures (including women's groups, youth groups, religious/faith based groups and chiefly structures) to build commitments to national governance should be taken into account when developing all measures to build national integrity and address corruption.

Legislature

1. Parliament should be the "hub" of accountability, with other agencies reporting to it. It should also be a source of information on activities, via annual and other reports presented to parliament. Currently it does not serve this function. Further, there is little communication between members of parliament and the public, and little public information on matters going before parliament. This may be, in part, due to the absence of a requirement in the Standing Orders that information, including copies of Bills be made publically available. Short time frames between when members receive Bills and parliament sits also hinder opportunities for consultation. It is recommended that the Parliamentary Management Board takes action to ensure that:
 - a. Standing Orders are reviewed to include a requirement that lists of documents to be tabled, as well as Bills, are issued prior to parliamentary sessions, and that this list and all Bills be published to both members of parliament and the public. It is recommended that the Standing Orders be reviewed to ensure members have adequate time to consult (with technical advisors, the public and other stakeholders) on Bills.
 - b. Procedures of parliament are reviewed to require that every report tabled in parliament is to be made available through the parliament library unless matters of national security require otherwise.
 - c. parliamentary committees are reviewed and strengthened to allow them to fulfil their role as an accountability mechanism.
2. There is very limited training for members of parliament and little technical support. It is recommended that measures to increase both training of and technical support for parliamentarians be implemented. Training should include components related to ethics and integrity for members of parliament, as well as more mechanical training on processes and procedures. Technical support could be modelled on the Parliamentary Institute of Cambodia, an NGO that reviews all Bills and provides briefing papers to both government and opposition.
3. There is concern about the extent to which members of parliament account for their own allowances. There has also been dissatisfaction at increases in members' allowances. It is recommended that:
 - a. An independent body to set the allowances (including salaries and sitting allowances) of members of parliament is established. This could possibly be modelled on New Zealand's law.
 - b. The matter of representation allowances, and how to control them, are reviewed. Options to consider include:

- i. requiring members to publically account annually for their representation allowances
 - ii. removing the distribution of representation allowances from the control of members and instead giving members a role as conduits of project proposals that are forwarded to the Parliamentary Management Board or another body to decide upon
 - iii. providing allowances to political parties, rather than individual members, to distribute
- 4. In practice integrity mechanisms are almost entirely dysfunctional. In addition to recommendations made in the ombudsman's pillar it is recommended that:
 - a. the Leadership Code Act is revised to ensure that annual returns are scrutinised on an annual basis.
 - b. automatic penalties (such as ceasing to be paid salary) are implemented for leaders who fail to file returns.
- 5. There is public interest in changing the law to require higher educational qualifications for candidates standing for election as members of parliament. The government should publically consult on whether it is appropriate to amend the eligibility criteria for candidates contained in the Representation of the People Act.
- 6. Whilst the opposition acts as a check on the government (executive) to a degree, the opposition is not provided with legal support to do this. If it wants to challenge decisions by using judicial review processes it must engage private sector lawyers, which is costly. This limits the extent to which the legislature can act as a check on the executive. It is recommended that the Parliamentary Management Board develops and institutes a new position of opposition counsel.

Executive

- 1. There is almost total lack of transparency in the policy direction and decision making of the executive and the operation of ministries. In order to address these issues it is recommended that:
 - a. The Right to Information Bill must be enacted by parliament as soon as possible.
 - b. The Government Act be revised to require that coalition Memoranda of Understanding (MOUs) and policies be made public by the Council of Ministers.
 - c. The Government Act be revised to require that Council of Ministers minutes be made public, unless necessary to keep sections private for public security reasons.
 - d. The Leadership Code Act annual reporting system be revised to include comprehensive declarations that are routinely inspected and made public.
 - e. Annual reports of ministers be made public.
 - f. The current government plan to improve websites be monitored in order to see whether websites contain policy statements, corporate plans that provide a clear statement of outputs and annual reports on outputs achieved, as related to plans.
- 2. The Council of Ministers relies on the DCO, which is largely comprised of political advisors and director generals, for technical advice. There are, however, no specified requirements as to political advisors' qualifications. It is recommended that minimum qualifications for political advisors are instituted, to ensure that such advisors have sufficient background to be able to provide technical advice.
- 3. The liberal use of motions of no confidence without sound reasons based on national interests is the mechanism that creates instability with the executive. However, a blanket limitation on motions of no confidence for certain periods of time prevents their legitimate use in cases of bad governance, so is a problematic approach to controlling this problem. In order to address this the following options should be considered by the a body set up to publically develop political integrity laws and regulations:
 - a. For a motion of no confidence to be in order, requiring that it needs to be justified on the basis of political reasons (such as breaches in MOU or breaches of Leadership Court Act).
 - b. Introducing penalties for those who sign an unjustified motion of no confidence (such as a deduction from MPs salaries or losing one's seat and requiring a by-election).
 - c. Developing a party discipline system, including penalties for members who cross the floor without justifiable reason.
 - i. Part of the development of a stronger party system may include funding parties, rather than individual MPs (via the MP allocation), with a discipline mechanism being to be cut off from party funding if the floor is crossed.

4. Whilst laws have been implemented to control the number of political advisors, there are no similar controls on the number of political appointees and it appears that the number of such appointees is growing. It is recommended that laws to control the number of political appointees be developed and implemented.

Judiciary

1. The issue of delays in service delivery and associated issues of lack of resources, lack of accountability and lack of transparency are being addressed under the Court Improvement Plan 2012 – 2015. The Ministry of Justice should ensure that there is an independent evaluation of the implementation of this plan.
2. There appears to be a public perception that the judiciary is becoming increasingly corrupt. In order to address this the judiciary should:
 - a. Undertake public consultation on whether it is desirable to have the judiciary fall within the scope of the Office of the Ombudsman, or whether an alternate complaints mechanism should be developed and implemented.
 - b. Institute a “customer service” feedback mechanism.
 - c. Introduce a code of conduct for court staff.
 - d. Increase public awareness on the code of conduct for judges.
 - e. Introduce registers for gifts and hospitality.
3. Whilst there is transparency in superior court decisions, there is little transparency in respect of the decisions of subordinate courts. It is recommended that all judgments, including Magistrates Court judgments should be published on PaCLII.

Public sector

1. The public sector suffers from very negative public perceptions as to its independence and integrity. Whilst these perceptions may not be entirely fair, and may be based on incorrect information, they need to be addressed. The following measures should therefore be implemented:
 - a. The legislature should enact the Right to Information Bill, which will enhance transparency of public sector activities and decision-making.
 - b. The PSC should publish a list of public servants, annually, who have been subject to disciplinary action (including the nature of the misbehaviour and the penalty applied, but possibly withholding names to protect privacy) in order to demonstrate that public servants who get caught for misbehaviour do face consequences.
 - c. The PSC should actively run public awareness on what it does to ensure independence and integrity as part of its public education activities.
 - d. The Council of Ministers should repeal the change in the law that allowed director generals to be appointed by the prime minister, rather than the PSC as this has created a public perception of political interference in the operation of the public sector.
 - e. As part of the review of the Code of Conduct and ethical obligations of public servants the Public Service Commission should undertake a review of current practices relating to paying additional allowances for sitting on committees and performing other tasks that are part of regular employment.
2. Another measure to address lack of public confidence in the public sector is to strengthen accountability. Strengthening accountability involves, in part, strengthening the Office of the Auditor General and the Office of the Ombudsman. Recommendations in respect of these pillars are discussed in the respective sections of this report. Strengthening accountability via internal public service mechanisms requires both an increase in reporting (which involves building personal integrity) and better enforcement. To achieve these it is recommended that:
 - a. The PSC implements, as part of its orientation and ongoing education and training programmes, more information about the Code of Conduct and obligations to report breaches. It should also consider a reward system for those that actively participate in upholding the code of conduct.
 - b. The PSC establishes a mechanism for the public to complain directly to the PSC about misbehaviour by public servants.

- c. The PSC is appropriately resourced to handle the processing of disciplinary complaints, terminations of employment and public servant grievances.
3. Public procurement needs to be addressed. As there are many loopholes in the law a useful starting point would be for the Vanuatu Law Commission to review public procurement laws.

Law enforcement

1. At the time of writing this report the Office of the Public Prosecutor is in some disarray. It is recommended that:
 - a. The government re-establish the Commission of Inquiry to examine the activities of the Office of the Public Prosecutor, with the aim of developing recommendations to improve the processes and functioning of the office and reviewing the relationship between the office and state prosecutors.
 - b. The report of the Commission of Inquiry be made public.
 - c. The implementation of these recommendations be closely monitored by a body to be recommended by the Commission of Inquiry.
2. A code of ethics for prosecutors is required by law and should be developed and gazetted as a priority.
3. Activity to institute a VPF Professional Standards Unit has commenced. Further development of the Professional Standards Unit must be prioritised.
4. Perceptions that political interference in high profile corruption cases results in misuse of police and prosecutorial powers and that personal connections result in misuse of police and prosecutorial powers should be addressed by:
 - a. The VPF developing clear operating procedures for dealing with cases involved political leaders and cases involving potential conflicts of interest.
 - b. The VPF clearly communicating these operating procedures to the public.
5. The VPF are hindered in their ability to investigate breaches of the Leadership Code Act by having to wait until ombudsman's reports have been issued. As part of a review of the Leadership Code Act (as discussed in the section on the ombudsman) consideration should be given to expanding police powers to investigate criminal breaches of the Leadership Code.

Electoral management body

1. The most critical issue is the integrity of the electoral roll and the related issue of correctly identifying voters. As a matter of urgency the government must take measures to ensure that the content of the roll is accurate and that there is a system in place to ensure that people who present themselves to vote can be correctly identified. It is recommended that the electoral roll and voting system be computerised. It is also recommended that, as the current roll is so corrupt, an entirely new roll is constructed, rather than trying to clean up the existing roll.
2. There are concerns about adequacy of training and control of regional registration officers. It is recommended that before a new roll is constructed, new registration officers must be put in place. Processes for the appointment and training of such staff must be reviewed by the PEO in conjunction with the Electoral Commission in order to develop specific recommendations for reform. These recommendations should include measures for ensuring political independence of registration officers, adequate training and adequate oversight.
3. There should be a review of the Representation of the People Act in order to ensure that the law fully supports fair, transparent electoral processes. The first part of this review should involve collecting and assessing the numerous recommendations that have been made in election reports and election observer reports since 2002. Specific issues to consider in respect of voting and the electoral roll include:
 - a. a review of control of electoral cards and proxy voting, which are seen to be major areas of abuse.
 - b. the absence of provisional voting, which prevents legitimate voters with deficiencies in their registration from being able to vote.
 - c. the question of whether voting should be compulsory.
 - d. whether a set timeframe by which all electoral petitions must be heard and decided upon is needed.

4. The independence of the Electoral Office can be undermined due to the PEO and other electoral officers being public servants. This can both affect appointments and attempts to discipline staff. It is recommended that the Electoral Commission be given the power to directly recruit and discipline staff of the Electoral Office.
5. Currently, in practice, the only consequence for committing an electoral offence is that a successful candidate may face an electoral petition. It is recommended that:
 - a. coordination between the Electoral Office, the police and the public prosecutor is strengthened in order to ensure that those committing electoral offences (including candidates, electoral officers, voters and others) are prosecuted.
 - b. consideration be given to banning a candidate from standing for elections for life if he or she is convicted of an electoral offence.
6. In order to ensure ongoing monitoring of elections:
 - a. The PEO and Electoral Commission should be reminded of their legal obligations to produce election reports in a timely manner. As part of a review of the Representation of the People Act it should be made clear that these reports are to become public documents.
 - b. The government should, in a timely manner, provide for observer groups comprised of international and domestic representatives at all elections, in order to ensure ongoing monitoring of election processes.

Ombudsman

1. There are significant issues with the lack of action in response to ombudsman's reports and recommendations. One reason for these issues is that gaps in the law allow recommendations to be ignored. The Ministry of Justice should follow up on existing proposals and recommendations to strengthen the law so as to ensure that concrete action on recommendations arises. Issues that should specifically be considered include:
 - a. whether power should be given to the ombudsman to refer matters to court if recommendations are not responded to.
 - b. whether establishing a new body – a Leadership Code Tribunal - is appropriate.
 - c. whether expanding the powers of the Office of the Ombudsman so that it becomes a commission, with police and prosecutorial powers, is appropriate.
 - d. whether the law should allow statements given during the course of ombudsman enquiries to be used as evidence in court.
 - e. whether the law should be amended to ensure that full copies of all annual returns provided by leaders under the Leadership Code Act be provided to the Office of the Ombudsman and/or scrutinised by a joint body including the ombudsman, the auditor general and the clerk of parliament.
2. A reason for lack of action on recommendations is that there are weak links between the ombudsman and other agencies. Weak links with other agencies also hinders efficient public awareness activities.
 - a. In order to facilitate successful criminal prosecutions, coordination between the Office of the Ombudsman, the police and the public prosecutor should be improved.
 - b. In order to facilitate successful disciplinary actions against public servants and improve awareness amongst public servants, coordination between the Office of the Ombudsman and the PSC should be improved.
 - c. In order to facilitate public awareness and ensure efficient use of resources, co-operation between the Office of the Ombudsman and CSOs working in the field of good governance should be improved.
3. The number of complaints received by the Office of the Ombudsman is declining and one of the causes of this is lack of education. The office also has no formal education or public awareness programme. In order to strengthen the education role of the Office of the Ombudsman:
 - a. The Ombudsman Act should be revised to specifically list education as one of the roles of the office.
 - b. Resources should be specifically allocated in a separate budget line for conducting education activities by the Ministerial Budget Committee.
 - c. In order to ensure that resources are well utilised and agencies (including CSOs) are not duplicating education activities, coordination and co-operation between agencies who carry out public education

activities in the broad field of integrity/anti-corruption/legal literacy/ civic education should be strengthened.

- d. Co-operation between the PSC and the Office of the Ombudsman to strengthen awareness of integrity amongst public servants should be developed.
4. Some investigations take a very long time to conclude. The Office of the Ombudsman should develop and publish expected timeframes for processing disputes. As investigations vary in complexity these will only be guidelines, but they will help complainants to monitor progress on complaints.
 5. Reporting of activities by the Office of the Ombudsman should be strengthened:
 - a. Resources and technical support to update the file management/case tracking database should be provided, either by the government, aid donors or other partners, as this will make it easier to collect data.
 - b. Resources and technical support for the Office of the Ombudsman to develop and maintain a website should be provided, either by the government, aid donors or other partners.
 - c. The law should be revised to further specify the required contents of annual reports. This will help to ensure that desired information is consistently provided.
 - i. The annual report should include clear data on the number of complaints received in a reporting year, the number of received complaints not investigated and the reasons for not investigating.
 - ii. Annual reports should also provide clear data on the number of current complaint files being processed in the office, the number of complaint files closed and the reasons for closure, the number of complaint files resolved, the method of resolution and the time taken to resolve the complaint.
 - iii. Brief summaries of disputes resolved by mediation should also be provided, if there are no issues of confidentiality.
 - d. The PacLII website currently publishes public reports, which makes them easily and freely available to the public. The Office of the Ombudsman should also supply annual reports to PacLII for publication.
 6. A cross cutting issue affecting both the OAG and the Office of the Ombudsman is the potential for interference or delays in staffing matters by the PSC. This issue has also been faced by other constitutional offices, and the solution has been to give other constitutional offices the direct power to recruit. The State Law Office Act provides an example of legislation that allows this. The law should be revised (possibly using the State Law Office Act or the Ombudsman Act 1995 as a model) to give the Office of the Ombudsman the power to directly recruit staff.

Supreme Audit Institution

1. Staffing issues within the OAG need to be addressed as a matter of urgency:
 - a. Long-term measures need to be introduced to address skill shortages within Vanuatu, which are the underlying cause of the inability to recruit staff. Scholarships for tertiary study need to be directed to areas of specific need, including accounting.
 - b. Until local skill shortages are addressed, the recruitment of non-citizens and increased contracting out of audits should be explored.
2. A major problem is the lack of consistent action on audit reports. Addressing this problem may require better coordination between stakeholders. It may also require some legislative reform. The Corporate Plan 2012 – 2016 includes a proposal to introduce a National Audit Act. There is already draft legislation in this area. Before this legislation is finalised there should be consultation between the OAG, the PAC (including support staff), the PSC, the public prosecutor and other stakeholders as to whether further reforms are needed to the draft legislation or other Acts to ensure that recommendations of the OAG will be acted upon, particularly when criminal activities have been identified.
3. Current audit practice means that only consolidated government accounts are being audited and financial compliance audits are not being carried out at individual ministry and department level. Further performance audits are not being regularly carried out. Bearing in mind resource constraints the OAG should implement measures to ensure a rolling programme of compliance audits and performance audits of individual ministries and departments.

4. The PAC's roles include monitoring the performance of the OAG and ensuring that the OAG has adequate resources. The PAC should play a more active role in ensuring that adequate resources and technical support are provided to the OAG to assist it to comply with international audit standards as developed by INTOSAI and other goals as set out in the Corporate Plan 2012 – 2016. The PAC should also more actively monitor the implementation of this plan and effective use of resources within the OAG.
5. There is currently little public awareness of the work of the OAG or the recommendations it makes. Lack of transparency weakens accountability as it reduces both public awareness of the importance of correct management of public funds, and public demand that changes occur in response to recommendations. Any new law, or amendment to the existing law, should:
 - a. strengthen transparency of the OAG by clarifying when and how audit reports, annual reports and special investigation reports are to be made available to the public
 - b. strengthen public involvement in the detection of financial irregularities by allowing the OAG to directly receive complaints from the public
6. Establishing a website for the OAG will help to improve access to information about the OAG and therefore transparency. This website should include audit reports or summaries of recommendations, annual reports, the Corporate Plan and reports on implementation of the plan. It should also include information for the public on what to do if they are aware or suspect irregularities in respect of the use of public money.
7. A cross cutting issue affecting both the OAG and the Office of the Ombudsman is the potential for interference or delays in staffing matters by the PSC. This issue has also been faced by other constitutional offices, and the solution has been to give other constitutional offices the direct power to recruit. The State Law Office Act provides an example of legislation that allows this. The law should be revised (possibly using the State Law Office Act as a model) to give the OAG the power to directly recruit staff.

Political parties

1. Governance of political parties is particularly weak. It is recommended that the government establish a transparent committee to lead law reform activities to address this issue and ensure transparency of political parties. Once law reform proposals have been developed it is further recommended that the legislature enacts new laws in this area and that the government then implements the new laws. These law reforms should cover, as a minimum, the following:
 - a. mandatory disclosure of party income and expenditure via annual audited accounts which are made public.
 - b. mandatory disclosure of all party income and expenditure during the election campaigning period via audited accounts which are made public.
 - c. mandatory filing of policy platforms with a central body, with the central body to provide a public access point to information on policies for the public.
 - d. mandatory filing of constitutions with a central body, with the central body to provide a public access point to political party constitutions for the public.
 - e. Disclosure rules for independent candidates.
2. Before any consideration can be given to public funding of political parties, accountability mechanisms must be established. Further controls should also be considered. These include setting minimum requirements for eligibility for funding (such as receiving a threshold of 5% of votes in national elections), only reimbursing stated expenses on production of receipts/audited accounts and stopping funding if audited accounts are not received.
3. As technical capacity limits the extent to which parties can develop policy statements and internal governance structures, it is recommended that aid donors, in consultation with political parties and parliament:
 - a. assess the extent to which technical assistance to develop political parties' capacity in these areas is required.
 - b. following this assessment, support the provision of relevant technical assistance in this area.
4. The large number of parties and independent candidates contesting elections is contributing to the fragmented and clientelistic political environment. However, restricting the number of parties is undemocratic so is not a good approach to addressing this issue. Instead laws to create disincentives to candidates who do not have

considerable popular support from contesting elections should be developed and enacted by the legislature. Law reform options that should be considered include:

- a. raising the number of supporters that must endorse a candidate before he or she is eligible to stand for election.
- b. raising the fee for candidates.
- c. raising the number of members required to establish a political party.

Media

1. The lack of enforcement hinders the effectiveness of governance mechanisms. It may also contribute to interference in the media due to there being no legitimate mechanism for laying complaints about irresponsible reporting. Government regulation could lead to concerns regarding censorship so self-regulation is preferable. MAV is in the process of developing a complaints mechanism and the government and aid donors should support this. At the same time MAV should support proposals to develop a Pacific-wide media ombudsman as having a regional body to appeal to reduces the risk of intimidation of any locally established media complaints authority,.
2. The Vanuatu Code of Media Code of Ethics and Practice should be reviewed by an independent expert to ensure that it contains comprehensive provisions in respect of transparency, accountability and integrity.
3. Threats against media freedom are an ongoing issue, with laws potentially allowing interference in broadcasting and physical threats against journalists being somewhat routine. In order to address this, in addition to establishing a complaints mechanism, the following should occur:
 - a. In order to build pressure against government threats, MAV Vanuatu should maintain a record of threats against journalists and build links with international and regional media freedom watchdogs in order to ensure that these threats are publicised internationally.
 - b. The Law Reform Commission should review the Broadcasting and Television Act and the Newspaper (Restriction of Publication) Act with the aim of removing limits and/or clearly specifying ministerial powers in respect of restricting media activities.
4. It has been suggested that building collaborative journalism practices may help to strengthen investigative journalism in an environment where capacity and resources are lacking. The Vanuatu Institute of Technology should consider including a module on developing collaborative investigative journalism practices in its journalism certificate and diploma courses.
5. The legislature should enact the Right to Information Bill as soon as possible and donors support its effective implementation as this will make it easier for investigative journalists to access information.

Civil society

1. Civil society organisations work more effectively when they work collaboratively. Addressing common issues collaboratively utilises scarce resources efficiently and can help to develop more sustainable and widespread activities. It is recommended that:
 - a. Vanuatu civil society organisations seek to work together collaboratively (and build on existing examples of effective collaboration) to better represent the priorities of their constituents and to engage more effectively with government and other decision makers regarding legislation and policy development and to monitor government service provision and expenditure.
 - b. VANGO works to support non-government organisation and community based organisation collaboration and capacity development through coordination and organisational strengthening activities specifically:
 - i. development of a NGO code of conduct which covers, amongst other things, issues of transparency to the public and accountability to members and works with members to assess adherence to it.

- ii. provide support to smaller local organisations to assist them in meeting the NGO code of conduct in order to help facilitate integrity building as opposed to merely imposing regulations.
 - iii. VANGO seek funding to become an effective and functioning body that supports NGOs to work together.
- c. Aid donors seek ways to increase collaboration between CSOs when projects are being funded.
2. Currently there is no clear forum for government/CSO dialogue on anti-corruption initiatives. It is recommended that the Vanuatu Government establish a national integrity committee made up of both government and non government representatives and that this committee develops an anti-corruption/national integrity strategy, using the outcomes of the 2014 National Integrity System report as a starting point for this strategy.

Business

1. Business is currently not seen to be having a clearly defined role within Vanuatu's National Integrity System. It is recommended that the VCCI be recognised as a non-governmental partner on all national integrity initiatives.
2. The VCCI should encourage and support local businesses to undertake voluntary anti-corruption initiatives, such as disclosing donations to political parties and developing statements of corporate responsibility.
3. The VCCI has limited resources to engage in sustained policy discussion. In conjunction with the Standing Orders of Parliament being reviewed, which should enhance opportunities for consultation, the VCCI should be provided with sufficient resources to be able to engage in ongoing policy discussion.
4. Where statute provides for a representative of business nominated by the VCCI to be on a board, ministers should accept a minuted recommendation from the VCCI Council as to the business nominee unless there are specific reasons why acceptance would be unlawful.

Customary authorities

1. Customary governance is facing challenges caused by changes due to introduced systems. Until these challenges are addressed customary authorities will suffer from weakened foundations. The government and/or aid donors should ensure that the Malvatumauri Council of Chiefs is provided with sufficient resources to enable travel to allow chiefs to come together and, in the customary way, have discussions to rethink and rediscover customary governance and leadership. This process should include establishing who the correct holders of chiefly titles are.
2. Although the Constitution provides that the Malvatumauri Council of Chiefs should be independent, the current National Council of Chiefs Act 2006 sets down a structure that interferes with independence. The 2013 review of the National Council of Chiefs Act should be acted upon by the government, with the Act being repealed or amended.
3. Urban and Island Councils of Chiefs may lack support or technical capacity to remain accountable and transparent through the filing of quarterly reports, and the central administration lacks resources to provide this support. The government and/or aid donors should provide technical assistance to develop guidelines for reporting and to train Council members in reporting and provide ongoing support for reporting.
4. The constitutional role of the Malvatumauri Council of Chiefs in respect of being consulted by Parliament is being expanded. Guidelines need to be developed, possibly as part of the review of Standing Orders, to ensure that: this consultation is done transparently; that sufficient time is given for consultation; and that, if required, sufficient technical resources are provided to allow the Malvatumauri Council of Chiefs to engage fully on issues referred to it.