



## 2020-21 VANUATU DEVELOPMENT PROGRAM PROGRESS REPORT

The *2020-21 Vanuatu Development Program Progress Report* summarises progress for the reporting period 1 July 2020 to 30 June 2021 of implementation of the Australia – Vanuatu COVID-19 Response Plan and program highlights.

*Our development program to Vanuatu contributes towards achieving the following Sustainable Development Goals.*

Program Budget	2020-21 Budget Estimate \$m*
Bilateral	46.0
Regional	20.4
Global	8.4
Other Government Departments	0.8
<b>Total</b>	<b>75.6</b>
Temporary, Targeted and Supplementary Measures (TTS)	12.4
<b>Total ODA</b>	<b>88.0</b>

\*Actual expenditure is expected to be available in December 2021/ January 2022.



### CONTEXT

Australia and Vanuatu are close neighbours and partners, with long-standing people and institutional links. Our health, economic and security interests are deeply intertwined. Australia is Vanuatu’s largest development partner and the biggest provider of foreign direct investment.

**Vanuatu remains COVID-19 free as of August 2021.** Vanuatu closed its international borders early and has effectively managed the quarantine of limited returnees (three cases at the border with no cases of community transmission). Vanuatu continues to feel the impact of COVID-19 through lost tourism revenue (previously around 45 per cent of gross domestic product (GDP)), reduced remittances and rising unemployment. Vanuatu continues to feel the impact of Category 5 Tropical Cyclone Harold, which devastated the northern islands of Vanuatu in April 2020.

The Vanuatu Government has estimated the **combined economic cost of COVID-19 and Tropical Cyclone Harold at \$850 million.** These dual crises sit within the broader context of Vanuatu’s long-term development challenges – distance from major markets, climate change and disaster vulnerability, a small formal labour market and limited economic diversification.

Vanuatu’s GDP contracted in 2020. Estimates vary from between - 2.6 per cent (Vanuatu Government Half-Year Economic and Fiscal Update, August 2021) to - 8.5 per cent (Asian Development Bank (ADB), September 2021). The Vanuatu Government has estimated GDP will grow by two per cent in 2021, supported by the ongoing COVID-19 vaccination program, the second phase of the economic stimulus package and the forecasted economic impacts of infrastructure projects related to Tropical Cyclone Harold and COVID-19 recovery programs. However, the ADB’s most recent forecast (September 2021) estimates a three per cent contraction in 2021 GDP. Government spending is likely to exceed income in 2021, with the International Monetary Fund (IMF) estimating a 5.8 per cent fiscal deficit (April 2021). While government income continues to have substantial inflows from its citizenship scheme, it is affected by sharp reductions in Value-Added Tax collections (down 20 per cent in 2020). The trade balance is also expected to deteriorate due to a fall in exports.

Vanuatu commenced its COVID-19 vaccination rollout in Shefa province in June 2021, reaching 50 per cent of the target population with first doses by mid-August 2021. As of September 2021, Australia has provided 50,000 Australian-manufactured AstraZeneca vaccines to Vanuatu.

## AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Australia's longstanding partnerships with Vanuatu in sectors of critical importance to Vanuatu's recovery. Our support in health, education, skills, security, justice, economic governance, infrastructure and humanitarian support has adapted to the changing COVID-19 context to help drive Vanuatu's recovery. Despite a challenging operating environment, investments continued to make progress towards expected outcomes, although progress was uneven.

### **Health Security**

Australia is Vanuatu's largest bilateral health partner and has worked with Vanuatu's Ministry of Health (MOH) for over three decades to strengthen the health system, improve health outcomes and enhance health service delivery. We have focused on supporting Vanuatu to maintain its COVID-19 free status, prepare for a potential outbreak and vaccinate its population. In reporting period, Australia partnered with MOH, the World Health Organisation (WHO) and United Nations Children's Fund (UNICEF) to finalise a **National Deployment and Vaccination Plan**.

Australia has committed \$11 million over three years (2020-23) for COVID-19 vaccine access in Vanuatu, including delivery support and vaccine procurement, drawing on Australia's **Regional COVID-19 Vaccine Access and Health Security Initiative (VAHSI) and bilateral support**. Through VAHSI, Australia has committed to supporting Vanuatu and other Pacific island countries achieve comprehensive vaccine coverage. This is in addition to Australia's support for the COVID-19 Vaccines Global Access (COVAX) Advance Market Commitment totalling \$130 million – a global mechanism which delivered 24,000 COVID-19 vaccine doses to Vanuatu (May 2021). Australia, Vanuatu, UNICEF and WHO worked together on legislative, policy and procedural improvements to **build Vanuatu's COVID-19 preparedness and response plan**. In the reporting period, Australia supported Vanuatu to ensure COVID-19 cases could be managed safely by refurbishing and equipping isolation wards. An Australian-funded epidemiologist worked with MOH to improve data collection, case investigation, contact tracing and systems for disease monitoring. Australia continued to support Vanuatu's COVID-19 testing, including of people in quarantine.


### **Stability**

Vanuatu and Australia share a strong interest in maintaining Vanuatu's security, social cohesion and human development gains. In the reporting period, our **technical advisory support and training programs improved the skills of legal and policing officials across the 'chain of justice', with 540 police, prosecutions, defence and state law officials** (29 per cent women) trained in 2020. This included training of 39 new police recruits (11 women) increasing the reach of the Vanuatu Police Force (VPF) in line with the Vanuatu Government's priority to decentralise services.

Australia is supporting VPF growth and capability development through **critical infrastructure upgrades** to Cook Barracks and Mala Base in Efate, supporting local jobs and economic stimulus. Other upgrades completed in 2020-21 include repairs to police infrastructure damaged by Tropical Cyclone Harold, a courthouse renovation in Tanna and a new police station in Malekula, which have enhanced community access to justice and policing services. The VPF and Australia continue to deliver the Vanuatu Government National Emergency Radio Network. The three-year (2020-23) inter-island communication project is delivering a sustainable and resilient national network to improve the delivery of essential services to remote communities, enhance Vanuatu's disaster response capability, and support increased police presence across Vanuatu.

Australia continued work to protect and empower women, children and people with disabilities. We supported **the Vanuatu Women's Centre's (VWC's) response to COVID-19 and Tropical Cyclone Harold by establishing a national toll-free crisis line and increasing mobile counselling** visits to communities. In 2020, our support enabled VWC to provide counselling and legal services to 7,262 women and girls affected by violence (including 14 people with disabilities). We supported the Vanuatu Society for People with a Disability to continue community-based rehabilitation in Shefa province and upgraded their equipment and infrastructure. We enabled local organisation, Wan Smolbag Theatre, to support vulnerable people – including youth, people with disabilities and the peri-urban poor – to make informed life choices through workshops, theatre, dance, sport and nutrition. In 2020, Wan Smolbag plays reached 18,448 people while its YouTube videos, including on COVID-19 safe behaviour, had over one million views.

Australia is supporting the Vanuatu Government to provide essential education services critical to maintaining social stability and laying the foundation for future economic recovery. Our partnership with Vanuatu's Ministry of Education



and Training (MOET) **supported access to quality education despite the impacts of COVID-19**, the Ambae Volcano displacement and Tropical Cyclone Harold. In the reporting period this included a home-schooling package for primary students, and a radio home-school program to ensure continuity of learning. Australia supported MOET to roll out a new primary curriculum, including distribution of curriculum materials to schools and curriculum training workshops for 663 teachers and provincial trainers. Australia is also providing annual grants to Early Childhood and Education Centres, supporting critical early childhood education services. Australia continued to support Vanuatu's recovery from Tropical Cyclone Harold. In the reporting period **we provided \$18.7 million (in addition to the Official Development Assistance (ODA) figures in the table on page one) to rebuild health and education facilities**, mainstream gender equality and support the most vulnerable. Australia worked with non-government organisations and churches to provide immediate support for livelihoods; shelter; water, sanitation, and hygiene; protection of women and children; and psychosocial services to communities. **An innovative Oxfam-led cash transfer program enabled over 20,000 vulnerable people** (single mothers, widows, widowers, the elderly, and people with disabilities) to meet their basic needs. Beneficiaries received E-vouchers to use at local vendors to mitigate Tropical Cyclone Harold and COVID-19 impacts and boost market recovery.

### **Economic recovery**

Australia is committed to helping Vanuatu respond to the economic impacts of COVID-19 and seek a path towards longer term economic recovery. **In the reporting period, Australia provided \$47.6 million in sectoral budget support to the Vanuatu Government, of which \$10 million was through the COVID-19 Response Package for the Pacific and Timor-Leste.** With remittances a key pillar of Vanuatu's economy, Australia and Vanuatu quickly and safely re-established the Seasonal Worker and Pacific Labour schemes. Since September 2020 to June 2021, over 3,000 ni-Vanuatu workers have travelled to Australia. Australia also supported development of the Labour Mobility Re-entry Strategy and has partnered with V-Lab, a business incubator, to provide entrepreneurship and business skills coaching to returned workers to help them launch their own businesses.

Australia is providing **ongoing technical advisory support to the Vanuatu Government on potential COVID-19 economic response measures.** In the reporting period this supported the design and delivery of an Employment Stabilisation Payment to subsidise wages, the first such program in Vanuatu. These payments were critical in ensuring businesses retained staff and low wage earners could meet their basic family needs including food and health care.

We supported the Vanuatu Chamber of Commerce and Industry to analyse COVID-19 impacts on the private sector and run an inaugural Government-Business Conference. This helped establish a private sector-government dialogue, informing the design of Vanuatu's second economic stimulus package (May–Dec 2021). Three hundred and sixty-five women entrepreneurs also received business development services to adapt their businesses to COVID-19.

Our continued support for tourism is critical for Vanuatu's long-term recovery given its contribution to GDP. We support the work of Vanuatu's Tourism Crisis Recovery Committee including business preservation and diversification activities, interim support measures like domestic tourism promotion, and preparations for a tourism restart including the design and implementation of a tourism recovery marketing plan.

In 2020, **the Vanuatu Skills Partnership (VSP) provided skills training to 650 people** (48 per cent women) and business skills support services to 238 businesses (68 per cent owned by women or couples) impacted by COVID-19 and Tropical Cyclone Harold. This helped grow local businesses and increased income, particularly in the agriculture, tourism and creative industries sectors. Some of these businesses are now reaching new domestic markets and are improving food security and nutrition through engagement with local schools and hospitals.

To **support greater access to services and markets**, we worked with Vanuatu's Public Works Department (PWD) to increase and sustain year-round rural access and reduce the roads sub-sector funding gap. In the reporting period, Australia also supported PWD to reach its target of maintaining over 1,342 km of roads in 2020.

In the reporting period, **Australia supported local economic stimulus through \$8.8 million for secondary school fee relief to families**, reducing financial pressure by freeing up household income for other essential goods and services and **helping to keep over 26,000 vulnerable students in school.** This complements Australia's primary school and community grants program which continues to support local projects predicated on local needs, supporting economic stimulus in communities across Vanuatu.

## ANNEX 1: PROGRESS AGAINST COVID-19 RESPONSE PLAN RESULTS INDICATORS

**Health Security**

Key Results Indicators	Progress/Result
Strengthened health systems including preparedness for health emergencies (with examples)	In partnership with WHO, supported Vanuatu to undertake a range of legislative, policy and procedural improvements including strengthening reporting and surveillance systems to prepare for and respond to COVID-19. This increased Vanuatu's overall health security and pandemic preparedness and has helped Vanuatu remain COVID-19 free.
Evidence that Vanuatu has improved its response to health security threats	Contributed to assisting Vanuatu to remain COVID-free during the reporting period. Supported technical advice to Vanuatu's Ministry of Health to guide pandemic preparedness and response. Supported five medical locums at Port Vila and Santo hospitals and training for 40 people in contact tracing.
Number of vulnerable women, men, girls and boys provided with emergency assistance in a crisis (2020-21 target 150)	As a result of Tropical Cyclone Harold, we provided emergency assistance for to 62,270 people following. Sex disaggregated data is not available.

**Stability**

Key Results Indicators	Progress/Result
Strengthened governance systems (by type, including assistance provided and significant policy change achieved)	Supported the development of comprehensive ten-year health sector and education sector strategies to drive improvements in government sectoral planning and service delivery. Both strategies focus on strengthening access to services for vulnerable groups including women and children, people with disabilities and rural and remote communities. Supported the Vanuatu National Statistics Office to improve the generation and assessment of official statistics. This provided better data for government decision-making. Supported a review and update of public financial management and government procurement regulations. This supported improved government service delivery, and the more effective, efficient and transparent use of public money.
Examples of increased participation of women in decision-making and leadership in key sectors with Australian support	Supported the VPF Women's Advisory Network (WAN) to strengthen the role of women in the VPF. This included a WAN representative being included in all VPF executive meetings (previously all men). Across education and justice programs, and through the Australia Awards alumni, supported women in leadership roles to develop leadership skills. In sectoral programs supported by Australia (health, skills and justice and policing), women now hold key leadership roles.
Number of women and girl survivors of violence receiving services such as counselling (2020-21 target 8,000)	Supported 7,262 women and girl survivors of violence to receive counselling and legal services, including a national toll-free crisis line and

Key Results Indicators	Progress/Result
	increased mobile counselling visits to communities. This support also reached 21,547 participants with community awareness activities.
Strengthened security capability and resilience (with examples)	Supported the training of 540 officials (29 per cent women) across the policing and justice sectors to strengthen organisational capacity and improve service delivery. Of this, 39 were new police recruits (28 per cent women), many of whom were deployed to rural areas. This supported the Vanuatu Government's priority of decentralising services.  Supported critical upgrades to VPF infrastructure and the Vanuatu Government National Emergency Radio Network. This strengthened the reach and capability of the VPF, enhancing Vanuatu's security and its ability to respond to humanitarian emergencies and secure its maritime boundaries.
Number of additional girls and boys enrolled in school (men/ women)	Supported an additional 233 girls and boys to enrol in school. Disaggregated data is not available.  Supported learning opportunities for students across Vanuatu. This was despite the impacts of COVID-19 lockdowns, Tropical Cyclone Harold and the Ambae volcano displacement. This included a home-schooling package for primary students and a radio home-school program.
Number of new or repaired buildings that meet universal access standards, and disaster and climate resilient standards (2020-21 cumulative target 25)	Supported work on 22 buildings (16 new, six repaired) to meet universal access standards, and disaster and climate-resilient standards.  Support for construction of a further 14 new builds and renovations (classrooms and other facilities) was completed.
Number of people reached with new or improved social protection programs, including remote communities (2020-21 target 21,000)	Supported 21,268 people with new or improved social protection programs, including in remote communities. Most recipients were vulnerable persons, including single mothers, widows, widowers, elderly people and people with disabilities.

### **Economic Recovery**

Key Results Indicators	Progress/Result
Policy and technical advice on sustainable stimulus measures and longer-term economic recovery (with examples)	Supported technical advice to design and implement the first economic stimulus package in Vanuatu's history. This was funded in part through Australia's first central budget support to Vanuatu. This package subsidised wages to support workers and help businesses retain staff.  Supported the development of Vanuatu's COVID-19 and Tropical Cyclone Harold Recovery strategy and assisted the establishment of the Recovery Operations Centre. These initiatives guided coordination between the Vanuatu Government, donors and stakeholders in support of Vanuatu's recovery.

Key Results Indicators	Progress/Result
Number of women entrepreneurs provided with financial and/or business development services (2020-21 target 200)	Supported 645 women entrepreneurs with financial and/or business development services. Surveys reported 45 per cent of recipients had increased their income and 69 per cent noted their income accounted for more than half of their household's earnings.
Training provided to increase livelihood and income generating opportunities (2020-21 target 550 – people trained in work-ready skills, agriculture, construction and other industries)	Supported skills training for 650 people (46 per cent women and 2 per cent people with disabilities) in construction, tourism and creative industries (handicrafts). A further 238 businesses were supported from skills development (64 per cent owned by women and couples; two per cent by people with disabilities).
Australian budget support as a percentage of total domestic revenue in response to COVID-19 <sup>1</sup>	Australia budget support represented 12 per cent of total domestic revenue.
Length (km) of national road network maintained or repaired (2020-21 target 1000 km)	Supported the maintenance of 1,342 km of road, and the rehabilitation and improvement of 11 km of road. This provided essential access to services and markets, including for people living with disabilities.  Supported the Vanuatu Government, under its budget process, to develop a VUV2.5 billion (approximately \$30 million) proposal for rural roads and airports. This included support to PWD to secure a VUV2 billion (approximately \$24 million) allocation for rural roads – the highest funding allocation in PWD's history.

<sup>1</sup> The wording of this indicator has changed since drafting of the CRP from percentage of supplementary budget expenditure to percentage of total domestic revenue.

## ANNEX 2: INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender
<b>Vanuatu Health Program</b> Investment Duration: 2019-22; Budget: \$20m	2021	4	4	4
	2020	n/a	n/a	n/a
<b>Vanuatu Skills for Economic Growth Phase 4</b> Investment Duration: 2016-20; Budget: \$25m	2021	5	5	5
	2020	5	5	5
<b>Vanuatu Education Support Program Phase 2</b> Investment Duration: 2018-21; Budget: \$30m	2021	4	4	4
	2020	4	4	4
<b>Governance for Growth Phase 3</b> Investment Duration: 2017-22; Budget: \$24.5m	2021	5	5	4
	2020	5	5	4
<b>Roads for Development Phase 2</b> Investment Duration: 2019-24; Budget: \$25m	2021	4	4	4
	2020	5	5	4
<b>Vanuatu Australia Policing and Justice Program</b> Investment Duration: 2016-24; Budget: \$50m	2021	4	4	4
	2020	4	4	4
<b>Pacific Women (Vanuatu)</b> Investment Duration: 2016-22; Budget: \$10.5m	2021	5	4	5
	2020	5	4	5
<b>Wan Smolbag Theatre Community Partnership</b> Investment Duration: 2010-22; Budget: \$18m	2021	4	4	4
	2020	4	4	4
<b>Tropical Cyclone Harold Response &amp; Early Recovery</b> Investment Duration: 2020-21; Budget: \$11m	2021	4	4	4
	2020	n/a	n/a	n/a
<b>Volcano Recovery Program 2019 – 2022</b> Investment Duration: 2019-23; Budget: \$4.8m	2021	4	4	4
	2020	4	5	4

**Definitions of rating scale:**Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas.

1 = Very poor; does not satisfy criteria in many major area.