



Australian Government

Department of Foreign Affairs and Trade



# AID PROGRAM PERFORMANCE REPORT 2018-19

Vanuatu

September 2019



# VANUATU AID PROGRAM PERFORMANCE INFORMATION

## 2018-19

### KEY MESSAGES

This report summarises the performance of Australia's aid program in Vanuatu from July 2018 to June 2019 against the Vanuatu Aid Investment Plan (AIP) 2015-16 to 2018-19.

**Australia and Vanuatu have a strong and enduring bilateral relationship**, based on shared values and mutual interests in a prosperous and stable Vanuatu. Australia established diplomatic relations in 1978 and championed the case for Vanuatu's independence in the United Nations and Pacific Forums in the lead up to independence. We continue to work closely with Vanuatu, including as a major foreign investment and trading partner, and principal security partner. Australia's engagement aligns with Vanuatu's *National Sustainable Development Plan 2030* and Australia's 2017 *Foreign Policy White Paper* and Pacific Step-up Strategy. Engagement in 2018-19 demonstrated Australia's strengthened strategic partnership with Vanuatu.

**Australia is Vanuatu's largest bilateral development partner**, providing \$63 million in grant-based Official Development Assistance (ODA) to Vanuatu in 2018-19. The focus of Australia's aid program is to support the development of secure and effective governance systems and institutions and facilitate economic growth, to enable better-educated, healthier and more economically empowered ni-Vanuatu people.

**Program outcomes in 2018-19 demonstrated the value of Australia and Vanuatu's decades-long development partnership, with long-term investments delivering significant results toward mutual targets.** Ten years of governance support for locally driven macroeconomic, fiscal and service delivery reforms realised key results in progressing Vanuatu's economic reform agenda. In 2018-19, progressive work on utilities and telecommunication reforms culminated in reduced electricity prices of up to 20 per cent in targeted provinces, with pre-paid data prices falling by over 30 per cent. Customs and inland revenue reforms contributed to improved revenue, with Value Add Tax (VAT) receipts increasing by 20 per cent in 2018.

**Australia increased its use of Vanuatu government systems** with 22 per cent of bilateral aid funds delivered through government systems in 2018-19, up from 13 per cent in 2017-18. This provided an important avenue to engage in policy dialogue on reform priorities and budget allocations. By delivering rural road infrastructure works through government systems, and by using local labour, we generated employment and business opportunities for ni-Vanuatu. The disbursement of Australia's \$35 million Tropical Cyclone Pam Recovery Program (2015-19) through Vanuatu government systems strengthened capacity and confidence in those systems and boosted private sector growth and economic resilience. Over 50 per cent of Australia's funds were disbursed through contracts to local companies.

**Australia helped to strengthen institutions and improve access to services for all ni-Vanuatu.** Australia strengthened policing and justice services by supporting training of 187 (50 women) new recruits to the Vanuatu Police Force and over 433 law and justice officials. Australia also funded the Vanuatu Women's Centre to deliver counselling, legal and crisis response services to 6,612 women and children survivors of violence. Support to improve provincial-level management and planning helped to maximise the reach of health services at community level, with more provincial health leadership positions filled, no vaccine stock-outs, no malaria deaths, distribution of almost 80,000 condoms and renovation or construction of 92 health facilities. Australia's support for education benefited 51,690 primary students across all provinces, with new curriculum rolled out to 98 per cent of primary schools, continuing professional development for 1,399 teachers and 415 principals, and classroom resources delivered to all 432 primary schools.

**Australia's commitment to enhanced whole of government engagement with Pacific countries builds on Australia's bilateral partnership with Vanuatu.** Pacific Step-up initiatives in Vanuatu include measures to further promote economic development, such as the expansion of labour mobility programs and enhanced regional security in line with the Boe Declaration. Ni-Vanuatu workers represented the largest cohort in the





Seasonal Workers Program in 2018-19 with 4,964 workers (889 women). An additional 51 workers (14 women) were mobilised under the new Pacific Labour Scheme. Australia enhanced its security cooperation through greater whole of government engagement from the Department of Foreign Affairs, the Attorney General's Department, the Australian Federal Police, the Department of Home Affairs and the Australian Defence Force. We supported the development of Vanuatu's first National Security Strategy, assisted with infrastructure upgrades for the Vanuatu Police Force and mobilised additional Australian Federal Police advisers. We enhanced cyber security by supporting Vanuatu's Computer Emergency Response Team. This new work complemented Australia's long engagement in the policing and justice sector. Vanuatu is a priority country for inclusion in the new church partnerships, sports linkages and secondary school scholarships programs, which will extend existing strong people-to-people links.

**Australia's support remains responsive and flexible.** Australia supported Government of Vanuatu-led responses and early recovery efforts to five natural disasters in 2018-19 (Ambae and Ambrym volcanos, ongoing impacts from Tropical Cyclones Oma and Hola and the Aneityum tsunami) and will provide ongoing recovery support to displaced persons from the Ambae volcano. With Vanuatu identified as the world's most vulnerable country to natural disasters, Australia's new education and health investments include flexible mechanisms to channel additional humanitarian funds through government systems to ensure timely, effective response to disasters. Targeted provincial-level engagement in health, skills and governance support the roll-out of the Vanuatu Government's Decentralisation Policy, and a more nimble infrastructure mechanism allows for support of high priority projects such as the Kumul Highway extension.

## CONTEXT

**Australia's aid program in Vanuatu focuses on four strategic objectives: building resilient infrastructure and economic opportunity; improving early education and essential health services; improving community safety and resilience; and supporting cyclone recovery and reconstruction.** Australia's assistance supports Vanuatu to implement its *National Sustainable Development Plan*, which charts the country's vision and overarching policy framework for achieving a stable, sustainable and prosperous Vanuatu by 2030. The Australian AIP for Vanuatu aligns with this plan and the national priorities and framework for action to work towards the Sustainable Development Goals. Total Australian ODA to Vanuatu in 2018-19 was \$63 million. The bilateral component, \$43.9 million, represented more than 40 per cent of total ODA flows to Vanuatu in 2018.

**The context underpinning the Vanuatu AIP remained valid in 2018-19**, with consistent economic growth, relatively stable governance and a strong reform agenda. Vulnerability to natural disasters, disparities between urban and rural populations, and between opportunities for women and men, continue to influence development.

**Vanuatu experienced a period of relative political stability in 2018-19.** In office since February 2016, the Hon. Charlot Salwai is the longest-serving Prime Minister since 2008, enabling consistency of approach on key policy issues. In 2018-19 there were leadership challenges, however, with the Salwai Government facing four no-confidence motions. Minor reshuffles also occurred in ministerial portfolios. Australia's increased engagement in 2018-19 included a bilateral visit by Prime Minister Scott Morrison in January 2019. Other ministerial and senior official engagement between Australia and Vanuatu saw an increase in dialogue on areas of shared interest and enhanced collaboration under the Pacific Step Up agenda.

**Vanuatu's economy remained stable with positive real Gross Domestic Product (GDP) growth of 3.2 per cent in 2018.** Vanuatu continued to recover from the economic impact of Tropical Cyclone Pam in 2015, driven by tourism (comprising 40 per cent of GDP), agriculture and construction. Growing remittances from seasonal workers further supported economic recovery. Kava exports have boomed and now represent over half of commodity trade. Low global prices hurt the copra industry, which now faces a new threat with the detection of Coconut Rhinoceros Beetle on Efate Island. Major reform to Vanuatu's anti-money laundering and counter terrorism finance provisions saw Vanuatu removed from the Financial Action Task Force 'grey-list' in June 2018. However, it was named as a 'non-cooperative tax jurisdiction' by the European Union Code



of Conduct Group in early 2019, and is working to further improve its tax transparency. While a surplus budget was delivered in 2018, the largest source of revenue came from Vanuatu's Citizenship Program fees. External debt increased considerably from 2012 (14 per cent of GDP) to 2018 (43.7 per cent of GDP). Vanuatu's fiscal position remains vulnerable to economic shocks, including from natural disasters, revenue shortfalls and growing debt service obligations. The IMF assesses Vanuatu's risk of debt distress as 'moderate' and the Ministry of Finance and Economic Management is updating their debt management strategy. Vanuatu will face a key milestone in 2020, when it graduates from Least Developed Country status<sup>1</sup>.

**The social development context is broadly positive, although challenges remain.** Vanuatu is ranked 108 of 157 countries by the World Bank's Human Capital Index (HCI), which measures a range of education, health and productivity indicators. While Vanuatu's HCI rating demonstrated a positive trend since 2012, it remains lower than average for the Pacific. Vanuatu's Universal Health Coverage<sup>2</sup> rating of 56 (out of 100) indicates relatively limited health service capacity and access when compared to similar Pacific countries. According to the 2009 Vanuatu National Census, the national prevalence rate of disability is between 5 and 12 per cent, with mild and moderate disabilities more prevalent among women. Three quarters of the population live in rural areas, but access to mobile telephony and internet usage are increasing opportunities for rural people to engage in the formal economy.

**Gender inequality persists**, with few women in leadership positions, fewer economic opportunities for women and high rates of gender-based violence. Since Independence, only five women have been elected to national parliament, with no women in the current parliament. Women remain under-represented in senior public service roles, although the appointment of two Director Generals (out of 13) of government ministries and seven women (out of 36) as Directors of government departments in 2019 represents positive change. More women than men are involved in the subsistence economy, which makes them more susceptible to climate change, disasters and other livelihood stresses. Women are increasingly entering the formal economy, however their potential is hindered by social norms that perpetuate discrimination. Domestic violence remains a concern, with implications at family and community level, and for Vanuatu's economic development: 60 per cent of women report physical and/or sexual abuse. Victim withdrawal of complaints to police (65 per cent) is high due to social pressure. Implementation of the Family Protection Act 2008 remains inadequately enforced and resourced.

**Vanuatu was rated the country most at risk from natural disasters** for the second consecutive year in the World Risk Index report. Following a period of prolonged and concurrent disaster activity including volcanic eruptions, earthquakes, cyclones and a tsunami, the Government re-invigorated its focus on strengthening disaster management legislative and policy frameworks. Displacement issues continue as a result of volcanic activity on Ambae island, with over 4,300 people (approx. 40 per cent of Ambae's population) remaining displaced, impacting livelihood opportunities. The Vanuatu Government enhanced its climate change and environment efforts, being the first country in the Pacific to introduce legislation to ban single use plastic bags, drinking plastic straws, and styrofoam food containers on 1 July 2018. Further bans are planned, including a ban on disposable nappies from 31 December 2020.

**Development partner engagement with the Vanuatu Government continued to increase.** Japan and the United Kingdom both established diplomatic presences, New Zealand committed increased funding under the Pacific Reset, China provided additional infrastructure focused loan-based investments, the European Development Funds mobilised AUD4.9 million in the agriculture sector and the United States showed signs of increased engagement. The World Bank and Asian Development Bank established extended missions. In April 2019, the Government of Vanuatu launched its National Aid Management Policy aimed at strengthening collaboration and effectiveness of development partner assistance. Australia will work with the Government of Vanuatu to develop a new AIP and Aid Partnership Arrangement (APA) in 2019-20.

<sup>1</sup> LDCs are low-income countries confronting severe structural impediments to sustainable development. LDCs have exclusive access to certain [international support measures](#), in the areas of development assistance and trade. Vanuatu will graduate from LDC status in December 2020.

<sup>2</sup> <https://iris.wpro.who.int/bitstream/handle/10665.1/14065/WPR-2018-DHS-026-vut-eng.pdf>

## EXPENDITURE

Australia provided \$63 million in ODA to Vanuatu in 2018-19. Bilateral ODA has remained relatively stable during the life of the current AIP, except for additional emergency and humanitarian funding support following natural disasters such as Tropical Cyclone Pam and the Ambae volcanic eruption.

**Table 1 Total ODA Expenditure in FY 2018-19**

Objective	AUD million	% of total ODA
Objective 1: Building resilient infrastructure and environment for economic opportunity	19.3	30.6
Objective 2: Improving early education and essential health services	11.8	18.7
Objective 3: Improving community safety and resilience	9.6	15.2
Objective 4: Supporting cyclone recovery and reconstruction*	3.2	5.1
<b>Sub-Total Bilateral</b>	<b>43.9</b>	<b>69.7</b>
Regional and Global	17.3	27.5
Other Government Departments	1.8	2.9
<b>Total ODA Expenditure</b>	<b>63.0</b>	<b>100.0</b>

\*includes volcano response and recovery

## PERFORMANCE TOWARDS AIP OBJECTIVES

The performance of Australia's aid program, summarised in Table 2, is measured against performance benchmarks outlined in the AIP. A Performance Assessment Framework (Annex E) identifies additional indicators across all investments.

All four objectives are rated green given all except one investment were assessed as adequate or higher for efficiency and effectiveness in annual performance reporting.<sup>3</sup> Targets in the Performance Assessment Framework were largely met or exceeded during the reporting period.

**Table 2 Rating of the Program's Progress towards Australia's Aid Objectives**

Objective	Previous Rating	Current Rating
Objective 1: Building resilient infrastructure and environment for economic opportunity	Green	Green
Objective 2: Improving early education and essential health services	Green	Green
Objective 3: Improving community safety and resilience	Green	Green
Objective 4: Supporting cyclone recovery and reconstruction	Green	Green

Note:

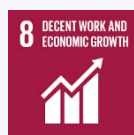
■ Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Program management practices are sufficient.

■ Amber. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

■ Red. Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

<sup>3</sup> One investment (Port Vila Urban Development Project) under Objective 1 was rated as below adequate in the Final Aid Quality Check, representing 9 per cent of funds and therefore a minor component for Objective 1.

## OBJECTIVE 1 BUILDING RESILIENT INFRASTRUCTURE AND ENVIRONMENT FOR ECONOMIC OPPORTUNITY



Australia's support for economic growth focused on governance, infrastructure, skills and employment. Objective 1 is rated green as all except one investment was assessed as adequate or higher for efficiency and effectiveness in annual performance reporting. The one investment (Port Vila Urban Development Project) rated below adequate represented 9 per cent of funds and therefore a minor component for this objective. Performance assessment targets were met or exceeded.

### GOVERNANCE

**Australia supported the Government of Vanuatu and private sector to implement reforms that enhance inclusive economic growth.** Australia has a long-term commitment to its partnership with the Vanuatu government to improve economic governance, reflecting the time frame and persistence required for such efforts to succeed. Work to modernise the Department of Customs and Inland Revenue saw major gains in 2018-19 with the passage of a new tax administration act and an increase in VAT of around 20 per cent [PAF target 1.1]. Australia assisted the central bank and private sector banking and telecommunications companies to develop, regulate and rollout inclusive e-banking platforms and e-wallet applications. Whilst progress was slower than anticipated, Vanuatu is on track to deliver interoperable banking services by the end of 2019. We continue to support policy development, such as the Trade Policy Framework update, and engage with the National Trade Development Committee. Vanuatu maintained 'white list' status by the Financial Action Task Force<sup>4</sup> [PAF target 1.3]. Still in its early stages, efforts to support implementation of Vanuatu's National Public Financial Management Reform Roadmap are progressing well.

#### **Improving governance of key infrastructure improves efficiency and provides broad economic benefits.**

Australia's decade long support for the Terminal Operating System of Lapetasi Wharf has improved its security and efficiency, including through feasibility studies that preceded a major capital investment from Japan. Performance of the wharf has been transformed, with a 40 per cent reduction in handling costs and increased revenue to the government and landowners. Australia also helped the Utilities Regulatory Authority to manage a public tender for an electricity concession on the island of Santo. This resulted in a reduction in the basic tariff and increased service coverage to more remote areas of the island.

**Australia targeted the economic empowerment of women** by working with the Vanuatu Skills Partnership and Ministry of Tourism, Trades, Industry, Commerce and Ni-Vanuatu Business to strengthen the Malampa Handicraft Centre, the first community company established in Vanuatu. Australia supported the centre and its 330 registered female members to introduce improved governance processes, source equipment and resources, and expand production.

**Australia continued working with Vanuatu to build robust governance systems.** In 2018, Australia helped the Prime Minister's Office to produce and publish the first report on progress towards *National Sustainable Development Plan 2030* targets. The Office also completed a new National Aid Management Policy and produced and trialled an Aid Management System to facilitate greater government-led donor coordination.

**Australia's support for public broadcasting is an important mechanism for national security, identity and social change.** Radio Vanuatu reaches 80 per cent of Vanuatu's population. Australia assisted the reform of the Vanuatu Broadcasting and Telecommunications Corporation, which is now on-track to becoming a more efficient and effective broadcaster.

<sup>4</sup> The FATF is an international body mandated to combat money laundering and terrorism financing.





## INFRASTRUCTURE

**Australia's infrastructure support is delivered through government systems and provides local employment, supporting Vanuatu's sovereignty and economic resilience.** This contributes to shared objectives of stable, prosperous communities through strengthened economic opportunity and social inclusion for all ni-Vanuatu.

**Australia continued to build on gains from previous support and policy engagement to increase access to markets and services for rural communities.** Between 2014 and 2018 our \$29 million rural road investment achieved a 30 per cent increase in the all-weather road network from 1,050 to 1,370 km, and a 13 per cent increase in the population living within 2 km of an all-weather road, known as the Rural Accessibility Index (RAI). In 2018-19, our support to the Public Works Department (PWD) contributed a further 1.1 per cent increase, bringing RAI to 55.1 per cent, through delivery of 489 km of routine maintenance (80 per cent of target), 182 km of periodic maintenance (121 per cent of target) and 11km of rehabilitation (30 per cent of target) to rural roads [exceeded PAF target 1.5]. In 2018 PWD delivered only 10 per cent of its work plan using in-house resources (63 per cent in 2013), with 90 per cent of works outsourced to the private sector, including community and island-based contractors, resulting in private sector activity valued at \$550,000. This is an important step in PWD's transition to a network manager<sup>5</sup>, a key focus of Australia's support.

**Gender equality and disability inclusiveness in this area continue to be challenging** as men remain predominant labourers in road maintenance. Inclusion of people with disabilities is primarily restricted to light road maintenance. The next phase of support will develop a gender and social inclusion plan and ensure the monitoring and evaluation framework collects and analyses appropriate data to tackle these challenges.

**Australia financed the Asian Development Bank and Government of Vanuatu to deliver road improvements in Vanuatu's capital, Port Vila.** The Port Vila Urban Development Project experienced challenges and delays resulting in Australia identifying the project as an Investment Requiring Improvement in 2018. In response, Australia developed and implemented a remediation plan which resulted in the majority of works completed by December 2018. The project achieved variable results against targets: rehabilitated 12.2 km of road (91 per cent of target), built 6.4 km of new and improved drainage (44 per cent of target) in six catchments, built 45 new bus bays (150 per cent of target), and provided sanitation facilities to 10 communities. Australia's support for participatory and inclusive planning in the project ensured inclusion of key outcomes for women and people with disabilities. Sanitation facilities, positioned in locations negotiated with local users, were built to Australian standards and with disability-appropriate toilets, hand basins, showers and laundries. Port Vila's first Septage Treatment Facility is now operational and 100 per cent [met PAF target 1.7] of municipal septic waste is treated at Vanuatu's first sewerage treatment facility instead of being delivered to landfill. With major works complete, the Government is finalising outstanding project matters.

## SKILLS & EMPLOYMENT

**Australia's support of vocational education focussed on strengthening systems and training.** Through the Vanuatu Skills Partnership Phase 4, Australia worked with the Ministry of Education and Training, other government departments, registered training providers and private sector businesses to improve the relevance and accessibility of vocational training. Skills training and business development support provided to local entrepreneurs and communities in both urban and rural areas across Vanuatu, focussed on tourism, agriculture and handicrafts. The Sanma Skills centre facilitated the delivery of the first training in plumbing, in response to water and sanitation needs for over 3,000 persons displaced from volcanic eruptions on Ambae. The tangible economic impacts and delivery partnership through both government and private sector providers is recognised as best practice by academics<sup>6</sup>; helping to build local communities, deliver inclusive economic growth and support local livelihoods. In 2018-19 measures to address climate change were integrated into all aspects of skills development support.

<sup>5</sup> PWD is transitioning from being a public agency delivering road maintenance and construction projects using its own directly employed labour and equipment to a more performance-focused organisation which outsources much of its works through an increasingly capable private sector.

<sup>6</sup> Quoted by Julien Barbara and Chris Roche from La Trobe University at the RDI conference as the convener before VSP presented 'best practice TWP program'.



In 2018-19, 728 people participated in skills development activities (66 per cent women, 2 per cent people with a disability), 35 private sector training providers were registered under the national Quality Assurance Framework and seven courses gained accreditation with the Vanuatu Qualifications Authority. Eight people with a disability (all women) delivered training courses. Monitoring data from 81 entrepreneurs and business owners showed 47 per cent had earned more from their businesses than in the previous six month period. In the agribusiness sector 80 per cent of business clients reported increased productivity in the last six months.

**Australia's support for skills development aligned with Vanuatu's human resource priorities and created employment opportunities.** Australia supported development of Vanuatu's first Human Resource Development Plan, which was launched in 2019. Since 2008, the Australia Pacific Training Coalition has trained almost 2,000 (171: 91 women in 2018-19) ni-Vanuatu, achieving internationally recognised qualifications including in carpentry, hospitality, education support, tourism, training and assessment, leadership and management. In 2018-19 Vanuatu was the largest labour sending country under Australia's labour mobility schemes, providing employment opportunities and bringing diverse skills, experience and exposure back to Vanuatu for 4,964 (889 women) workers [exceeded PAF target 1.8].

**In 2018-19 Australia Awards provided 46 ni-Vanuatu (52 per cent women) with an opportunity to undertake study, research and professional development** in Australia and the region, building Vanuatu's human capital. Of 20 new Awards in 2019, 50 per cent were received by women. A new distance education study option achieved significant savings and removed barriers that would otherwise prevent some students from participating. A 2018 *Alumni Impact Development Survey* found that 97 per cent of Australia Award graduates from Vanuatu are employed, making contributions in areas of policy development, direct practice and training, and knowledge transfer, with a number occupying ministerial and senior government positions.

## OBJECTIVE 2 IMPROVING EARLY EDUCATION AND ESSENTIAL HEALTH SERVICES



Objective 2 focuses on supporting human development so more ni-Vanuatu people benefit from quality education and health outcomes. Objective 2 is rated green as all investments were assessed as adequate or higher for efficiency and effectiveness, and performance targets met or exceeded expectations.

### EDUCATION

**Australia continued support for Vanuatu's education sector priorities, including through development and implementation of the Vanuatu Education and Training Sector Strategy.** Australia provides approximately 72 per cent of the Ministry of Education and Training donor budget support and 10 per cent of the Ministry's budget overall. Additional funds from New Zealand were channelled through Australia, providing opportunity to harmonise donor efforts and reduce the administration burden on the Ministry.

**Australia's policy engagement on rationalisation, curriculum and leadership in schools contributes to a well-managed education system leading to improved educational outcomes for all students.** Ninety-six per cent of primary school principals received instructional leadership training. All schools and early learning centres received their grants on time and 89 per cent of schools acquitted their grants [met PAF target 2.2]. Support for implementation of the Ministry of Education and Training's inclusive and gender equality policies demonstrated some results with schools working with their community to become more inclusive. Fifteen ni-Vanuatu were trained in APTC Certificate III in Education Support to assist children with special needs in





2018-19. Awareness training for child safeguarding and gender-based violence was provided to 169 (33 per cent) education leaders and 3,450 members of school communities attended awareness workshops.

**Education quality continued to improve in 2018-19, building on gains from our \$30 million investment in the sector from 2013-18.** Curriculum reforms implemented in 98 per cent of primary schools, included delivery of classroom resources to all 432 primary schools, benefiting 51,690 (24,169 girls) students. Ninety-six per cent of Year 1-4 teachers (1,399) and 415 primary school principals received professional development in effective teaching and learning and trained in new curriculum and learning resources. Behavioural change resulted, with teachers adopting child-centred learning methodologies and use of mother tongue in the early years. In 2017, Vanuatu Standardised Test of Achievement (VANSTA) results showed 65 per cent of Year 4 students (girls outperformed boys) met or exceeded the minimum standards for literacy (23 per cent in 2010), and 85 per cent achieved the minimum standard for numeracy (49 per cent in 2010) [exceeded PAF target 2.1]. Early reports indicate positive outcomes for teachers and principals following training. Campaigns supporting the Ministry's *Right Age* and *Early Learning* policies reached 29,450 people and as a direct consequence more children commenced school at the correct age (age six / Year 1), with the proportion of children attending Kindergarten at age five improving from 53 per cent in 2010 to 78 per cent in 2018.

**Inclusion of flexible funding mechanisms in the design of Australia's education support enabled additional funds to be channelled through Vanuatu government systems in response to natural disasters.** For example, following the Ambae volcano eruption six new classrooms were built to host Ambae evacuees and funding was provided to support host schools and relocation of displaced children.

## HEALTH

**Performance of Australia's support for health service delivery was in line with expected modest outcomes in a challenging context.** In 2018 Australia provided approximately 75 per cent of donor support to the Ministry of Health, approximately 10 per cent of the Ministry's budget expenditure. Australia's support targets government priorities articulated in the *National Sustainable Development Plan 2030* and Health Sector Strategy 2017-20. Australia also worked with the World Health Organisation and UNICEF to address health security and immunisation respectively. A significant output in 2018-19 was the design of Australia's new health program and the transitioning of current investments.

In 2018-19, Australia's **ongoing support for corporate strengthening within the Ministry of Health** saw the finalisation of the Role Delineation Policy, which specifies the minimum standards of every health facility in Vanuatu. A comprehensive exercise is underway to map facilities against the policy. Ministry-led planning and budgeting processes continued to perform well with minimal program support. This, together with the transition of key program positions from Australian to Ministry funding, including malaria project officers, demonstrated the Government's commitment to progressive ownership and sustainability of the program.

**Support to public health continued to perform well.** Village Health Workers delivered services across all six provinces with 85 per cent of national and provincial positions now filled. Pre-service training was delivered to 33 Village Health Workers. Support to immunisation was maintained [PAF target 2.3] and no vaccine stock-outs occurred. There were no malaria deaths during the reporting period, and the annual parasite incidence trend continues to decline (from 3.8/1000 in 2017 to 2.2/1000 in 2018). Maternal mortality remained at a ratio of 12/10,000 [PAF Target 2.4].

**Support to the medical workforce is complex.** Despite targeted focus on Vila Central Hospital, most of its systems do not yet meet the expected standards of a national referral facility. The program supported 10 interns to achieve registration. Professional development progressed with 18 (11 women) Ministry of Health staff (including four senior doctors) completing APTC Certificate IV Leadership and Management. Although gaps remain across the medical workforce, Australia's support enabled four locum specialists to continue work at Vila Central Hospital, filling gaps in medicine, paediatrics, anaesthesia and emergency services.

**Gender equity remains challenging in the health sector.** Men dominate management positions in the Ministry of Health (84 per cent) and in decision-making positions. Female representation is greatest within the

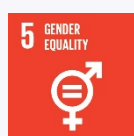


nursing cohort. For the Diploma of Nursing, 16 women (50 per cent) expect to graduate in 2019 with a further 30 women (71 per cent) expecting to graduate in 2020. For the postgraduate Diploma of Midwifery, 10 of the 15 (67 per cent) students expecting to graduate in 2019 are women.

**A number of innovative projects funded by Australia were successfully implemented.** CARE International trialled community score cards as a way to bring communities and health workers together to solve local health problems. A science innovation by Monash University introduced Wolbachia bacteria into Port Vila's wild mosquito population which will help combat dengue. Vanuatu won the Pacific Islands Food Revolution, a reality television series that delivered healthy eating messages across the Pacific.

**Australian volunteers complement the advisory support to Ministry of Health and private health facilities.** Non-government organisations (NGOs) funded under the Australian NGO Cooperation Program extend Australia's support to the community level. For example, the successful World Vision's Ademap Kala campaign which raises awareness on nutrition.

## OBJECTIVE 3 IMPROVING COMMUNITY SAFETY AND RESILIENCE



Objective 3 focusses on improving policing and justice, services for women and children survivors of violence, and support for youth and marginalised people. Objective 3 is rated green as all investments were rated adequate or higher for efficiency and effectiveness and performance targets were met or exceeded.

**Justice and security are critical foundations for Vanuatu's stability and prosperity, allowing communities and citizens to live without fear and maximise human potential.** Australia's support helped more women, children and youth access policing, justice and community services and helped state agencies and others provide improved services.

**Australia continued working with Vanuatu to increase the reach and effectiveness of police and justice sector institutions.** Overall, 433 (168 women) [exceeded PAF target 3.5] law and justice officials were supported to improve their skills. All sector agencies and police units supported by advisers – including five from the Australian Federal Police – continued to show progress in applying learnings. The average number of days for completion of a criminal matter through the State Prosecutions Department and the Magistrates Court was reduced [exceeded PAF target 3.1]. The average days through the Office of the Public Prosecutor and Supreme Court exceeded the target [PAF target 3.2]<sup>7</sup>. Case management support resulted in the courts and Vanuatu Police Force (VPF) leadership receiving monthly dashboard reports and all involved agencies showing improvements in the collection and analysis of accurate case information.

**Australia's support focussed on building VPF capacity to foster a more responsive and community orientated police force.** In November 2018, Australia announced enhanced security cooperation with Vanuatu, providing additional funding for policing and infrastructure. Australia supported the training of 187 police recruits (50 women) in the reporting period. Support for greater mobility enabled 92 per cent (150/168) of summons to be served by the State Prosecutions Department, remedying a large backlog.

**Women, children and youth in Vanuatu face additional challenges in accessing justice with 80 per cent of the criminal caseload involving family and sexual violence.** Australia supported the pilot and evaluation of a community and formal justice cooperation model for domestic violence protection, provided for under the Family Protection Act 2008. In 2018, the pilot enabled 12 community members to be appointed as Authorised Persons (APs) and Registered Counsellors. They issued 79 Temporary Protection Orders which

<sup>7</sup> The average number of days for completion of a criminal matter through the State Prosecutions Department and the Magistrates Court was reduced significantly from 726 in 2017 to 408 [exceeded PAF target 3.1]. The average days (690) through the Office of the Public Prosecutor and Supreme Court increased from the previous year (366) due to the completion of a large number of long pending cases, however, this still exceeded the target of 850 [PAF indicator 3.2].



protected 70 women, 9 men and 5 children affected by domestic violence. An evaluation reported that the work of these roles had increased police performance and community security, with strong community support to continue the pilot. Trials of police rotations to communities with APs were seen to increase access to police services and led to increased trust and confidence in the police (78 per cent community; 85 per cent leaders said rotations were helpful). Despite pockets of commitment, there remains challenges to ensuring prioritisation of responses to violence against women in policing and justice institutions.

**Ongoing support to the Vanuatu Women's Centre played a critical role in supporting women and children's access to justice** as well as targeting a reduction in violence against women. The Centre provided counselling and legal services to 8,859 women and children [exceeded PAF target 3.3]. This included assistance to 1,110 clients to report to the police and 971 clients to obtain Family Protection Orders, an increase of 30 per cent from 2017. An additional 2,261 women and children requested information on dealing with violence. The Centre reached women in rural and remote communities through their Committees Against Violence Against Women (CAVAW) network and through trained male advocates who support victims to access justice.

**Australia is a leading advocate and supporter of gender equality in Vanuatu.** Through our funding, UN Women's Markets for Change project supported a greater voice in market place management for over 3,710 women through market vendor associations. The Vanuatu Skills Partnership increased their number of female clients participating in skills development activities to 67 per cent (up 26 per cent). This included the establishment of the Torba Handicraft Cooperative and the Vetimboso Handicraft Association. Twenty young women graduated from CARE International's 12-month Young Women's Leadership Program, equipping them with skills and knowledge in gender equality and leadership. A Women in Leadership mentoring program in the justice sector was revived in 2018 and policing advisors succeeded in supporting the VPF to start their own training program for female officers to get quad bike licences (11 in 2018).

**Australia's continued support to the civil society organisation Wan Smolbag gave ni-Vanuatu communities and at-risk groups greater opportunities to participate in society, improve their health and wellbeing and contribute to Vanuatu's development.** Wan Smolbag provides a range of services, with a particular focus on youth and people with disabilities, including sexual and reproductive health services, nutrition education, environment conservation awareness and sports and recreational activities. Theatre and films raised awareness and sought to influence attitudes about domestic violence, nutrition and cyclone preparedness, with 20,438 people attending Wan Smolbag productions. Clinic staff in Efate, Santo and Pentecost conducted 15,454 (95 per cent of target) primary health care consultations and distributed 79,147 condoms. In 2018, 2,073 youth registered at Port Vila and Santo youth centres. An evaluation reported greater awareness of causes and prevention of health issues, with 98 per cent of youth able to name at least one method of preventing pregnancy. Fifty-six per cent of youth reported that engagement with Wan Smolbag has assisted them in managing health and substance abuse issues and avoiding social problems.

## OBJECTIVE 4 SUPPORTING CYCLONE RECOVERY AND RECONSTRUCTION



This objective includes Australia's Tropical Cyclone Pam recovery efforts, plus responses to the Ambae and Ambrym volcano eruptions, Cyclones Hola and Oma and the Aneityum tsunami. Objective 4 is rated green as investments were adequate or higher for efficiency and effectiveness and performance targets are on track.

### TROPICAL CYCLONE PAM RECOVERY

**Australia is the largest bilateral donor to Vanuatu's Tropical Cyclone Pam recovery efforts.** Delivered entirely through government systems, Australia's investment supported Vanuatu's National Cyclone Recovery and





Economic Strengthening Program. A 2018 independent evaluation reported Australia's contribution has assisted Vanuatu to recover and rebuild by restoring livelihoods and boosting Vanuatu's economy. The delivery of Australia's support through government systems, while creating some challenges, fostered a strengthened bilateral relationship, contributed to Australia's reputation, and embedded our position as Vanuatu's primary humanitarian partner that can be relied on for the delivery of quality, climate resilient infrastructure. The evaluation recommended that Australia's future recovery programming should minimise engagement in sectors in which there is limited prior experience and consider different modality options. These recommendations have informed Australia's support following volcanic activity on Ambae Island.

**Australia's investment delivered improved health, education and public safety facilities and capacity through restoration or construction of 287 buildings** to date [PAF target 4.1]. The Vanuatu Government extended the timeframe to finalise outstanding activities and is on track to complete remaining infrastructure work by early 2020. In 2018-19, 2,475 students benefited from the completion of 124 new and repaired classrooms (of 165 complete). Twenty-four (of 71 completed) additional new or repaired health buildings were completed. Government officials occupied 35 (of 51 completed) new or repaired public buildings. Eighteen additional water systems (of 80 completed) were installed. A major project to relocate the water supply for Isangel was completed, providing better quality and more reliable water to over 20,000 people on Tanna Island, including patients and staff of Lenakel hospital. The program evaluation found that the Vanuatu Society for People with Disability (VSPD) and the Vanuatu Government's disability desk were integral in ensuring disability inclusion and achievement of universal standards in project development. VSPD stated that since TC Pam, mainstreaming disability has become a stronger priority for government.

**The investment contributed to climate and disaster resilience, consistent with Australia's commitment to the Sendai Framework for Disaster Risk Reduction 2015-30 and Vanuatu's *National Sustainable Development Plan 2030*.** Standard drawings of 21 water supply infrastructure elements were developed with the Department of Water Resources and now form part of new design and construction standards, providing on-going improvements in planning, design, maintenance and quality of water infrastructure. The investment also addressed disability inclusion through the application of universal access standards to new buildings.

**Australia's support resulted in improved livelihoods through increased skills and market access opportunities.** In 2018-19 20 local tourism businesses were supported to reconstruct or renovate facilities, and the Tanna Travel Centre promoted an additional 25 local tourism businesses internationally, generating \$6,700 for the businesses (a substantial amount for the island). In agriculture, women and men are using new farming and fishing tools, and have generated revenue from harvests of \$150,000.

## **HUMANITARIAN RESPONSE TO THE AMBAE AND AMBRYM VOLCANO ERUPTIONS, TROPICAL CYCLONE OMA, TROPICAL CYCLONE HOLA AND THE ANEITYUM TSUNAMI**

**Australia responded to one protracted and four rapid onset crises in 2018-19.** Australia supported Vanuatu's efforts to deliver a package of humanitarian assistance in response to the second compulsory evacuation of the entire population (over 10,000) of Ambae Island, following increased volcanic activity in July 2018. Australia leveraged strong relationships with the Government and used existing partners and funding mechanisms to deliver \$2 million in assistance. This included relocation of people to neighbouring islands, support for government and NGOs to provide core services such as education, healthcare, water and sanitation, and the protection of vulnerable people. The Department of Women's Affairs, supported by an Australian gender and protection specialist, worked across all sectors to ensure the response was inclusive and the most vulnerable were accessing assistance. NGOs provided psychosocial support, WASH and nutrition awareness to over 870 children (22 living with disability) and over 300 women (18 living with disability), affected by the emergency. The Vanuatu Women's Centre provided counselling and other support services to 156 women evacuees. The Australian Centre for Agriculture Research's (ACIAR) coastal fisheries project provided awareness, fish-aggregating device equipment and training on Maewo to improve nutrition and food security for Ambae evacuees and host communities. Disaster preparedness work, supported by



Australia's regional *Disaster READY* program, resulted in improved response to disasters, including a cash transfer feasibility study which enabled the roll-out of a (New Zealand-funded) cash transfer program supporting evacuees following the Ambae volcano.

**Australia also responded to nationally-led responses of the Ambrym volcano and cyclones Oma and Hola** with the release of pre-positioned non-food items, and technical advice following the Aneityum tsunami.

**Across all responses and recovery programs, Australia provided a number of experts**, through Australia Assists and Australian Volunteers for International Development, to work with the Vanuatu Government and multilateral organisations. Australia Assists deployees have contributed to a number of key government reforms including an update to national disaster legislation and new policy on climate change and disaster-induced displacement. Humanitarian technical support within the High Commission is critical to support humanitarian advocacy and policy engagement.

## MUTUAL OBLIGATIONS

Mutual obligations, as outlined in the APA, are discussed regularly between governments. The **inaugural Vanuatu Australia Senior Official Talks** were held in June 2019. The talks covered the breadth of the bilateral relationship including economic, security and development cooperation and included senior representatives of agencies from across both governments. A joint Outcomes Statement outlined key agreements, including a commitment to annual Senior Official Talks and to commence discussions on a new APA.

The Government of Vanuatu made allocations in the 2019 Budget to fund mutual commitments, including:

- **education sector School Rationalisation and Universal Access policies** (\$5.5 million), delivering on an agreed sliding scale of Australian funding for school grants,
- **mutual 2017-20 Health Sector Strategy priorities** (\$2.5 million), including workforce development, infrastructure and equipment, and
- infrastructure (\$3.8 million) and investment environment - agriculture and tourism - (\$5.8 million) to support **mutual obligations to strengthen rural productivity and support decentralisation**.

**Government of Vanuatu resources to implement the National Gender Equality Policy 2015-19 remain limited.**

While some targeted initiatives continue, including a Gender Responsive Budgeting pilot and adoption of a Gender and Protection cluster under the Climate Change and Disaster Risk Reduction Policy, pursuit of temporary special measures at national level has stalled and services to address violence against women remain primarily funded by donors.

Australia assisted the Government to develop evidence-based policy and **deliver aid in accordance with mutual objectives to reinforce Vanuatu's leadership of effective development**. This included support for development of the Aid Management Policy and Implementation Strategy (April 2019) to strengthen coordination and effectiveness of development partner assistance, and implementation of the Public Financial Management Reform Roadmap 2017- 2021 to strengthen accountability of national systems to increase their use by development partners.

## PROGRAM QUALITY AND PARTNER PERFORMANCE

**The program continues to invest in development of a systematic approach to monitoring and evaluating.**

Program level performance is assessed annually against a detailed Performance Assessment Framework (PAF) that incorporates indicators and targets from individual investments, aligned with the *National Sustainable Development Plan 2030* Monitoring and Evaluation Framework. The Vanuatu Program PAF (refer Annex E) was updated in August 2019 to incorporate relevant inputs from investments mobilised in 2018-19. PAF benchmarks and targets for 2019-20 onwards will be reviewed during development of the new AIP.

The 2018-19 DFAT Annual Aid Evaluation Plan identified one investment requiring independent evaluation, the Tropical Cyclone Pam Recovery Program. The evaluation was published in December 2018.



Recommendations - particularly on modality and governance arrangements - informed delivery of Australia's ongoing support for disaster response and recovery in Vanuatu, including for the new Volcano Recovery Program. Several targeted evaluative and client tracer studies<sup>8</sup> undertaken in 2018-19 have informed investment level decisions on modality choices, sustainability strategies and value for money considerations.

**The program made good progress in consolidating major investments.** The Vanuatu Education Support Program Phase 2 integrated the previously separate Vanuatu Education Support Program and Australia Awards investments under one managing contractor to achieve efficiency gains and ensure closer alignment of objectives. The new Roads for Development Phase 2 design incorporates provision for high impact infrastructure investments combined with continued support for rural road network development to streamline Australia's infrastructure support under one investment. The new health program design integrates all health sector activities under one management arrangement.

## Aid Quality Checks (AQC)

The program continued to use the AQC process as an opportunity for critical reflection: nine AQCs and two final AQCs were conducted - ratings are summarised in Annex D. **The effectiveness of investments improved**, with 91 per cent rated '4' or above, compared to 75 per cent in 2017-18. Efficiency ratings remained relatively consistent. **Seventy-three per cent of investments rated '4' or above for gender equality, falling short of DFAT's target of 80 per cent**, reflecting some stakeholder commitment to gender equality action remains limited. Gender equality advisers have been mobilised to enable focussed efforts to lift ratings in the coming year in health, infrastructure, education, governance and humanitarian investments. A Gender Action Plan, developed in 2018-19, will be implemented in 2019-20. The Port Vila Urban Development Project, assessed as an 'Investment Requiring Improvement in 2018, finished in December 2018 with all major construction works completed to quality standard, despite scope reductions and delays.

## Performance of key delivery partners

Australia's investments were delivered through four main implementing partner mechanisms: managing contractors (6), NGOs (2), multilateral organisations (1) and Government of Vanuatu (2). Nine Partner Performance Assessment were completed and assessed partners as 'performing effectively'. A strength across all partnerships was a strong sense of collaboration, flexibility and responsiveness to emerging issues and provision of effective partner personnel. Targeted engagement with the multilateral development banks, such as the World Bank in the health sector, has enhanced policy implementation.

**Approximately 22 per cent of Australia's bilateral support is delivered through direct support to government sectoral budgets**, in eight ministries<sup>9</sup>. This approach, combined with ongoing support for Vanuatu's *Public Financial Management Reform Roadmap 2017-2021*, continues to build ownership, capacity and resilience in national systems although resource constraints remain, contributing to fiduciary risks in some sectors.

## RISKS

The overall risk profile for the Vanuatu program has not changed over the reporting period. Government systems remain stable, the economy is operating steadily without major disruptions, and civil society and *kastom* continue to evolve modestly within the national context. Some new natural disasters occurred and others were ongoing. Key risks to achieving objectives and their management are presented in Table 3.

<sup>8</sup> Evaluative studies undertaken in 2018-19 included: organisational sustainability in rural roads maintenance; impacts (inc. unintended) on the Tanna local economy of TC Pam Recovery program, effectiveness of using project management units within GoV and VSP client tracer studies.

<sup>9</sup> Including: Ministries of: Education and Training, Health, Infrastructure and Public Utilities, Prime Minister's Office, Finance and Economic Management, Tourism, Trade, Industry, Commerce and Ni-Vanuatu Business, Climate Change Adaptation, Meteorology, Geo-Hazards, Environment, Energy and Disaster Management and the Vanuatu National Audit Office





Table 3: Management of Key Risks to Achieving Objectives

Key risks (emerging and ongoing) and risk rating	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?
Economic shocks or natural disasters to Vanuatu (such as global shocks, shocks to tourism including the airport, cyclones, earthquakes, volcanos or tsunamis). <b>Risk Rating: High</b> <b>Is risk in Post's Risk Register: Yes</b>	<ul style="list-style-type: none"> <li>Climate change and disaster resilience in all investments</li> <li>Help the Government of Vanuatu (GoV) maintain revenue through systems and compliance, broad-based growth and service delivery</li> <li>Build in flexibility to new investments.</li> </ul>	<ul style="list-style-type: none"> <li>Develop capacity of emergency clusters to respond and manage recovery.</li> </ul>
Political instability and capacity and human resource constraints in government institutions. <b>Risk Rating: High</b> <b>Is risk in Post's Risk Register: Yes</b>	<ul style="list-style-type: none"> <li>Regular formal and informal engagement with the GoV to ensure shared understanding</li> <li>Focus resources on agreed priorities and work plans</li> <li>Inaugural Senior Officials Talks held</li> <li>Increase Ministerial and senior level engagement</li> </ul>	<ul style="list-style-type: none"> <li>Annual Senior Official Talks</li> <li>Enhanced engagement following the 2020 Vanuatu national elections.</li> </ul>
Reputational risk: Australian investments and activities are misunderstood, misrepresented or fail to meet the needs or priorities of Vanuatu. <b>Risk Rating: Medium</b> <b>Is risk in Post's Risk Register: Yes</b>	<ul style="list-style-type: none"> <li>Programs align with GoV plans and agreed work.</li> <li>Regular dialogue to enable Australia to be responsive to changing context and priorities</li> <li>Increase Ministerial engagement</li> <li>Public communication on Australia's investment.</li> </ul>	<ul style="list-style-type: none"> <li>Engagement of a communication adviser to analyse perceptions of Australian aid and provide support to public communications</li> <li>Develop and agree on new AIP and APA.</li> </ul>
Fiduciary risk: <ul style="list-style-type: none"> <li>Funds are misused or misallocated</li> <li>Government of Vanuatu reduces investment in priority sectors/ areas</li> <li>Limited value for money</li> <li>Non-compliance on procurement.</li> </ul> <b>Risk Rating: High</b> <b>Is risk in Post's Risk Register: Yes</b>	<ul style="list-style-type: none"> <li>Regular assessment of national systems and monitoring of Direct Financing Agreements</li> <li>Provide targeted technical assistance to oversight expenditure of fund, strengthen public financial management and program management</li> <li>Regular reporting, acquittals and audits of funds</li> <li>Due diligence assessments of all partners</li> <li>Zero tolerance on fraud</li> </ul>	<ul style="list-style-type: none"> <li>Finalise sector financial assessments</li> <li>Monitor progress of Public Financial Management Reform Roadmap and facilitate improved Financial Management and Information System reporting</li> <li>Support adviser inputs to work with the Central Tender Board</li> </ul>
Under-delivery of Gender and Social Inclusion (GESI) results and breach of environmental and social safeguards. <b>Risk Rating: Medium</b> <b>Is risk in Post's Risk Register: Yes</b>	<ul style="list-style-type: none"> <li>Do no harm by seeking to protect rights, health, safety and livelihoods of all people</li> <li>Assess &amp; manage social and environmental impacts</li> <li>Comply with Vanuatu safeguard laws and policies</li> <li>Implement child protection policies</li> </ul>	<ul style="list-style-type: none"> <li>Engage partners in safeguards and GESI discussions to facilitate change</li> <li>Identify opportunities to work with GoV on environmental protection standards</li> <li>Consider GESI adviser at AHC.</li> </ul>

## MANAGEMENT ACTIONS

Good progress was made against the management actions identified in the 2017-18 APPR with all actions completed during the period (see Annex A). Management actions for 2019-20 are as follows:

- DFAT Canberra and Australian High Commission (AHC), Vanuatu will develop new overarching frameworks (AIP and APA) that sets out Australia's development cooperation with Vanuatu. The Deputy High Commissioner (DHOM) will lead consultations in Vanuatu [AIP - December 2019, APA - June 2020].
- DFAT Canberra and the AHC will implement new investments under the Pacific Step-up, including negotiating an MOU on secondary school scholarships [Dec 2019]; refining options for the Australian Infrastructure Financing Facility for the Pacific [ongoing for 2019-20] and increasing support for labour mobility and climate change [ongoing for 2019-20].
- DHOM and First Secretary Health will provide close oversight to transition health investments to ensure new management arrangements are effective [2019-20].
- Senior Program Manager, Recovery will support Government of Vanuatu disaster response and recovery efforts, including management of Ambae recovery efforts [2019-ongoing].
- The DHOM will lead development components of the gender action plan to help reach DFAT's 80 per cent target for gender equality effective investments, and ensure continued focus on disability inclusive approaches and climate integration in investments [ongoing for 2019-20].
- The DHOM will ensure the AHC has the skills and resources in place to deliver program objectives, including technical advisory support for infrastructure and humanitarian work and locally engaged resources to manage the humanitarian portfolio [ongoing for 2019-20].



## ANNEX A - PROGRESS IN ADDRESSING MANAGEMENT RESPONSES

Management responses identified in 2017-18 APPR	Rating	Progress made in 2018-19
Commence preparatory work with the GoV to develop the Vanuatu AIP 2019-20 to 2022-23, responding to priorities of Vanuatu's National Sustainable Development Plan and Australia's Foreign Policy White Paper.	Achieved	Preparatory work for a new AIP has commenced, with analysis to inform the Plan complete and drafting underway.
Progress commitments announced during Prime Minister Salwai's Guest of Government visit to Australia in June 2018: including supporting a feasibility study of Vanuatu's future telecommunications needs, enhanced policing, cybersecurity and labour mobility initiatives.	Achieved	A feasibility study into Vanuatu's telecommunication needs is complete. Australia provided enhanced policing support including increasing the number of advisers and training of new recruits. Australia provided support for cyber security. The new Pacific Labour Scheme commenced with 51 ni-Vanuatu workers mobilised to Australia under the scheme in 2018-19.
Undertake a gender stocktake and develop an action plan to identify key activities to strengthen gender equality programming, policy and diplomacy outcomes.	Achieved	A gender stocktake and action plan was completed in late 2018. The action plan incorporates activities across all work areas. Activities within the plan will be progressed in 2019-2020.
Implement the Port Vila Urban Development Project Remediation Plan.	Achieved	Implementation of the Remediation Plan completed in November 2018.
Capture and share learning from the Evaluation of the Tropical Cyclone Pam Recovery Program to inform funding, coordination and governance arrangements for future recovery programs.	Achieved	The lessons learnt from the Tropical Cyclone Pam evaluation were shared with GoV, and presented and discussed at a stakeholder workshop in May 2019. Lessons have been used to inform Australia's support for Ambae volcano recovery.
Finalise designs, tendering and mobilisation of the Health Sector Program, Vanuatu Education Sector Program Phase 2 and Roads for Development Phase 2 programs.	Achieved	Completed designs and tenders. Mobilisation of the Vanuatu Education Sector Program Phase 2 and Roads for Development Phase 2 programs completed. Health Sector Program to commence by December 2019.
Support effective and efficient GoV disaster response and recovery efforts, including for Ambae Island.	Achieved	Australia supported GoV in response to the second evacuation of Ambae using existing partners and funding mechanisms. In the GoV-led response to Tropical Cyclone Oma and Ambrym Volcano, Australia released pre-positioned <b>Non Food Items</b> to affected communities at the request of the government. Australia's support for recovery from the Ambae volcano aligned with GoV's 'Ambae and Affected Islands Recovery Plan'.

### Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

## ANNEX B – PERFORMANCE BENCHMARKS

### Progress towards Performance Benchmarks in 2018-19

Aid objective	Performance Benchmark (Target)	Rating	Progress in 2018-19
Objective 1: Build better infrastructure and an environment for economic opportunity	Annual change in VAT revenue (9.3%)	Achieved	20%
	Vanuatu Rural Access Index (55% RAI) and Length of rural roads maintained, rehabilitated or repaired (550km)	Achieved	55.1% RAI and 682 km of rural roads maintained or repaired
	Number of ni-Vanuatu women and women engaged in seasonal worker program (SWP) (target 550 F I 2,850M)	Achieved	4,964 SWP workers (889 F I 4,075M); 51 Pacific Labour Scheme workers (14F I 37M)
Objective 2: Improve early education and essential health services.	Proportion of Year 4 students (girls/boys) meeting national literacy and numeracy standards (VANSTA baseline data for 2017)	Data not Available	<b>VANSTA data for year 4 will be available in late 2019. Data below is the VANSTA baseline data for 2017.</b> English literacy year 4 - 65% meeting or exceeding the minimum standard. Boys 58% Girls 73% French literacy year 4 - 64% meeting or exceeding the minimum standard. Boys 59% Girls 71% Numeracy year 4 - 85% meeting or exceeding the minimum standard. Boys 84% Girls 88%
	Proportion of children (0-5yrs) with full routine immunisation (94% DPT3)	Achieved	93% DPT3 <sup>10</sup>
Objective 3: Improve community safety and resilience	Number of women and children survivors of violence provided counselling, support, and legal services (8,500)	Achieved	8,859 clients accessed counselling support and legal services from Vanuatu Women's Centre.
Objective 4: Support cyclone recovery and reconstruction.	Number of public service delivery facilities reconstructed or repaired - cumulative (220)	Achieved	287 public service delivery facilities have been constructed or repaired under the TC Pam Recovery Program.

#### Note:

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations

<sup>10</sup> A slight variation of 1% decrease was recorded due to data aggregation at a specific point of time, however, UNICEF assess this variation as within the acceptable variation range and conclude that the immunisation rate has been maintained.



## Performance Benchmarks for 2019-20

Aid objective	Performance Benchmark	2019-20
Objective 1: Build better infrastructure and an environment for economic opportunity	Annual change in VAT revenue (%)	7%
	Vanuatu Rural Access Index and Length of rural roads (%) maintained, rehabilitated or repaired (km)	56% RAI 680km of rural roads maintained or repaired
	Number of ni-Vanuatu women and men engaged in seasonal worker program	4,250 (750F   3,500M)
Objective 2: Improve early education and essential health services.	Proportion of Year 4 students (girls/boys) meeting national literacy and numeracy standards	TBC
	Proportion of children (0-5yrs) with full routine immunisation (%)	TBC
Objective 3: Improving community safety and resilience	Number of women and children survivors of violence provided counselling, support, and legal services	7,750
Objective 4: Supporting cyclone recovery and reconstruction.	Number of public service delivery facilities reconstructed or repaired (cumulative)	330

## ANNEX C - EVALUATION PLANNING

### 1 LIST OF EVALUATIONS COMPLETED IN THE REPORTING PERIOD

Investment number and name (if applicable)	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INL732 Tropical Cyclone Pam long-term recovery program	Independent Evaluation of the Tropical Cyclone Pam Recovery Program	June 2018	December 2018	February 2019	December 2018

### 2 LIST OF PROGRAM PRIORITISED EVALUATIONS PLANNED FOR THE NEXT 12 MONTHS

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
Independent evaluation of Vanuatu Australia Policing & Justice Program	INL997 Vanuatu Australia Policing & Justice Program	September-October 2019	December 2019	The evaluation will assess the effectiveness and efficiency of Australia's current contribution to the policing and justice sectors in Vanuatu and future opportunities.	DFAT led (includes consultants engaged by DFAT)

## ANNEX D - AID QUALITY CHECK RATINGS

### 1 AQC RATINGS

Investment name	Approved budget and duration	year on year	Effectiveness	Efficiency	Gender equality	Relevance	Monitoring and Evaluation	Sustainability
<b>INM393</b>	\$23,325,172	2019 AQC	5	5	4	-	-	-
<b>Governance for Growth (GfG) Phase 3</b>	2017-2021	2018 AQC	n/a	n/a	n/a	n/a	n/a	n/a
<b>INM545</b>	\$6,300,000	2019 AQC	5	5	3	-	-	-
<b>Roads for Development Transition Program</b>	2018-2019	2018 AQC	n/a	n/a	n/a	n/a	n/a	n/a
<b>INH654</b>	\$7,375,731	2019 AQC	5	4	4	-	-	-
<b>Australia Awards - Vanuatu In-Country Costs</b>	2007-2019	2018 AQC	4	5	4	4	4	4
<b>INM038</b>	\$22,416,701	2019 AQC	5	5	5	-	-	-
<b>Vanuatu Skills for Economic Growth (phase IV)</b>	2016-2022	2018 AQC	4	5	5	6	4	6
<b>INJ438</b>	\$45,684,795	2019 AQC	4	4	3	-	-	-
<b>Vanuatu Health Sector Support 2010 - 2019</b>	2010-2019	2018 AQC	4	4	2	5	3	3
<b>INL997</b>	\$26,937,692	2019 AQC	4	4	4	-	-	-
<b>Vanuatu Australia Policing and Justice Program</b>	2016-2021	2018 AQC	3	4	4	5	4	4
<b>INM045</b>	\$10,153,571	2019 AQC	4	4	5	-	-	-
<b>Pacific Women (Vanuatu)</b>	2016-2021	2018 AQC	5	5	5	6	4	5
<b>INI637</b>	\$16,807,269	2019 AQC	4	4	4	-	-	-
<b>Wan Smolbag Theatre Community Partnership</b>	2010-2021	2018 AQC	5	4	5	3	4	5
<b>INL732</b>	\$41,831,202	2019 AQC	4	4	2	-	-	-
<b>Tropical Cyclone Pam Recovery Package</b>	2015-2019	2018 AQC	3	4	3	5	4	4



## 2 HAQC RATINGS

There were no HAQC in 2018/19.

## 3 FAQC RATINGS

Investment name	Approved budget and duration	Overall rating	Effectiveness	Efficiency	Relevance	Gender equality	Monitoring and Evaluation	Sustainability	Risks & Safeguards
<b>INK372 - Vanuatu Education Support Program</b>	\$44,105,829	4	4	4	5	4	4	4	N/A
	2012-2019								
<b>INK721 - Port Vila Urban Development Project</b>	\$26,500,000	3	3	3	4	4	4	3	N/A
	2012-2018								

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.

## ANNEX E – PERFORMANCE ASSESSMENT FRAMEWORK

Strategic Development Objective 1	Building resilient infrastructure and an environment for economic opportunity [31% Bilateral ODA in 2018-19]					
Indicators	2015–16	2016–17	2017–18	2018-19	2019-20	Data sources
	Baseline	Result	Result	Result (Target)	Target	
1.1: Annual change in VAT revenue (%) <sup>11</sup>	VUV6 Billion  [APPR 2016]	17.30%	19.20%	20% (9.30%)	7.00%	Reserve Bank data, DCIR Monitoring Data & MFEM GFS Tables plus GfG monitoring records from partners
1.2: Financial flows through Financial Service Bureaux (VUV)	-	VUV456m	VUV629m	VUV650m (VUV650m)	VUV700m	MFEM GFS Tables GfG monitoring records from partners Line agency accounts and SMART Stream data
1.3: Financial Action Task Force listing for Vanuatu counter-terrorism financing and anti-money laundering systems	White list	Grey list	White List	White list (White list)	White list	FATF Listing and IMF Article IV Consultations GfG monitoring records
1.4: World Bank Country Policy and Institutional Assessment rating for budget and financial management	3.5	3.5	3.5	3.5 (3.5)	3.5	World Bank CPIA reports (Indicator IQ.CPA.FINQ.XQ) plus IMF Article IV Consultations. See: <a href="https://data.worldbank.org/data-catalog/CPIA">https://data.worldbank.org/data-catalog/CPIA</a>
1.5: Vanuatu Rural Access Index <sup>12</sup> and Length of rural roads maintained or repaired (km)	41 <sup>13</sup> %	54 <sup>14</sup> %	54.50%	55.10% (55%)	56%	R4D monitoring data
	597 km	691 km	525km	682km (550km)	680km	PWD records and monitoring data
1.6: Proportion of procurement contracts issued for Co	IBC – 26% CBC - 73%	IBC – 10% CBC - 87%	IBC – 76% CBC - 24%	IBC – 80% (75%) CBC – 20% (25%)	IBC – 75% CBC - 25%	MIPU and PWD, R4D monitoring data

15

<sup>11</sup> Linked to NSDP Indicator ECO1.2.1 (Change in government revenue)

<sup>12</sup> RAI measured every 5 years (2012, 2017, 2020 (74% target), 2025(78% target) & 2030 (82% target)), with the exception being 2020. RAI is percentage of population living within 2 km (20min walk) of an all-year-round road connecting with that areas' economic and services hub.

<sup>13</sup> RAI measured in 2012

<sup>14</sup> RAI measured in 2017

<sup>15</sup> NSDP Indicator ECO 2.8. Data provided from R4D program.

## Strategic Development Objective 1

## Building resilient infrastructure and an environment for economic opportunity [31% Bilateral ODA in 2018-19]

Indicators	2015-16 Baseline	2016-17 Result	2017-18 Result	2018-19 Result (Target)	2019-20 Target	Data sources
1.7: Quantity of sewage disposed of in the Septage <sup>16</sup>	N/A	N/A	2,028,000 <sup>17</sup> Liquid waste volume	N/A (3,000,000 liquid waste volume)	N/A	Port Vila Municipal Council data
1.8: Number of ni-Vanuatu women <sup>18</sup> and men engaged in seasonal worker program	192F   1,006M	395F   2,149M	520F   2,828M	889F   4,075M (550F   2,850M)	750F   3,500M	Australian Govt and LMP monitoring data. Pacific Labour Mobility Facility (wages and remittances)
1.9: Proportion of VSP clients who increase their income following training	68%F   61%M [2015 TVET report]	N/A	N/A	47% (80%F   80%M)	80%F   80%M	Skills Partnership monitoring data disaggregated by location, sex and disability.
1.10: Number of Australian tourists travelling to Vanuatu	46,900 [DIBP OAD data]	54,637 [DIBP OAD data]	57,237	60,057 (60,000)	65,000	Vanuatu National Statistics Office data DIBP OAD Pivot tables + Tourism Research Aust. South Pacific Tourism Office

<sup>16</sup> m<sup>3</sup>

<sup>17</sup> Volume measured in February 2018

<sup>18</sup> Target of 30 per cent women



## Strategic Development Objective 2

## Improving early education and essential health services [19% Bilateral ODA in 2018-19]

Indicators	2015–16 Baseline	2016–17 Result	2017–18 Result	2018-19 Result (Target)	2019-20 Target	Data sources
2.1: Proportion Yr4 students (girls and boys) meeting <sup>19</sup>	Literacy 25%	N/A	Literacy (E) 65%	VANSTA data to be available in late 2019	TBC	VANSTA data 2009 and 2017, National Year 4 test data from MoET.
	Numeracy 50%		Literacy (F) 64%			VESP monitoring data
			Numeracy 85%			
2.2: Proportion of schools complying with the school grant acquittal process (%)	N/A	88%	87%	89% (87%)	TBC	MoET monitoring data VESP monitoring data
2.3: Proportion of children (0-5yrs) with full routine <sup>20</sup>	68.50%	81% DPT3/84% MCV1 <sup>21</sup>	93.9% DPT3/MR1 <sup>22</sup> 88%	93% <sup>23</sup> DPT3/MR1 88% (94%DPT3/MR188%)	TBC	Vanuatu Health Information System, UNICEF monitoring data
	[2016 APPR]	[2017 APPR]				
2.4: Maternal mortality ratio (/10,000) <sup>24</sup>	7.8 {WDI Indicators]	10	12.3	12 (12)	5	World Bank World Development Indicator [SH.STA.MMRT]
2.5: Number of women and men trained with Australian support and working in front-line positions where they deliver public education and health services	N/A	888F/ 808M <sup>25</sup>	842F   498M	Education: 778 <sup>26</sup> Health: 129F   147M (750F   350M)	800F   550M	Australia Awards; Health sector initiatives; Education sector initiatives.

<sup>19</sup> NSDP Indicator ECO 2.3.1 and linked to SDG indicators 4.2 and 4.3

<sup>20</sup> Linked to NSDP Indicator SOC3.3.1 [Diphtheria tetanus toxoid and pertussis (DTP3) immunisation coverage among 1 year olds

<sup>21</sup> 2020 target of 95% of children between 12-23mths receive 3 doses of combined DTP3 vaccine in a year, by trained health professional. Measles containing vaccine first-dose (MCV1) part of routine immunisation.

<sup>22</sup> Measles and Rubella (MR1)

<sup>23</sup> A slight variation of 1% decrease was recorded due to data aggregation at a specific point of time, however, UNICEF assess this variation as within the acceptable variation range and conclude that the immunisation rate has been maintained.

<sup>24</sup> NSDP Indicator ECO 3.1.2 and linked to SDG indicator 3.c. There appears to be an increasing trend. The 2017 MoH Annual report states there were only 3 additional deaths in 2017 compared to 9 in 2016: in countries with small populations like Vanuatu, it is preferable to refer to the actual number of deaths or use moving averages rather than a standalone MMR due to the large fluctuations in ratio that occurs due to only a few deaths.

<sup>25</sup> 2016-17: Education training for teachers, principals and provincial officers; 2017-18: Health and Education (Malaria Case Management, Dip of Nursing, Grad Dip of Midwifery, VHW training.)

<sup>26</sup> Education data includes: Scholarship Awardees, School principals, Teacher and Education sector leaders training plus Certificate courses. Given transition to new VESP program in January 2019 there was less training than in previous years. Health data includes: Malaria management, Bachelor Nursing, Midwifery, Village Health Workers, Corporate, Business Planning and Leadership/Management training

### Strategic Development Objective 3

### Improving community safety and resilience [15% Bilateral ODA in 2018-19]

Indicators	2015-16 Baseline	2016-17 Result	2017-18 Result	2018-19 Result (Target)	2019-20 Target	Data sources
3.1: Average number of days for completion of a criminal matter through the State Prosecutions/Magistrates Court	n/a	n/a	726 <sup>27</sup> (baseline)	408 (875) <sup>28</sup>	250	Law and Justice System monitoring records DFAT L&J Program monitoring data
3.2: Average number of days for completion of a criminal matter through the Office of the Public Prosecution /Supreme Court	n/a	n/a	366 <sup>27</sup> (baseline)	690 (850) <sup>28</sup>	N/A	
3.3: Number of women and children survivors of violence	6,858 [2016 APPR]	7,246 [VWC]	7,318 [VWC]	8,859 (8,500) <sup>29</sup> [VWC]	7,750 [VWC]	Vanuatu Women's Centre [VWC].
3.4: Proportion of population with access to technologies that warnings <sup>30</sup>	66%	71%	75%	TBC (80%)	85%	Mobile cellular subscriptions (per 100 people) [WDI IT.CEL.SETS.P2] – note aggregate number, does not demonstrate coverage TRBR – most recent report over 85%
3.5: Number of women & men trained with Australian support & working in front-line positions where they deliver law and justice services	228F   363M	171F   330M	115F   263M	168F   265M (130F   280M)	N/A	Australia Awards; Police and other law and justice sector initiatives

<sup>27</sup> Average for completed cases only and does not include pending cases for 2017. Data previously reported in 2017-2018 Aid Program Performance Report has been revised.

<sup>28</sup> Average for completed cases only and does not include pending cases for 2018. Increase in 2018 for Office of Public Prosecutor/Supreme Court is due to finalising long-standing cases in that period.

<sup>29</sup> Women and children who accessed counselling, legal and information services through Vanuatu Women's Centre. Police data is not yet reflected in this result.

<sup>30</sup> NSDP Indicator ENV 3.2.2 and linked to SDG indicator 13.1

#### Strategic Development Objective 4

#### Supporting cyclone recovery and reconstruction [5% Bilateral ODA in 2018-19]

Indicators	2015–16 Baseline	2016–17 Result	2017–18 Result	2018-19 Result (Target)	2019-20 Target	Data sources
4.1: Number of public service delivery facilities reconstructed or repaired	143 [2016 APPR]	100 [2017 APPR]	213	287 (220)	330	TC Pam and Ambae programs monitoring data
4.2: Proportion of communities with current support plans for recovery <sup>31</sup>	N/A	N/A	10%	15% (15%)	15%	NDMO monitoring data [NSDP Target is 80% by 2030]

<sup>31</sup> NSDP Indicator ENV 3.1.1