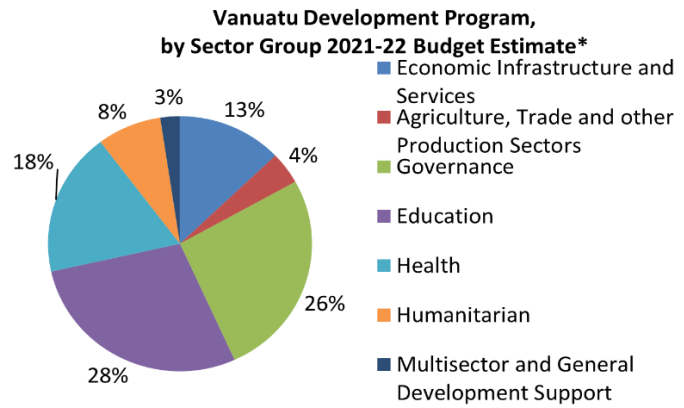


2021-22 VANUATU DEVELOPMENT PROGRAM PROGRESS REPORT

The COVID-19 Development Response Plan for Vanuatu has been extended into 2022-23. In 2022-23, the Vanuatu program will have a strong focus on supporting ongoing economic recovery from COVID-19 and Tropical Cyclone Harold. It will continue to support improvements in essential service delivery in health, education, skills, infrastructure, policing and justice sectors, with a particular focus on supporting vulnerable groups.

Program Budget	2021-22 Budget Estimate \$m*
Bilateral	46.0m
Regional	16.8m
Global	11.5m
Other Govt. Departments	1.2m
Total ODA	75.6m



*Actual expenditure is expected to be available in early 2023. Due to rounding, totals may not match the sum of components.

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



The 2021-22 Vanuatu Development Program Progress Report summarises progress with implementation of the Australia – Vanuatu COVID-19 Development Response Plan and highlights program results.

CONTEXT

Australia and Vanuatu are strong bilateral partners, with shared priorities and a close and enduring friendship built over 42 years of diplomatic relations. Our development partnership is aligned with *Vanuatu's National Sustainable Development Plan 2016 – 2030*, and its *Recovery Strategy 2020 – 2023*. As Vanuatu's largest bilateral donor, our investments in 2021-22 focused on **assisting Vanuatu to address the ongoing health, economic and social impacts of COVID-19 and Tropical Cyclone (TC) Harold** (Category 5, April 2020). The previous financial year, 2020-21 was a challenging period for Vanuatu, with borders remaining closed due to the COVID-19 pandemic, impacting tourism revenue, contributing to rising unemployment, reducing remittances, and slowing recovery from TC Harold. Vanuatu also continues to experience climate change and disaster vulnerability, distance from major markets, a small formal labour market and limited economic diversification.

Vanuatu faced its first outbreak of COVID-19 in March 2022, with 11,266 cases and 14 deaths confirmed up to 30 June 2022. Vanuatu's COVID-19 vaccine rollout commenced in June 2021, with **76 per cent of adults double vaccinated by 30 June 2022**. COVID-19 preparedness and response efforts impacted on delivery of other health services, with Ministry of Health (MOH) reporting a significant decrease in routine childhood immunisation rates. Nationwide COVID-19 lockdowns in 2022 suppressed economic activity and reduced Vanuatu Government (GoV) revenue by 13.9 per cent (Jan-June 2022) relative to budget forecasts. GoV predicts the economy to grow by 3.6 per cent in 2022 and five per cent in 2023, an important **rebound from the 5.0 per cent contraction in 2020** due to the combined effects of TC Harold and COVID-19. These trends are broadly consistent with IMF estimates of 2.2 per cent growth in 2022. Gross Government debt as a percentage of GDP decreased from 49.4 per cent in 2020, to an estimated 47.3 per cent of GDP in 2021 but is estimated to rise to 49.2 per cent in 2022 (IMF). While citizenship schemes continue to be an important source of government revenue, there are emerging pressures including the loss of correspondent banking services and the European Union's temporary suspension of its visa-waiver program with Vanuatu.



AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Health Security


Australia is Vanuatu's largest bilateral health partner and worked with Vanuatu's Ministry of Health (MOH) over the reporting period to respond to Vanuatu's first COVID-19 community outbreak in March 2022, progress its national COVID-19 vaccine rollout, and continue to strengthen its health system to improve health service delivery. Over 2021-22, Australia provided extensive technical support, resources, and practical assistance to MOH to develop and implement robust quarantine, surveillance, contact tracing and infection testing systems. This included developing a **new electronic travel registration system, the first of its kind in Vanuatu**, which allowed the Ministry to identify and manage COVID-19 risks from pre-departure, through to arrival, quarantine, and discharge, contributing to safely repatriating over 10,400 people to Vanuatu. These systems were instrumental in helping Vanuatu avoid any COVID-19 outbreaks throughout 2020 and 2021, including of the COVID-19 Delta variant, providing critical time to prepare for an outbreak and allow the rollout of COVID-19 vaccines. **Australia also provided an Australian Medical Assistance Team (AUSMAT) and follow-up mission**, that provided critical training on infection prevention and control and managing patients with COVID-19 to medical staff across 12 of Vanuatu's health facilities. This was supplemented by an additional 14 medical advisers and staff (March – June 2022, with some ongoing) to provide clinical surge support. Australia provided over 60,000 Rapid Antigen Tests, 60 oxygen concentrators, and 1.5 tonnes of PPE and COVID-19-related equipment, medicines and consumables. Australia also provided **\$1 million in funding to Australian NGOs in Vanuatu to support vulnerable communities** impacted by the outbreak.

Over 2021-22, Australia continued to be the largest provider of end-to-end support for Vanuatu's national COVID-19 vaccine rollout, working alongside the World Health Organization (WHO), the UN Children's Fund (UNICEF) and other donors. **This included building two provincial vaccine storage facilities, providing critical cold-chain storage for COVID-19 and other vaccines**, working with MOH's Health Promotions Unit to run an ongoing public communications campaign to encourage COVID-19 safe behaviours and promote the vaccine rollout, and we **supported MOH develop Vanuatu's first vaccine safety and monitoring surveillance system**. To date, 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. Australia has also provided 160,000 Australian manufactured Astra-Zeneca vaccine doses to Vanuatu.

Stability

Vanuatu and Australia have a shared interest in maintaining Vanuatu's security, social cohesion and human development gains. In 2021, Australian-supported training programs upskilled 728 policing and justice officials (197 females / 531 males) across Vanuatu's 'chain of justice', building their capacity in leadership, crime prevention and family protection. This included training 80 new police recruits (26 per cent women, up from 20 per cent in 2020). Australia has **supported 340 new police recruits since 2018, increasing the reach of the Vanuatu Police Force (VPF) in support of the Government's decentralisation of services policy and ensuring that vulnerable groups (women, children and people with a disability) have improved access to justice and policing services**. Australia is also supporting VPF growth and capability-building through ongoing support to the maintenance and operation of Vanuatu's Guardian-class Patrol Boat *RVS Takuare* and **critical infrastructure upgrades to Cook Barracks and RVS Mala Base in Efate and Tiroas Barracks in Santo, supporting local jobs and economic stimulus**.

In 2021-22, Australia's partnership with Vanuatu's Ministry of Education and Training (MoET) supported **essential education services critical for maintaining continuity of learning and contributing to social stability and future economic recovery**. Australia worked with MoET to reform and strengthen Vanuatu's Year seven curriculum, including a greater focus on student outcomes, and ensuring continuity of learning from primary to secondary school. This built upon Australia's previous support for Vanuatu's primary school curriculum (Years 1 – 6) reforms over 2016 to 2020. Australia, alongside UNICEF, is supporting MoET to develop a **new Inclusive Education policy to strengthen gender and child protection safeguards and improve the inclusion of students with a disability** across the education sector. Our



support for inclusive education in 2021-22 also included funding 19 teachers to gain a Diploma in Inclusive Education, and directly training 274 preschool and primary school principals and teachers in strategies to better support students with a disability. We also supported curriculum development and teacher resources to support students with different learning needs that include illustrations that positively represent people with disabilities.

Our support to the **Vanuatu Women's Centre (VWC)** supported **counselling sessions for 8,215 women and girls affected by violence (32 with a disability)**, a 21 per cent increase from 2020. Australia supported VWC to conduct a national gender-based violence (GBV) prevalence study, the first since 2009, which will provide updated figures and analysis on GBV rates in Vanuatu – essential data for evidence-based policy making. Through our **policing and justice partnership**, Australia supported the Vanuatu Society for People with Disabilities to facilitate its community-based rehabilitation program, reaching 848 people with disabilities (57 per cent female). In 2021, this also included procurement of essential equipment, including a new accessible bus for transporting clients in Santo. Our assistance for the local **Wan Smolbag Theatre (WSB)** provided support services to vulnerable people including youth and people with a disability. WSB theatre performances covering important social topics were attended by 20,757 people across Vanuatu, while its youth programs reached over 2,842 at-risk youth.

As Vanuatu's largest humanitarian partner, Australia continued to support long-term recovery from TC Harold and the Ambae volcano eruptions (2017-18). In 2021-22, Australia supported the **rebuilding of a number of climate-resilient and disability-accessible health and education facilities**. These included two health centres on Malo and Maewo that are providing critical primary health services to over 16,800 people, as well as 24 classrooms across Santo, Malo and Ambae that are providing education services to communities including those displaced from Ambae. Australia also continues to support Vanuatu to address the impacts of climate change, providing over \$6 million in climate financing for Vanuatu in 2021-22 across the infrastructure, skills, education, health, and disaster risk reduction sectors.

Economic recovery

Australia is committed to supporting Vanuatu respond to the economic impacts of COVID-19 and attain longer term economic recovery. In 2021, Australia upskilled 2,437 people (1,194 females / 1,243 males; including 90 people with disabilities) across a variety of sectors including **agriculture, construction, plumbing, handicrafts, and tourism, to support livelihoods and grow businesses**. This represents a 275 per cent increase over 2020 when 650 people were trained. Australia also partnered with the Vanuatu Chamber of Commerce and Industry (VCCI) to provide a series of business development and mentoring services to 805 female entrepreneurs, supporting them manage, adapt and grow their businesses. Australia's partnership with VCCI is also **supporting Vanuatu businesses to gain food safety certification to allow businesses to access international export markets**, assisting them reach new consumers and contributing to local economic activity and employment. **Australia's Pacific Australia Labour Mobility (PALM) scheme** is also a significant contributor to economic resilience through remittances. Vanuatu is the largest provider of workers under PALM with more than 7,000 ni-Vanuatu workers currently in Australia (June 2022). Australia supports several services for ni-Vanuatu workers including pre-deployment counselling to prepare them and their families, and **post-deployment entrepreneurship and business coaching through the V-Lab business incubator**.

Australia is working with GoV Ministries on policies to promote economic growth and ensure effective delivery of government services. In 2021-22, Australia supported Vanuatu's Department of Customs and Inland Revenue to **improve its collection of customs duties and Value Added Tax**. We continued to support Vanuatu's Ministry of Finance and Economic Management to progress Vanuatu's Public Financial Management Roadmap, which includes priorities on improving revenue, procurement, accountability, and taxation. Australia's support to Vanuatu's Public Works Department (PWD) contributed to 1,118.5 kms of road maintenance and improvements in 2021, **linking communities to services and markets**. Australia's partnership with MoET and our provision of \$8.8 million in school fee subsidies in 2021 supported critical local economic stimulus and keeping 11,056 secondary students in school.

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

Health Security

Key Results Indicators	Progress/Result
Strengthened health systems including preparedness for health emergencies	<p>Australia supported MOH to develop and launch the Vanuatu Outbreak Alert System (VOAS), a critical surveillance and communications tool to guide transparent and evidence-based public health policy responses. The VOAS covers COVID-19 and other communicable diseases and is being used by Vanuatu to manage its first COVID-19 community outbreak.</p> <p>Australia, in partnership with the Pacific Community (SPC) and MOH, supported the design, build and outfit of a new molecular laboratory. This was further supported by training for laboratory personnel provided by the Doherty Institute and Australian advisors. This has enhanced Vanuatu's laboratory capability to use in-country PCR testing to diagnose COVID-19 with the ability to use PCR testing to detect influenza and dengue.</p>
Evidence that Vanuatu has improved its response to health security threats	<p>Australia, in partnership with WHO, supported MOH to update its COVID-19 Health Sector Preparedness and Response Plan and drafted a suite of 'surge plans' setting out arrangements for contact tracing and hospital clinical care in the event of an outbreak. These were used to help Vanuatu respond to its first COVID-19 community outbreak from March 2022.</p>
Examples of new or improved therapeutics, diagnostics, vaccines and additional equipment to which Australia has contributed that are accessible in Vanuatu	<p>Australia has delivered a range of COVID-19 and non-COVID products to Vanuatu including: 160,000 doses of Australian manufactured Astra-Zeneca vaccine dose; 60 oxygen concentrators; 1.5 tonnes of COVID-19 PPE, medicines and consumables; 50 hospital beds; and 200 proning pillows.</p> <p>Australia provided medical inventory kits to 112 health centres and dispensaries across Vanuatu, each containing 85 pieces of basic equipment including stethoscopes, thermometers and blood-glucose monitors, which are supporting critical primary health care services.</p>
Number of vulnerable women, men, girls and boys provided with emergency assistance in a crisis (2021-2022 target: 150)	<p>An innovative Australian-funded cash transfer program reached 20,163 vulnerable people (9,777 F / 10,386 M) including single parents, the elderly and 1,162 people with a disability with monthly cash-transfers. These payments supported families impacted by COVID-19 and TC Harold, and contributed to local economic activity through engagement with 360 local businesses.</p> <p>In response to COVID-19 and TC Harold, NGOs in Vanuatu under the Australian Humanitarian Partnership reached 8,446 people (4,151 females / 4,295 males), including 124 people with a disability, with emergency assistance including humanitarian relief supplies, water sanitation and hygiene support, and livelihood activities.</p>

Stability

Key Results Indicators	Progress/Result
Strengthened governance systems (by type, including assistance provided and significant policy change achieved)	<p>Australia is supporting GoV's Public Financial Management and procurement systems, legislation and regulations, including updating its financial regulations for the first time in over 15 years. This upholds GoV's financial reporting obligations for up to date audited government financial statements, thereby improving transparency and accountability on the spending of public money.</p> <p>Australia supported Vanuatu's Public Works Development strengthen its gender equality, disability and social inclusion safeguards and inclusion (GEDSI) policies. In 2021, 86 per cent of road maintenance and construction contracts included GEDSI provisions with employment targets for women (20 per cent), youth (20 per cent) and people with disabilities (5 per cent); up from 11 per cent of contracts in 2020.</p>
Examples of increased participation of women in decision-making and leadership in key sectors with Australian support	<p>Australia supports the Vanuatu Police Force's Women's Advisory Network (WAN) which strengthens the role of women in the VPF. In August 2021, Vanuatu held a national WAN conference, the only Pacific-island country to do so in 2021, focused on developing strategies to promote women's leadership in policing. It was well-supported by the VPF executive.</p> <p>Australia funds the Women Leadership Network (WLN) which builds women's leadership in the education sector. In 2021, WLN continued its expansion at the provincial level to include more female principals, provincial education officers and educators, and provided mentoring and capacity building activities to 181 women leaders.</p>
Number of women and girl survivors of violence receiving services such as counselling (2021-2022 target: 8,000)	<p>In 2021, Australia supported the Vanuatu Women's Centre (VWC) to provide counselling sessions to 8,215 women and girls (32 with a disability), affected by violence. VWC also supported 1,416 clients to report to the police, assisted 963 clients to obtain a Family Protection Order, provided legal assistance to 316 clients and had 26,320 participants attend its community awareness activities.</p>
Strengthened security capability and resilience (with examples)	<p>An in-depth Organisational Performance Study of the Vanuatu Police Force (VPF) was conducted in 2021 with support from Australia. The recommendations of this Study were instrumental in development of the VPF's new Strategic Plan 2022 – 2027, providing a blueprint to improve the quality and reach of policing services in Vanuatu.</p> <p>A new Guardian-class Patrol Boat, <i>RVS Takuare</i> (handed over July 2021), and Australian-funded upgrades to VPF infrastructure including the Cook and Tiroas Barracks Redevelopment and the Vanuatu Government National Emergency Radio Network are strengthening the reach and capability of the VPF, enhancing Vanuatu's security and its ability to respond to humanitarian emergencies and secure its maritime boundaries.</p>
Number of additional girls and boys enrolled in school (men/women)	<p>In 2021, Australian support to MoET resulted in the enrolment of an additional 215 students (116 girls and 99 boys) from preschool, primary school and secondary school.</p>



<p>Number of new or repaired buildings that meet universal access standards, and disaster and climate resilient standards (2021-2022 cumulative target: 25)</p>	<p>In 2021-22, Australia supported the construction of 30 new buildings across Vanuatu that meet both universal access standards, and disaster and climate-resilient standards. These included area council buildings, health centres, school classrooms, vaccine storage facilities, and police posts.</p> <p>The construction of three area council buildings on Santo, Tanna and Motalava was the result of an innovative collaboration between provincial governments, the Australian-funded Vanuatu Skills Partnership, training providers and the private sector. Construction students built the buildings, providing them with valuable work experience. The council buildings function as an economic hub for the community bringing government and financial services closer to the people.</p>
<p>Number of people reached with new or improved social protection programs, including remote communities.</p>	<p>In 2021-22, Australia provided \$8.8 million in school fee subsidies including tuition, exam and boarding subsidies. These reached 11,056 secondary school boarding students across Vanuatu, representing more than half of Vanuatu's secondary school population. These subsidies significantly reduced financial pressure on families including in rural and remote areas by freeing up household income for other essential goods and services. They also helped keep vulnerable students in school, ensuring continuity of learning.</p>

Economic Recovery

Key Results Indicators	Progress/Result
<p>Policy and technical advice on sustainable stimulus measures and longer-term economic recovery (with examples)</p>	<p>Australia supported the Vanuatu Tourism Office prepare for Vanuatu's tourism restart following its international border reopening on 1 July 2022, including funding a tourism marketing campaign. Prior to COVID-19, tourism was a major employer and key component of Vanuatu's GDP, making the sector a crucial part of Vanuatu's economic recovery and development.</p> <p>Australia is supporting the Vanuatu Foreign Investment Promotion Authority's consultation, analysis and drafting of the Vanuatu National Investment Policy. This covers domestic and foreign investment and will support Vanuatu's reopening and economic recovery by setting a policy and reform agenda that ensures Vanuatu's foreign investment settings are globally competitive and attractive to foreign businesses.</p>
<p>Number of women entrepreneurs provided with financial and/or business development services (2021-2022 target 200)</p>	<p>In 2021, the Australian funded Vanuatu Skills Partnership provided 1,194 women, including 43 women with a disability, with skills training, coaching and professional development activities to build their businesses, increasing their livelihoods and income generating opportunities.</p> <p>In 2021, Australia supported the Vanuatu Chamber of Commerce and Industry to provide a series of business development and mentoring services to 805 female entrepreneurs, helping them manage, adapt and grow their businesses.</p>



<p>Training provided to increase livelihood and income generating opportunities (2021-22 target 550 – people trained in work-ready skills, agriculture, construction and other industries)</p>	<p>In 2021, Australia supported 2,437 people (1,194F / 1,243M) including 90 people with disabilities, to access 138 skills training and professional development activities across 16 islands in six provinces. This represents a 275 per cent increase over 2020 when 650 people were trained.</p>
<p>Examples of partnering with the private sector and other partners to ensure supply lines are open</p>	<p>Australia is supporting Vanuatu’s Electronic Single Window online trade facilitation portal, the first of its kind in the Pacific. The Portal is making trade faster, easier, and more reliable by digitising paper-based processes and connecting inter-operable systems such as customs, biosecurity, and trade. This is helping to ease trade barriers, keep supply chains open, and drive local business growth.</p>
<p>Australian budget support in response to COVID-19 as a percentage of estimated domestic revenue</p>	<p>Australian sectoral budget support represented an estimated 5.26 per cent of total domestic revenue.</p>
<p>Length (km) of national road network maintained or repaired (20/21 target 1,300 km; 2021-2022 target 1,000 km)</p>	<p>In 2021, Australia supported the Vanuatu PWD to achieve 1,118.5 kms of road maintenance and improvements, linking communities to services and markets. Australia and PWD utilised small scale contractors to upgrade rural roads, strengthening local industry and providing employment opportunities and economic stimulus to communities.</p>

ANNEX 2: INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
Vanuatu Skills for Economic Growth Phase 4 Investment duration: 20016-27; Budget: \$57.3m	2022	5	5	5
	2021	5	5	5
Governance for Growth Phase 3 Investment duration: 2017-24; Budget: \$33.7m	2022	5	5	4
	2021	5	5	4
Vanuatu Health Program Investment duration: 2019-24; Budget: \$29.2m	2022	5	4	5
	2021	4	4	4
Vanuatu Education Support Program Phase 2 Investment duration: 2018-26; Budget: \$75.9m	2022	4	4	4
	2021	4	4	4
Vanuatu Australia Policing and Justice Program Investment duration: 2016-25; Budget: \$56.2m	2022	5	5	4
	2021	4	4	4
Roads for Development Program Phase 2 Investment duration: 2018-24; Budget: \$44.1m	2022	5	4	4
	2021	4	4	4
Tropical Cyclone Harold Recovery Program Investment duration: 2021-26; Budget: \$24m	2022	4	3	4
	2021	n/a	n/a	n/a
Volcano Recovery Program 2019-2022 Investment duration: 2019-23; Budget: \$4.7m	2022	4	4	4
	2021	4	4	4
Vanuatu Gender Equality Program Investment duration: 2021-26; Budget: \$10.3m	2022	5	4	5
	2021	n/a	n/a	n/a
Pacific Women (Vanuatu) Investment duration: 2016-22; Budget: \$10.5m	2022	n/a	n/a	n/a
	2021	5	4	5
Wan Smolbag Theatre Community Partnership Investment duration: 2010-27; Budget: \$24.5m	2022	4	5	4
	2021	4	4	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.