

NEW ZEALAND FOREIGN AFFAIRS & TRADE Manatû Aorere

Vanuatu Country Plan

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Purpose of this document

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has developed this Plan to guide the planning and management of New Zealand's overall engagement with Vanuatu and as a foundation for dialogue with partners and stakeholders.

The Plan is used to bring clarity to what work should be prioritised, and to help monitor progress towards shared outcomes and strategic goals.

This is a living document that will be reviewed with partners and updated periodically to ensure it responds to changes in country / regional context, including the impacts of any external shocks.

An integrated approach to Pacific engagement

New Zealand pursues an integrated approach to engagement with Vanuatu. We focus on coherence across our diplomatic, trade and economic, climate change, environment, security and development objectives to deliver sustainable progress in partner countries, and advance New Zealand's interests and values. As such, our development contribution (both policy and financial) is an integral pillar of our foreign policy – it reflects our network of international relationships and commitments and is an expression of our values.



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Country overview

Country context

Vanuatu is a Small Island Developing State in Melanesia made up of over 80 islands, 65 of which are inhabited by the country's roughly 300,000 people. Vanuatu's population is one of the fastest growing in the Pacific and features a significant 'youth population bulge' – in 2025, the median age of the population is 20.

Since independence, Vanuatu has developed a strong democratic tradition, although the strength of political and electoral systems is a self-identified challenge. As with other small developing states, capacity across the public sector is limited and this has an impact on the Government's ability to deliver services to all its people. Limited infrastructure and transport connections between and within islands further hamper service deliver and economic growth. While urban drift is changing some of the traditional ways of life, around 75% of the population still lives in rural areas where access to improved sanitation and clean drinking water remain issues (especially following natural disasters such as cyclones or droughts). Access to education and health services including for those most at risk of marginalisation outside of the main centres is also limited and lower and upper secondary education participation outcomes are low. The Government Organisations (NGO'S), regional and multilateral agencies.

At the end of 2020 Vanuatu celebrated its graduation from Least Developed Country to Developing Country status. Vanuatu's economy has grown by around 3% per annum since graduating. Challenges with the country's national airline, Air Vanuatu, have highlighted both the economy's reliance on tourism activity, and the need for further State-owned enterprise reforms to support economic growth and resilience in Vanuatu. Remittances and the agricultural sector are also key components of the economy. Close to 10% of Vanuatu's working age population are estimated to be participating in Australian and New Zealand labour mobility programmes.

Vanuatu's economic prosperity is vulnerable to natural disasters - cyclones, earthquakes, volcanic eruptions, droughts and flooding are all relatively common occurrences. In recent years Vanuatu has experienced multiple cyclones, and a significant earthquake in Port Vila. Climate change is a significant threat to Vanuatu's ongoing development and has social, health, economic, environmental, food security, livelihoods, and security implications. These impacts can affect Vanuatu's ability to maintain traditional agricultural and land-use food systems knowledge increasing reliance on imported food and crops.

New Zealand's partnership with Vanuatu

New Zealand established diplomatic relations with Vanuatu in 1980, and a High Commission in Vanuatu in 1987. The Government of Vanuatu is represented in New Zealand through a High Commission in Wellington and a Consulate-General in Auckland.

New Zealand and Vanuatu have a long-standing friendship. There is warmth and cultural affinity from our broad historical and contemporary people-to-people connections. Our bilateral relationship is underpinned by the New Zealand-Vanuatu Mauri Statement of Partnership, a joint expression of the values, priorities and principles that guide our relationship into the future. Reaffirmed in August 2024, the Partnership recognises the shared values that lie at the heart of our relationship which include respect for each other's unique culture (kastom), diverse heritage, democratic principles, the rule of law, respect for human rights, environmental stewardship, and peace. Annual High-Level Consultations with senior officials provide a forum for us to discuss the state of and ambitions for the relationship.



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Through our development programme and political engagement, we have built connections across a range of key sectors including water; education and training; agriculture; tourism; humanitarian assistance disaster and relief (often aided through New Zealand's Defence Force in partnership and coordination with Vanuatu); gender; energy; health; and policing. Important cross cutting themes to build a safer, more just, prosperous and resilient future include climate change adaptation, governance (electoral and parliamentary strengthening), social inclusion, and labour mobility.

Labour mobility an important aspect of the New Zealand-Vanuatu relationship. Vanuatu was the first participant in New Zealand's Recognised Seasonal Employer (RSE) scheme and remains the largest contributor. Ni-Vanuatu account for 40% of the RSE workforce, with approximately 6,800 participating during 2023-24. Vanuatu continues to value the economic contribution that remittances provide to its economy - in 2023, 15.7% of their GDP came from remittances from labour mobility schemes. However, there is an increasing focus on the need to better mitigate negative impacts on families and the domestic labour force, and to improve skills transfer and reintegration outcomes.

Our connections with Vanuatu are also supported through the activities of several New Zealand Government agencies (NZ Inc), Crown research institutions, non-governmental organisations (NGOs) and multilateral organisations which work directly with Vanuatu agencies, including through officials working in-country, and also outreach to assist the private sector and communities. New Zealand Police and New Zealand Defence Force have officers in Vanuatu supporting community policing efforts and strengthening relationship and coordination efforts.

New Zealand and Vanuatu partner together on the international stage, where we share long-standing priorities including lifting climate ambition, nuclear disarmament, and support for multilateralism.

New Zealand adopts a partnership approach to supporting humanitarian response and disaster management in the Pacific. We focus on responding quickly to requests by Pacific governments, and delivering practical and financial assistance for those most in need when a disaster strikes. This includes a 'whole of Government' commitment to work with other New Zealand Government agencies to deploy specialist emergency capabilities in a disaster response. We also work closely with other development partners, the United Nations, international and local non-government organisations and the private sector. Our bilateral development programmes invest in our Pacific partner's longer-term recovery from disasters. We also recognise the value of investing in measures that reduce and manage the risks of disasters, and increase resilience; and in helping countries be better prepared for disasters through regional, bilateral and NGO partner initiatives.



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Partner plans relevant to the relationship

The Government of Vanuatu released its first National Sustainable Development Plan in 2016 - 2030 (Vanuatu 2030: The People's Plan¹). This Plan sets out a 15-year vision for development, and is built around three core pillars (economy, environment and society). The economy pillar seeks to ensure a stable economy based on equitable, sustainable growth that creates jobs and income earning opportunities. The environmental pillar seeks to ensure a pristine natural environment that serves food, cultural, ecological and economic needs and enhances resilience and adaptive capacity to climate change and natural disasters. The society pillar seeks to maintain a vibrant cultural identity underpinning a peaceful, just and inclusive society supported by responsible and capable institutions.

Vanuatu aims to significantly reduce fossil fuel use. The National Energy Roadmap 2016-2030 aimed at 65% of renewable energy supply by 2020 (which was not met), and close to 100% by 2030, contingent on the availability of external funding. These goals are also reflected in the National Determined Contribution (NDC) submitted to the UNFCCC. It is also internationally active and champions the reduction of fossil fuel usage in international fora.

Vanuatu released its first documented national foreign policy paper in 2024², which aligns with and supports objectives of the overarching National Sustainable Development Plan, seeking to "advance the interests of Vanuatu and its people through international engagement and cooperation". The Policy reaffirms that Vanuatu is committed to investing in effective regional cooperation and integration where it aligns with national interests.

Strategic framework for the Vanuatu Country Plan

The Vanuatu Country Plan is guided by the IDC Priorities Framework 2024-27³. It shows how the IDC Programme contributes to the Ministry's overall goals, as set out in the Ministry's Strategic Framework⁴, and articulates the priority outcomes that we aim to advance through the IDC Programme.

The Vanuatu programme logic diagram included on the next page sets out our ambitions for our work with Vanuatu, in alignment with the IDC Priorities Framework. It represents integrated delivery across development, foreign policy, trade, and security and covers a total country view of our IDC investment, covering our core IDC Programme, multi-country investments, NGO partnerships and scholarships. The logic diagram sets out how our strategic goals drive more specific medium and short-term outcomes. New Zealand will work towards these outcomes in partnership with Vanuatu. The medium-term outcomes in the logic diagram describe our interests in more detail. The short-term outcomes cover our areas of immediate focus, rather than all the initiatives required to deliver these medium-term outcomes.

⁴ See: <u>https://www.mfat.govt.nz/assets/About-us-Corporate/MFAT-strategies-and-frameworks/Strategic-Intentions-2024-2028.pdf</u>



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¹ See: <u>https://www.gov.vu/images/publications/Vanuatu2030-EN-FINAL-sf.pdf</u>

²See: <u>https://mfaicet.gov.vu/images/documents/VANUATU_NATIONAL_FOREIGN_POLICY.pdf</u>

³ See: <u>https://www.mfat.govt.nz/assets/Aid/Aid-General/IDC-Priorities-Framework-2024.pdf</u>

Logic diagram for Vanuatu Country Plan

A PROSPEROUS AND RESILIENT FUTURE A SUSTAINABLE FUTURE A SAFE, SECURE AND JUST FUTURE STRATEGIC GOALS STRATEGIC GOAL 2: Vanuatu is a more effective and STRATEGIC GOAL 1: Vanuatu and New Zealand inclusive state with strengthened democratic norms partner to strengthen peace and security in our and institutions that support economic resilience and impacts of climate change. region. inclusive prosperity. **MEDIUM TERM OUTCOMES** MTO1: Strengthened MTO2: Increased trust and MTO5: Vanuatu's economy is MTO3: Groups at risk of MT04: Vanuatu has an cooperation between Vanuatu confidence in democratic more competitive, diversified, marginalisation in Vanuatu are increasingly well-educated and and New Zealand to maintain norms and good governance healthy, safe, and participate trained population to and inclusive - with increased peace and security in Vanuatu with increased participation in trade and investment through fully in society, including participate in the economy and and across the region (Mauri democratic processes (SG2) stronger economic governance decision-making (SG2 and SG3) support development needs Statement, SG1) and better enabled private and priorities (SG2 and SG3) sector (SG3) SHORT TERM OUTCOMES: key changes expected to result from MFAT activities and engagement in 4–6 years STO2: Strengthened STO6: Quality climate STO7: Vanuatu has STO1: New Zealand STO4: Effective STO5: Strengthened STO3: Government and resilient infrastructure increased ability to and Vanuatu maintain capacity, systems, and implementation of capacity and capability civil society support

dialogue on the full spectrum of policy issues.

processes to improve democratic norms and good governance including participation of civil society.

greater political, economic and social (including safety and educational) opportunities for groups at risk of marginalisation.

Vanuatu's economic and fiscal reforms and an effective trade and investment enabling environment.

to deliver quality services in priority sectors.

that enables improved access to services and/or economic opportunities.

respond to and recover from the impacts of natural disasters.



STRATEGIC GOAL 3: Vanuatu has increased resilience to economic shocks, natural disasters, and the

> MTO6: Vanuatu is equipped to adapt to the impacts of climate change including disaster risk reduction and achieve a just transition (SG4)

> > STO8: Vanuatu Government are increasingly able achieve their climate priorities.

Increasing influence of external /contextual factors

MFAT has more

influence

How we put this Plan into action

New Zealand's IDC funding for this Plan is managed over a three-year period. There is flexibility to move funds into and between Plans to respond to rapidly changing contexts. Current information about New Zealand's overall International Development Cooperation budget for the current funding triennium is on the MFAT website⁵.

How we will work to deliver on this Plan

New Zealand's International Cooperation for Effective Sustainable Development (ICESD) Policy⁶ identifies four development principles that guide New Zealand's work with partner countries and sets out a commitment to deliver development that is effective, inclusive, resilient, and sustained.

The Mauri Statement (Statement of Partnership) is the architecture for our relationship with scheduled annual High-Level Consultations (HLC). As such, HLCs and ongoing policy dialogue support mutual accountability against shared goals and priorities.

Across each of our strategic goals we will:

- engage closely with the Government of Vanuatu to ensure our work continues to meet its development priorities and fits changing circumstances.
- draw on expertise from within and across New Zealand Government agencies to operationalise our plan, and
- broker relationships between Vanuatu, New Zealand, other key bilateral partners and donors, and the wider region.

The Head of Mission Fund (HEF) and EHEF are valuable mechanisms to provide flexible support to community focused projects, and rapid support in times of emergency. HEF and EHEF are often noted by the Vanuatu Government as very valuable support from NZ.

In response to the 2024 earthquake in Port Vila, New Zealand provided humanitarian assistance. New Zealand will continue to support Vanuatu's recovery response to the earthquake over the triennium.

⁶ <u>https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf</u>



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⁵ www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/

Who we will work with to deliver on this Plan

Our primary partner in delivering this plan is the Government of Vanuatu. We work with a range of implementing partners to support delivery and to ensure well aligned development priorities.

We aim to adopt a strategic approach in collaborating with other development partners in Vanuatu focusing on strengthened economic resilience, strengthened democratic norms, economic governance, and trade investment linkages.

Through harmonising investment where possible, New Zealand will also continue to closely collaborate with Australia in delivering our IDC Programme, further engaging in joint funding initiatives to support priority areas.

Expertise from New Zealand government agencies (NZ Inc) and organisations are highly valued by Ni-Vanuatu counterparts. These include New Zealand Customs Service, New Zealand Defence Force, New Zealand Police, Ministry of Business, Innovation and Employment, Immigration New Zealand, Office of the Auditor-General, Public Service Commission, Institute of Judicial Studies, Ministry for Primary Industries, New Zealand Electoral Commission, Ministry for Women, Ministry of Health and Crown Research Institutes.

Multilateral agencies that partner with New Zealand in Vanuatu include the UN (i.e. UNDP, UNFPA, UNCDF, UNICEF, UNESCO UNOCHA, UNODC, IOM), Asian Development Bank, World Bank, WHO, IFC and the Commonwealth of Learning (CoL).

Pacific Regional agencies are also considered a strength to the Vanuatu programme. Broadly enabling Pacific countries to determine and deliver its own solutions to priority regional challenges and take advantage of strategic opportunities. Regional agencies deliver technical support through a small number of thematic multi-country programmes (often in partnership with NZ Inc). Of note are Pacific Audit Support; Pacific Justice Sector Programme; Pacific Response to Coconut Rhinoceros Beetle (SPC).

MFAT partners with non-governmental agencies (NGOs) through the *Partnering for Impact* programme, which supports inclusive economic, social, and environmental resilience, good governance and strengthening civil society. Through this approach, we partner with NZ NGOs and local civil society to use their experience, knowledge and reach to support delivery of locally led solutions for people experiencing vulnerabilities.

As well as MFAT staff at the New Zealand High Commission, New Zealand Police and the New Zealand Defence Force have staff embedded into the Vanuatu Police Force and Vanuatu Mobile Force. New Zealand's Defence Attaché to Vanuatu is based in Port Moresby.



How we will assess progress against this Plan

The logic diagram sets out the strategic goals, medium and short-term outcomes we hope will result from New Zealand's activities and engagement with Vanuatu.

We report back on progress towards our goals in Vanuatu via the annual Minister of Foreign Affairs Report on the IDC appropriation^{7.} We also report back on this Plan to the Government of Vanuatu via our annual High-Level Consultations and engagement with senior officials which gives us an opportunity to discuss what has been achieved in partnership, and test whether our Plan remains fit-for-purpose or if we need to change anything.

Progress against the Plan will be assessed with the following indicators.

Strategic Goals	Indicators
Goal 1: Vanuatu and New Zealand partner to strengthen peace and security in our region.	 Worldwide Governance Indicators SDG 16.7.2 Proportion of population who believe decision-making is inclusive and responsive.
Goal 2: A more effective and inclusive State with strengthened democratic norms and institutions that support economic resilience and inclusive prosperity.	 SDG 8.1.1 - Annual growth rate of real GDP per capita SDG 5.5.1 Proportion of seats held by women in national parliaments Proportion of children and young people achieving minimum proficiency level in reading and mathematics (by age, sex, education level and subject).
Goal 3: Vanuatu has increased resilience to economic shocks, natural disasters, and the impacts of climate change.	 ND-GAIN Vulnerability Score SDG 11.b.2 - Proportion of local governments that adopt and implement local disaster risk reduction strategies. SDG 7.1.1 - Population with access to electricity (% of population) SDG 7.2.1 - Renewable energy share in the total final energy consumption.

Short Term Outcome	Indicators
STO1: New Zealand and Vanuatu maintain dialogue on the full spectrum of policy issues	 Evidence of engagements across policy issues. Number of people receiving training / capability-building support in governance (M/F).
STO2: Strengthened capacity, systems, and processes to improve democratic norms and good governance including participation of civil society	 Number of people receiving training / capability-building support in governance (M/F) Evidence of civil society participating in strengthened systems and processes.
STO3: Government and civil society support greater political, economic and social (including safety and educational) opportunities for groups at risk of marginalisation	 Number of people receiving training / capability-building support in equity and inclusion (M/F) Number of women, including those with a disability, who access Gender Based Violence (GBV) services

⁷ <u>See https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid</u>



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STO4: Effective implementation of Vanuatu's economic and fiscal reforms and support for trade and investment enabling environment	 Evidence of economic and fiscal reforms implemented through reform linked modalities. Number of people participating in a labour mobility initiative (M/F) Evidence of increased economic opportunities for ni-Vanuatu
STO5: Strengthened capacity and capability to deliver quality services in priority sectors	 Number of people receiving training / capability-building support in infrastructure; education; peace and security. Number of people that complete tertiary or vocational scholarships
STO6: Quality climate resilient infrastructure that enables improved access to services and/or economic opportunities	 Number of people directly benefitting from improved (climate resilient) infrastructure and services (M/F) Evidence of improved access to drinking water and sanitation infrastructure that is resilient to impacts of climate change.
STO7: Vanuatu is supported to respond to and recover from the impacts of natural disasters	 Number of affected people provided with essential and useful assistance following a natural or human induced disaster (M/F) Disaster recovery timelines and effectiveness of preparedness strategies.
STO8: Vanuatu Government and communities are supported to achieve their climate priorities	 Number of people directly benefitting from activities which aim to increase resilience to climate change and environmental degradation (M/F) Percentage of climate adaptation and mitigation activities demonstrating active participation from local institutions and communities.

The Plan will be evaluated approximately once every four years. The next strategic evaluation of the Vanuatu Country Plan is expected to take place in 2028. The Ministry's forward strategic evaluation schedule is available on the website⁸.

⁸ <u>https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/evaluation-and-research</u>



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For further information

Contact details for the New Zealand High Commission to Vanuatu are available on the MFAT website⁹.

To find out more about New Zealand's engagement with Pacific Island countries also go to the MFAT website, at www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/.

This document is one in a series of Plans published by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and managed by the Ministry's Pacific and Development Group. For the latest version please go to <u>www.mfat.govt.nz</u>

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¹¹ https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html



⁹ https://www.mfat.govt.nz/en/countries-and-regions/

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