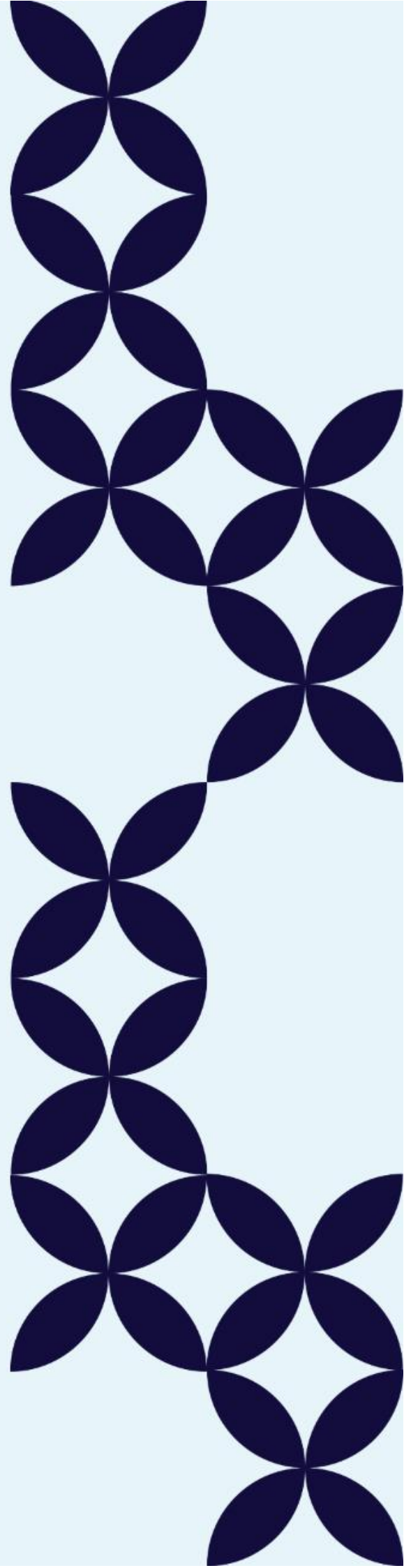
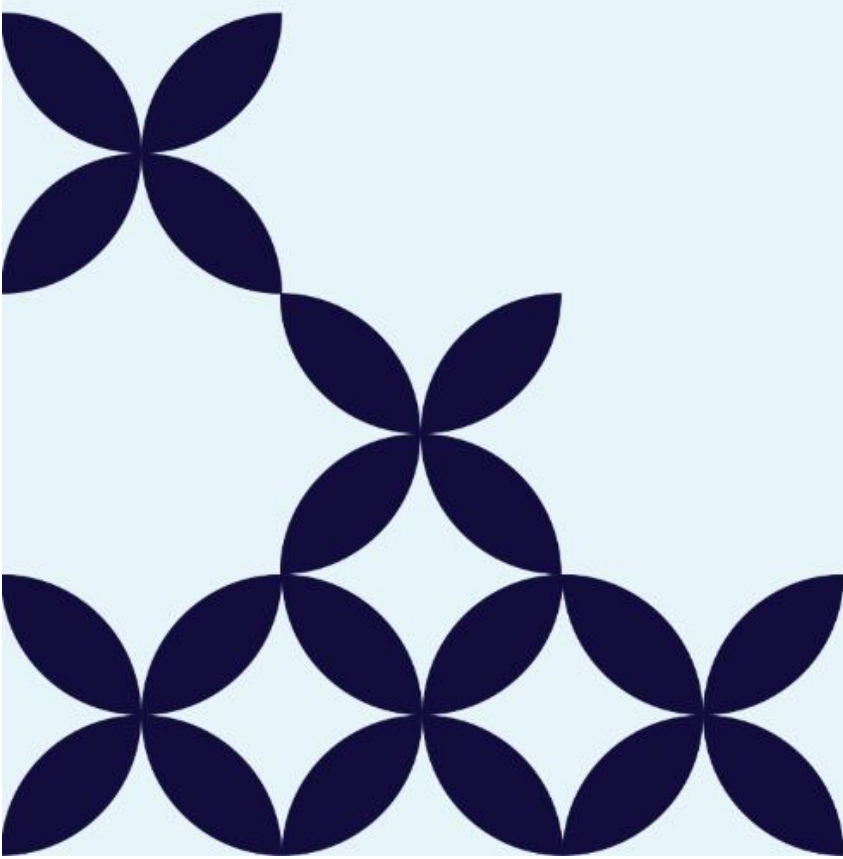


Vanuatu

Four Year Plan

October 2021





Navigating our approach to engagement in the Pacific will require us to draw on all the tools available in our kete to help guide our journey... much like our tupuna, before us.

We have taken this concept and developed a **compass**, built around various elements found in Māori and Pacific navigation narratives.

Tātai hono: represented by **the ocean** – and its currents – binding us all through whakapapa and connection.

Turou Hawaiki: represented by the navigation winds, carrying manu and waka, charting our course and direction, and recognising our shared common values.

Whāia te Taumata Ohanga: like the sun, setting and rising, but always on the horizon, showing us that although the journey may be different, the long-term perspective remains the same.

Tātou Tātou: reflecting the strength of our friendships – and where we are headed – in the faces, and phases, of **the moon**.

Arongia ki Rangiaŋtea: represented by **Matariki me nga purapura whetu**, drawing a common architecture across the night's sky that reinforces our integration.

This document is one in a series of Four Year Plans for Pacific Island countries published by the New Zealand Ministry of Foreign Affairs and Trade. For the latest version please go to www.mfat.govt.nz

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² <https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html>



Purpose of this document

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has developed this Four Year Plan (4YP) to guide the planning and management of New Zealand's overall engagement with Vanuatu, and as a platform for dialogue.

The 4YP is used to bring clarity to what work should be prioritised and to help monitor progress to achieve shared outcomes and strategic goals.

This is a living document that will be refreshed annually to ensure it responds to changes in country context, including impacts of external shocks such as COVID-19.

An integrated approach

Aotearoa 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 developing 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.

Enduring principles for New Zealand's engagement in the Pacific

The **enduring principles** which guide New Zealand's overall engagement in the Pacific region are:

- **Tātai Hono** (The recognition of deep and enduring whakapapa connections):

Shared history and meaningful relationships will shape our engagement, reinforcing New Zealand's depth of connection within the region and increasing understanding of Pacific peoples. These connections can further be enhanced by the shared value of reciprocity, shared national and regional priorities, shared language connections, and the recognition and celebration of the diversity between and within our indigenous values and those of Pacific partners.

- **Turou Hawaiiki** (Navigating together):

Our engagement will recognise that we share common values, and will reflect the unique and substantial overlap with New Zealand domestic policy decisions in respect of the Pacific. The development of New Zealand regional and national policies will actively consider their implications for the Pacific. We will also actively consider the impact on Pacific Island countries from international treaties and agreements that Aotearoa New Zealand is negotiating.

- **Whāia te Taumata Ōhanga** (Journey towards a circular economy):



Our engagement will recognise that the journey we each take is different but our horizon is the same. We will collaborate in support of the Sustainable Development Goals, with the long-term inter-generational perspective these Goals bring consistent with New Zealand's and Pacific Island countries' enduring journey together. We will aim to achieve lasting resilience through Pacific Island countries' enhanced capability to deliver on national and regional priorities through supporting sustainable human, economic, and social development. We recognise each country's mana to determine and protect its own kaitiakitanga.

- **Tātou Tātou** (All of us together):

Our cooperation will be underpinned by the principles of whanaungatanga and friendship, including honesty, trust, and respect. We will listen and have conversations. We will act with predictability, consistency, and based on the values we share as people of the Pacific. We will harmonise our efforts with others. We will confidently share New Zealand's views and perspectives, being clear about the things we will do and the things we will not do. The strength of friendship allows us to communicate openly even when our views differ.

- **Arongia ki Rangiātea** (Focus towards Excellence):

We will actively take an integrated approach across each New Zealand Government agency to recognise the centrality of the Pacific. We will amplify our value in the Pacific through encouraging impactful co-investment from actors outside the region, and by supporting regional architecture that reinforces Pacific ownership and priorities.



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 2019, nearly 50% of the population was under the age of 20³.

Since independence, Vanuatu has developed a strong democratic tradition, although 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. 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 outside of the main centres is also limited. Improving service delivery across the country is a priority for the Government.

Over the past four years Vanuatu's economy has grown by around 3% per annum. At the end of 2020 Vanuatu celebrated its graduation from Least Developed Country to Developing Country status. However, the economy remains vulnerable to external shocks. Cyclones, earthquakes, volcanic eruptions, droughts and flooding are all relatively common occurrences. Climate change is a significant threat to Vanuatu's ongoing development over the next 10 years and has social, health, economic, environmental and security implications.

Vanuatu's National Sustainable Development Plan

The Government of Vanuatu released its first National Sustainable Development Plan in 2016 (Vanuatu 2030: The People's Plan). This plan sets out a 15-year vision for development and articulates the Government's priorities to achieve a stable, sustainable and prosperous Vanuatu.

The People's Plan is built around three core pillars (economy, environment and society) and is rooted strongly in Vanuatu's cultural heritage as well as traditional Melanesian and Christian values. 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.

³ <https://stats.pacificdata.org/>



SOCIETY PILLAR		ENVIRONMENT PILLAR		ECONOMY PILLAR	
SOC 1	Vibrant cultural identity	ENV 1	Food and Nutrition Security	ECO 1	Stable and Equitable Growth
SOC 2	Quality Education	ENV 2	Blue-Green Economic Growth	ECO 2	Improve Infrastructure
SOC 3	Quality Health Care	ENV 3	Climate and Disaster Resilience	ECO 3	Strengthen Rural Communities
SOC 4	Social Inclusion	ENV 4	Natural Resource Management	ECO 4	Create jobs and business opportunities
SOC 5	Security, Peace and Justice	ENV 5	Ecosystems and Biodiversity		
SOC 6	Strong and Effective Institutions				

The core pillars of Vanuatu 2030: The People's Plan

COVID-19 impacts

The ongoing COVID-19 pandemic has had a major impact on Vanuatu's tourism industry, which previously contributed as much as 46% of GDP⁴. Closed borders have also affected the country's involvement in the Recognised Seasonal Employer (RSE) scheme, a source of remittance income for many families. Further, the country's agriculture industry was significantly affected by Cyclone Harold, which struck the major agricultural regions in April 2020.

Returning to positive economic growth will depend on the ability of Vanuatu's tourism industry to bounce back from the impact of the COVID-19 pandemic as well as the success of Government strategies to diversify the economy.

⁴ <https://data.worldbank.org/>



New Zealand's partnership with Vanuatu

Our partnership with Vanuatu is built on whanaungatanga (close connections), painga kotahi (mutual benefit) and friendship formed through shared geography, growing people-to-people links, consistent engagement and presence in Port Vila, and close development cooperation.

New Zealand established a High Commission in Vanuatu in 1987. We recently increased the size of our mission to reflect our increased engagement across political, security, and development policy. The Government of Vanuatu is represented in Aotearoa New Zealand through a High Commission in Wellington (opened in 2018) and a Consulate-General in Auckland.

New Zealand's relationship with Vanuatu has global, regional and bilateral elements. At the broadest level, we maintain a shared commitment to the rules-based international order and principles of democracy and open government. Closer to home, we both seek to ensure – as set out in the 2018 Boe Declaration on Regional Security made by Pacific Islands Forum Leaders⁵ – that the Pacific remains a peaceful, stable and secure region. Within Vanuatu, we work to ensure that our bicultural values and our voice as a reliable, constructive partner are clearly articulated and well understood.

Through our development programme and political engagement we have built connections across a range of sectors including health, education, security, environment, education, energy, governance and labour mobility. Beyond supporting improved outcomes in each of these areas, our development programme also aims to increase the connections and build lasting relationships between Aotearoa New Zealand and Vanuatu. These connections demonstrate the value of our partnership as they offer targeted, relationship-driven support at the bilateral and regional level in areas of shared interest. They also develop and sustain communities of practice and the exchange of ideas.

Our connections with Vanuatu are also supported through the activities of a number of New Zealand Government agencies and non-governmental organisations (NGOs) which work directly with Vanuatu agencies, including through officials working in-country.

⁵ Available at www.forumsec.org



New Zealand's 4YP strategic goals in Vanuatu

We work closely with the Vanuatu Government to ensure that our development cooperation aligns with Vanuatu's development priorities. Our strategic goals, described in the table below, fit well within the three pillars of Vanuatu 2030: The People's Plan. Our first goal aligns strongly with elements of The People's Plan's society pillar – particularly in education, health care, and building strong and effective institutions. Goal Two aligns strongly with Vanuatu's environment and economy pillars, while our third goal contributes to all three pillars by focusing on improving our partnership with Vanuatu.

Strategic goals	
Goal One: A more effective and inclusive State	Working together to strengthen institutions and improve public services is a priority for Vanuatu and Aotearoa New Zealand. An effective and more inclusive government and public service will help to address the causes of inequality through enhanced service delivery and the promotion of social stability. It will also provide an enabling environment for economic institutions to drive economic growth and distribute wealth. In addition, we want to support the Government of Vanuatu to respond more effectively to the challenges of climate change.
Goal Two: Greater shared prosperity	Greater shared prosperity is about facilitating sustainable and equitable economic growth, and supporting the well-being and rights of all people in Vanuatu, especially the most marginalised. There are opportunities to increase economic benefits through labour mobility, tourism, trade and value-add agriculture. Vanuatu's economy depends on the environment, which is why this goal also prioritises protection of Vanuatu's natural resources through climate change action and adaptation, sustainable resource management, and disaster risk management. This goal also recognises that prosperity for ni-Vanuatu is not only about economic wealth but also about ensuring that future generations can use and enjoy the country's natural resources ⁶ .
Goal Three: A mature and dependable partnership	New Zealand and Vanuatu's relationship is strong, but we can do more to increase understanding and cooperation. Building a dependable partnership is about ensuring that we understand and can respond to one another's needs, as well as increasing the breadth and depth of policy issues that we talk about regularly. This goal also includes a focus on building new connections in the security sector.

⁶ [A Better Kind of Wealth: Vanuatu and the Meaning of Well-being – \(christensenfund.org\)](https://christensenfund.org/)



Specific outcomes link to our strategic goals

The logic diagram annexed to this 4YP sets out how our strategic goals, which are long term outcomes, drive more specific **medium and short term outcomes**. Aotearoa New Zealand will work towards these outcomes in partnership with Vanuatu.

Assumptions

In setting out the logic diagram and outcomes, we have made the following **key assumptions** which we will continue to test and monitor during the implementation of this 4YP:

- The Government of Vanuatu will continue to seek and welcome a partnership with the New Zealand Government to improve governance, including undertaking initiatives to increase political stability.
- Vanuatu will either remain free from community cases of COVID-19 or any community outbreak will be well managed and short-lived.
- Vanuatu can reopen to tourism in the near future following a successful vaccination campaign.

Risks

We have noted the following **key risks** which we will continue to monitor and develop mitigation measures for during the implementation of this 4YP.

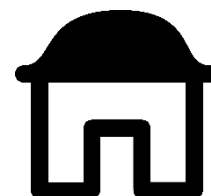
Strategic level risks	Mitigation measures
COVID-19 enters Vanuatu and spreads amongst the community.	Preventing the spread of COVID-19 in the Pacific is a priority for Aotearoa New Zealand. We will continue to engage closely with Vanuatu to help support its COVID-19 response and recovery strategies.
The ongoing global spread of COVID-19 or challenges to implementing Vanuatu's vaccination strategy cause delays to border re-opening, with serious implications for Vanuatu's economic recovery.	Long delays to the re-opening of borders will have a significant impact on Vanuatu's economy. We will continue to be flexible in our programming to ensure that we can meet Vanuatu's needs.
Vanuatu experiences a significant natural disaster.	Aotearoa New Zealand stands ready to provide additional assistance if there is a natural disaster. We will continue to be flexible in our programming to ensure that we can respond effectively to a natural disaster and also support recovery.



Key themes supporting these outcomes

Aotearoa New Zealand has adopted a number of thematic focus areas for its engagement with the Pacific region, recognising that thematic policy, insights and technical expertise are vital to building strong and resilient partnerships. For our engagement with Vanuatu the key thematic focus areas are: **governance and institutions**, **the economy**, **climate and environment**, and **equity and inclusion**.

In Vanuatu our focus on **governance and institutions** drives our engagement to strengthen government systems and improve delivery of public services. To do this, we draw on the expertise of thematic teams and New Zealand agencies to build connections and share best practice. Our development programme includes activities aimed at improving parliamentary and electoral processes and strengthening the judicial system, as well as building capacity in health and education.



Developing a resilient and inclusive economy is a priority for both countries. Our focus on the **economy** is about strengthening and improving the management of Vanuatu's key economic sectors (**tourism and agriculture**). In both of these sectors, we aim to provide technical expertise to support better government strategies in order to optimise economic returns. Recognising the importance of **labour mobility** opportunities for Vanuatu, we are drawing on the work of experts to explore ways to increase the benefits of the RSE scheme for workers and the economy as a whole. We also want to see increased trade flows in the Pacific, including through The Pacific Agreement on Closer Economic Relations (PACER) Plus⁷, and we will work closely with the Government and industry to support the implementation of this agreement.

Recognising the significant threat that **climate change** poses to the ongoing development and well-being of Vanuatu, we aim to apply a climate change lens to all the activities in our programme. This is also an important area of political cooperation, and we will continue to seek opportunities to partner with Vanuatu and other Pacific countries to advocate for global action to address climate change.



Equity and inclusion is another area that we want to consider across our development programme. Our work in Vanuatu includes targeted efforts to promote better gender equality and inclusion. This includes our support for UN Women and the Vanuatu Department of Women's Affairs to combat gender based-violence, and our support for the Wan Smol Bag's work with diverse communities in Vanuatu. We are also working with Vanuatu to ensure that disaster response and recovery work better addresses the needs of

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⁷ <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/pacer-plus/>



marginalised groups. For example, we are providing funding to the Vanuatu Society for People with Disability.

Our strategic goals and outcomes in Vanuatu are also supported through non-bilateral programmes including multilateral, humanitarian, scholarships and partnerships programmes that may be working outside of key thematic areas identified in this 4YP. Alongside the bilateral programme, non-bilateral programmes have a key role in realising strategic goals and outcomes.

Achieving development outcomes that are effective, inclusive, resilient and sustained

New Zealand's International Cooperation for Effective, Sustainable Development policy statement identifies four development principles that guide New Zealand's work with partner countries: effective, inclusive, resilient and sustained⁸.

Effective development is values driven, partnership focused, adaptive, outcomes-focused, and evidence-based.

In Vanuatu we deliver effective development outcomes by: working through Vanuatu Government systems and with Vanuatu Government-led designs where possible; aligning our reporting with Vanuatu Government frameworks; maintaining flexibility to respond to changing needs (especially as a result of natural disasters); and regularly evaluating and monitoring progress to ensure our approach is working.

Inclusive development addresses exclusions and inequality created across all dimensions of social identity, while promoting human rights, and equitable participation in the benefits of development.

In Vanuatu we deliver inclusive development outcomes by: working closely with the Vanuatu Department of Women's Affairs; supporting fair and equitable participation in electoral processes; and working to identify and better address the needs of diverse groups as part of our disaster response work.

Resilient development supports the environment, economy and societies to withstand shocks and manage crises while protecting future well-being.

In Vanuatu we deliver resilient development outcomes by: applying a climate change lens to all our development activities; supporting economic resilience through budget support; and working to 'build back better' in response to natural disasters.

Sustained development enables lasting progress and is locally owned to uphold results in the long term.

⁸ <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>



In Vanuatu we deliver sustained development outcomes by: empowering central government through reliable funding; working at a systems level; focusing on developing local capabilities; and embedding systems and processes.

How we put this plan into action

To operationalise this 4YP and therefore contribute to achievement of agreed goals New Zealand uses a range of actions and works with multiple partners.

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, Aotearoa New Zealand, other key bilateral partners and donors, and the wider region.

International development cooperation funding for this 4YP is managed over a three year period. Over this period, there is flexibility to move funds into and between 4YPs in order to respond to rapidly changing contexts. Current information about New Zealand's International Development Cooperation appropriation is on the MFAT website⁹.

Goal One: A more effective and inclusive State

Aotearoa New Zealand recognises Vanuatu's strong commitment to improving governance and strengthening public service delivery. We will work in partnership with Vanuatu to achieve these objectives and will maintain regular dialogue to support this process.

Our work to achieve our first strategic goal draws on technical and thematic expertise from within MFAT and New Zealand Government agencies including New Zealand Police, New Zealand Department of Corrections, Pacific Public Service Fale, Ombudsman's office, Local Government New Zealand, and the Ministry of Justice. We recognise the value of agency-to-agency connections and the importance of sharing expertise, and will facilitate this wherever possible.

Key indicators of progress

Goal One:
A more effective
and inclusive State

- Improved rating by World Bank Governance Indicator of Government Effectiveness¹⁰

⁹ www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/

¹⁰ <https://info.worldbank.org/governance/wgi/>



- Increased proportion of seats held by women in national parliaments and local governments (SDG 5.5.1)¹¹
- Annual decrease in number of Magistrate and Supreme Court pending cases¹², indicating more efficient processing

Goal Two: Greater shared prosperity

Our work to achieve our second strategic goal draws on technical and thematic expertise from within MFAT and New Zealand Government agencies including the Ministry for Primary Industries and Ministry of Business, Innovation and Employment. We will seek to be aligned with other donors, particularly those with development activities in agriculture, and will ensure our activities support the Vanuatu Government to reach its economic goals.

We recognise the shared value of Vanuatu's participation in the RSE scheme, and we are committed to exploring ways to increase the benefits for those taking part in this scheme and for the Vanuatu economy as a whole. We also acknowledge the impact that climate change has on Vanuatu's continued development, and will continue to work with Vanuatu and other regional partners to encourage global action and improve Vanuatu's climate resilience and preparedness. We will support Vanuatu to meet its commitments under the Paris Agreement.

Key indicators of progress

- | | |
|----------------------------------|---|
| Goal Two: | • New export pathways from Vanuatu to Aotearoa New Zealand |
| Greater shared prosperity | • Increased access to climate finance (SDG 13.a.1) |
| | • Increased annual growth rate of real GDP per capita (SDG 8.1.1) |
| | • Decreased proportion of youth (aged 15-24 years) not in education, employment or training (SDG 8.6.1) |

Goal Three: A mature and dependable partnership

Our work to achieve this goal will draw on expertise from within MFAT and New Zealand Government agencies. We will continue to encourage greater and more meaningful connections between the Governments of Vanuatu and Aotearoa New Zealand, including through increased high-level engagement and our annual high-level consultations. Regular dialogue at officials' level will ensure we each have a good understanding of each other's needs and priorities, and can respond to meet changing circumstances. We will also work to deliver our development activities through Vanuatu systems wherever possible. We will work together at international fora to advocate for action on shared policy priorities, including action on climate change and human rights.

¹¹ The Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The 17 SDGs are defined in a list of 169 SDG Targets. Progress towards these Targets is agreed to be tracked by 232 unique Indicators. <https://sdgs.un.org/goals>

¹² This is an indicator used by Vanuatu in its Annual Development Report, at <https://www.gov.vu/index.php/resources/development-reports>



Key indicators of progress

Goal Three:	<ul style="list-style-type: none"> Increased number of high-level engagements between Aotearoa New Zealand and Vanuatu Greater proportion of New Zealand development funding delivered through Vanuatu Government systems
A more mature and dependable partnership	

How we assess progress against this plan

We report back on progress towards our goals in the Pacific overall via MFAT's Annual Report¹³. We also report back on this 4YP to the Government of Vanuatu via our Annual High Level Consultations and through regular engagement at officials' level. This not only gives us an opportunity to discuss what has been achieved in partnership, but also to test whether our plan remains fit-for-purpose or we need to change anything.

Shared progress against the key indicators listed for each strategic goal help us to monitor progress at the highest level. We also support and use country-owned statistics and data to monitor progress at the macro level and therefore will not develop a separate country-level measurement framework.

In addition, we monitor and evaluate our development activities in Vanuatu and other Pacific Island countries to ensure their effectiveness and ongoing strategic alignment. The results and any lessons learned from this process are compiled annually and fed into an Annual Reflection discussion and report on progress against the 4YP outcomes. This in turn informs the annual updates of the 4YPs.

Every 6-8 years we will commission an independent evaluation of MFAT's overall engagement in Vanuatu in partnership with the Government of Vanuatu. This evaluation, which will consider progress against outcomes, the challenges and any lessons learned, will inform continued improvement.

For further information

Contact details for the New Zealand High Commission to Vanuatu are available on the MFAT website¹⁴. 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/

¹³ <https://www.mfat.govt.nz/en/about-us/mfat-annual-reports/>

¹⁴ <https://www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/vanuatu/new-zealand-high-commission-to-vanuatu/>





Appendix: Logic diagram for Vanuatu 4 Year Plan

