

1. Relevance of Assistance

The objective of ODA is to contribute to the economic development and to improve the welfare of developing nations so as to create a world where all people can live in harmony and in peace. Many Island Countries including Vanuatu face challenges, such as geographical dispersion, small-scale economy and the lack of easy access to international markets ensuing barriers to their economic development.

In recent years, the Government of the Republic of Vanuatu has made commendable efforts in the development of industries, in particular tourism. Consequently, the number of tourists has been on the rise and economic growth continues to be sustainable. On the other hand, delay in the development of economic infrastructure has a hampering “effect” on the economic development for industries such as tourism and agriculture, and investment from overseas.

The Republic of Vanuatu faces numerous other issues such as mortality rates caused by infectious diseases resulting in deaths due to poor health care and medical services, attributed to rapid urban migration. Also, the deteriorating environment condition deriving from inappropriate garbage disposal, lack of coastal marine resources from aggravated indiscriminate fishing and frequent natural disasters such as cyclones, flood tide, earthquake and volcanic eruption. It is imperative to overcome these weaknesses in order to revitalize social and economic development.

The Government of the Republic of Vanuatu embraces a healthy relationship with Japan since Vanuatu’s independence in 1980. Therefore, it is essential that the Government of Japan continues to support and encourage the efforts of the Republic of Vanuatu’s self reliance and sustainable development and reinforce a dynamic relationship between the Republic of Vanuatu and Japan.

2. Basic Policy of Assistance: Accomplishment of Sustainable Economic Growth with Environmental Consideration and Improvement of Living Standards

The Government of Japan has been providing assistance to the Republic of Vanuatu, prioritizing in the field of strengthening economic growth through the development of economic infrastructure. Specific importance are also placed on the improvement of basic social welfare, as well as environment conservation and adaptation measures in climate change based on the Government of Vanuatu's Priority and Action Agenda (PAA) and the assistance policy of the Government of Japan adopted during the Pacific Leaders Meeting (PALM) which has been held every 3 years since 1997.

### 3. Priority Areas

#### (1) Overcoming Vulnerability

The Government of Japan provides support to the Republic of Vanuatu focusing predominantly on the field of economic infrastructure, particularly port facilities to strengthen import and export industries for the accomplishment of sustainable economic growth. In addition, the Government of Japan provides support towards the diversification of industries, such as the vitalization of rural industries centered on primary industries which is engaging 80% of the total population, as well as the improvement of immunization and infectious disease control measures for eradicating Filariasis until 2020. Furthermore, priority is placed on the improvement of health and medical services by way of providing training to medical personnel and on the enhancement of basic academic skills in the area of science and mathematics.

#### (2) Environment / Climate Change

The Government of Japan provides support to the Republic of Vanuatu focusing mainly on the field of environment conservation with the purpose of improving environment friendly living standards and public health, through proper garbage disposal in the city and proper coastal fisheries resource management. Additionally, the Government of Japan renders support to adaptation measures applied in climate change and natural disasters such as cyclone, flood tide, earthquake and volcanic eruption.

### 4. Point to be considered

The Government of Japan engages in efforts to implement effective and efficient exchange of views positively with Australia and USA as main donors to Vanuatu as well as other countries to avoid duplication of support and to produce a synergistic effect with respect to each aid. In this regard, the Government of Japan has signed the “Joint Partnership Agreement for Vanuatu’s Education Road Map” in September of 2010 and the “Vanuatu Health Joint Partnership Agreement” in February of 2011 for improving Aid-donor coordination.

The Government of Japan is attentive to the proper management and disbursement of Vanuatu’s capital by the Government of Vanuatu for its sustainable economic growth, by balancing its spending on both, social service and economic infrastructure.

Annex: Rolling Plan for Vanuatu

## Rolling Plan for the Republic of Vanuatu

As of April 2012

Basic Policy of Assistance	Accomplishment of Sustainable Economic Growth with Environmental Consideration and Improvement of Living Standards
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Priority Area 1		Overcoming Vulnerability													
Development Issue 1-1	<p>[Background and current situation] Vanuatu is maintaining its economic growth with a healthy financial management system and has maintained a growth rate close to 4 % after the recent financial crisis in 2009. There are some potential development areas in tourism and agriculture, but insufficient economic infrastructure hinders economic activities and industrial promotion. Moreover, Vanuatu faces natural disasters such as cyclones, earthquakes, and volcanic eruption, damaging economic infrastructure and the lack of financial and human resources prevents the economic infrastructure from being sufficiently maintained. The Government of Vanuatu prioritizes for the continuous economic growth and two of the seven priority areas in "Vanuatu Government's Priority and Action Agenda (PAA)" related to this sector are; "Private Sector Development and Employment Creation", and "Economic Infrastructure and Support Services". In Vanuatu, approximately 80 percent of the population live in rural area, and rely on subsistence primary industries. In "PAA", this is the "Primary Sector Development (natural resources and the environment)", which attempts to diversify the industry to focus on the agricultural sector in turn creates a realization of an economy which does not depend only on tourism. There is also the "Provision of Better Basic Services, especially in rural areas" in the "PAA" since there has been an enlarged urban-rural disparity due to the increase in the number of people moving from the rural areas to the urban centers in recent years. Industrial diversification and rural development are urgent needs and are key factors in addressing these issues.</p>					<p>[Strategy] Japan contributes towards promoting further industrial and economic development through supporting capacity development for the efforts to diversify the country's industry as well as the improvement and maintaining of traffic infrastructure. Japan also contributes towards the improvement of living standard to facilitate the reduction in urban-rural disparity through support of the field of basic human needs such as improvement of water supply facilities.</p>									
	Japan's Assistance Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	Note			
Strength of Economic Growth	Economic Infrastructure Improvement and Maintenance Program	This program provides technical assistance for sustainable management of transport infrastructure development sector such as roads and ports, which are fundamental to economic development through Japan's Volunteer and Training scheme. This program also provides assistance towards improving living standards of rural residents through Training and the Grant Assistance for Grass-roots Human Security Projects (GGP) scheme with a focus primarily on rural water supply improvement.	Project for Improvement of Port Vila International Multi-purpose Wharf Development	PS											
			Capacity Building in Maintenance of Construction Equipments	TCP											
		Volunteer Programme for Economic Infrastructure Improvement and Maintenance (6)	JOCV/SV												
		Trainings for Economic Infrastructure Improvement and Maintenance (2)	TR												
		Workshops for the Pacific Island Countries	ML	●										APT	
	Industrial Promotion Programme	Rural industry development is supported technically through the Volunteers and Training programmes.	Volunteer Programme for Rural Development (3)	JOCV/SV											
			Trainings for Rural Development (3)	TR											
			Futuna Island Community Based Development Plan	JPP											
		Expanding Access to Financial Services	ML	●								US\$600,000	ADB (JSF)		



Priority Area 2 Environment and Climate Change												
Development Issue 2-1	[Background and current situation] Comprehensive Reform Programme (CRP) recognizes the importance of environmental protection, and states that everyone is responsible to handover abundant environmental heritage to the next generation. Deteriorating environment degradation caused by population growth and the increasing amount of waste (solid and sewage) is becoming more serious, particularly in urban areas. The national solid waste management plan is difficult to move forward since waste management is a cross-cutting issue across many different sectors due to its potential to hamper progressive development. Marine resource management is also an area of concern. Although there are existing traditional marine resource management systems such as taboo areas which are closed for fishing, they have been weakened by the introduction of money economy and increasing population growth pressure, some marine resources have started to face depletion.				[Strategy] Japan provides support to the improvement of waste management and the promotion of solid waste reduction with the appropriate waste disposal method and the 3Rs (Reduce, Reuse and Recycle) initiative. Japan has also assisted in resource management and the improvement of living standards through promoting Government and communities to maintain and utilize coastal fishery resources.							
	Japan's Assistance Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	Note
Environmental Conservation	Support Programme for Development of Circulatory Communities in the Island Country	Based on the result of the technical cooperation for "the project on improvement of Bouffa landfill", this program provides assistance to reduce emissions of waste and strengthen the waste management level capacity of both the Government and Province by way of combination of the regional technical cooperation project since its commencement in 2010, Volunteer, Training and GGP schemes.	Japanese Technical Cooperation Project for Promotion of Regional Initiative on Solid Waste Management in Pacific Island Countries	TCP								Regional (Samoa based, 11 countries)
			Volunteer Programme for Environmental Education (1)	JOCV								
			Garbage truck, Excavator and Weighbridge etc.	GHGA								
			Trainings for Improvement of Waste Management (4)	TR								
	Programme for Environmental Conservation	This program provides assistance in improving living conditions in coastal areas and the people's capacity to maintain and utilize coastal fishery resources, through the technical cooperation project "Grace of the Sea Project (Phase II)", Volunteers and Training schemes.	The Project for Promotion of the Grace of the Sea in Coastal Village Phase 2	TCP								
			Trainings for Environmental Conversation (1)	TR								
Development Issue 2-2	[Background and current situation] Natural Disasters; Earthquakes, Tsunamis and Cyclones occur frequently in the Pacific and Vanuatu for one has suffered major damages from this including volcanic eruption. Natural disaster management was added as a priority agenda upon revision of Priorities and Action Agenda (PAA) in 2006. National Disaster Management Office and Vanuatu Meteorology and Geohazards Department have been working in close cooperation with each other in trying to strengthen the disaster management system, however, the disaster warning system has not been fully developed and communities have low awareness for natural disasters. One of the challenges that the country is facing is identifying and implementing adoption measures in climate change and disaster management.				[Strategy] Japan contributes towards strengthening government capacity to improve disaster management systems as part of its measure to mitigate climate change.							
	Japan's Assistance Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	Note
Climate Change	Programme for Disaster Management	This program provides assistance to strengthen natural disaster prevention systems and capacity development of disaster management through schemes of Training and infrastructure development for meteorological warning systems	Improvement of Equipment for Disaster Risk Management	GA							3.00	
			Seismic Network Project	TCP								
			Third-country Trainings for Meteorology in the Pacific	TTR								
			Trainings for Disaster Management	TR								
			Improvement of resilience and coping capacity in communities to climate change and natural disasters	ML	●	●	●					3.0
			Mainstream for the reduction of disaster risk in Vanuatu	ML	●	●	●					US\$2,998,000
			Workshop for Disaster Management	ML	●							

Legend: [PS] = Preparatory Survey, [DD] = Detailed Design by TARTOL, [TCP] = Technical Cooperation Project, [TCDP] = Technical Cooperation for Development Planning (and Development Study), [EXP] = Expert, [EQ] = Equipment, [CTR] = Country-focused Training, [TR] = Issue-based Training / Training Program for Young Leaders, [JOCV] = Japan Overseas Cooperation Volunteers, [SV] = Senior Volunteers, [TEXP] = Third-country Expert, [TTR] = Third-country Training, [STC] = Science and Technology Cooperation on Global Issues, [JPP] = JICA Partnership Program, [xx-TA] = Technical Assistance implemented by organizations other than MOFA and JICA, [GA] = Grant Aid (other than specific grant aid schemes listed below), [NPGA] = Non-Project Grant Aid, [GHGA] = Grassroots Human Security Grant Aid, [JNGA] = Grant Aid for Japanese NGO's Projects, [CGA] = Cultural Grant Aid, [GCGA] = Grassroots Cultural Grant Aid, [LA] = Loan Aid (ODA Loan), [ML] = Multilateral Cooperation, [TARTOL] = Technical Assistance Related To ODA Loan, Solid Line [-----] = Schedule, Dash Line [- - - -] = Tentative Schedule