

**REPUBLIQUE
DE
VANUATU**

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LOI NO. 13 DE 1999 RELATIVE AU CONSEIL
NATIONAL DE LA FORMATION DE VANUATU.

NOTIFICATION OF PUBLICATION

ACTS

THE VANUATU NATIONAL TRAINING
COUNCIL ACT NO. 13 OF 1999.

THE GOVERNMENT OF THE REPUBLIC OF
VANUATU -

THE 2000 FINANCIAL, ECONOMIC AND
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REPUBLIC OF VANUATU

THE
VANUATU NATIONAL TRAINING COUNCIL
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REPUBLIC OF VANUATU

Assent: 10.09.99
Commencement: 18.10.99

THE
VANUATU NATIONAL TRAINING COUNCIL
ACT NO.13 OF 1999

An Act to establish the Vanuatu National Training Council and for related purposes.

BE IT ENACTED by the President and the Parliament as follows:

PART 1 - PRELIMINARY

INTERPRETATION

1. In this Act, unless the contrary intention appears:

“Council” means the Vanuatu National Training Council established under section 2;

“course” means any vocational education or training course, whether formal or informal, and includes a professional education course;

“course provider” means an individual or body (incorporated or unincorporated) that provides a course;

“local authority” means a local government council or a municipal council;

“member” means a member of the Council;

“Minister” means the Minister responsible for matters relating to education;

“register” means the register established under section 22.

PART 2 – VANUATU NATIONAL TRAINING COUNCIL

Division 1 – Establishment, functions and powers

ESTABLISHMENT OF THE VANUATU NATIONAL TRAINING COUNCIL

2. (1) The Vanuatu National Training Council is established.
- (2) The Council:
 - (a) is a body corporate with perpetual succession; and
 - (b) is to have a common seal; and
 - (c) may sue and be sued in its corporate name.

FUNCTIONS OF THE COUNCIL

3. The Council has the following functions:
 - (a) to promote and co-ordinate effective vocational education and training at all levels within the community, and to provide advice to the Minister on the costs and financing of vocational education and training;
 - (b) to provide advice to the Minister on the allocation of funds from foreign donors in the area of vocational education and training;
 - (c) to provide advice to the Minister on the objectives and role of, and relationships between, course providers;
 - (d) to adopt a relevant and inclusive national training structure, including multiple skill levels and associated qualifications;
 - (e) to encourage the adoption of national skill standards with advice from appropriate industry based groups;
 - (f) to accredit courses and to authorise course providers (both public and private sector providers) to display a seal denoting nationally accredited quality training for accredited courses;

- (g) to advise on proposed legislation establishing vocational education or training schemes, including workplace training and work experience for students;
- (h) to report and provide advice to the Minister on the funding of vocational education and training activities;
- (i) to provide information on the availability of accredited courses;
- (j) to support research to determine the labour market and training needs of Vanuatu;
- (k) to encourage course providers, including employers, to seek accreditation of their courses under this Act;
- (l) to set up a process to monitor institution and certificate standards;
- (m) such other functions as are conferred on it by or under this Act or any other Act;
- (n) such other functions as the Minister may prescribe by notice in the *Gazette*.

POWERS OF THE COUNCIL

- 4. (1) The Council has power to do all things necessary or convenient to be done for or in connection with the performance of its functions.
- (2) Without limiting subsection (1), the powers include the following:
 - (a) to enter into contracts;
 - (b) to acquire, hold and dispose of real and personal property;
 - (c) to do anything incidental to any of the powers specified in this subsection or otherwise conferred on the Council.

COUNCIL TO HAVE REGARD TO GOVERNMENT POLICY

- 5. In the performance of its functions and in the exercise of its powers, the Council must have regard to the policy of the government in relation to vocational education and training.

Division 2 - Membership

COMPOSITION OF THE COUNCIL

6. (1) The Council consists of 8 members.
- (2) The members must include:
 - (a) a person from the Ministry responsible for vocational education and training; and
 - (b) a person from the Ministry responsible for labour; and
 - (c) a representative of the Vanuatu Chamber of Commerce and Industry; and
 - (d) a representative of the non-formal education sector nominated by the Vanuatu Rural Development and Training Centers Association; and
 - (e) the principal of the Vanuatu National Institute of Technology; and
 - (f) a representative of the Ministry responsible for women's affairs; and
 - (g) a representative of the Vanuatu National Council of Women; and
 - (h) a representative of tertiary institutions in Vanuatu.
- (3) At least 2 members of the Council must be women.
- (4) The Minister is, in consultation with a senior representative from his or her Ministry, the Commissioner for Labour and the Vanuatu Chamber of Commerce and Industry, to appoint each member.
- (5) A member holds office for 3 years and is eligible for reappointment.
- (6) A person may hold office as a member concurrently with any other office.
- (7) A person must not be appointed as a member if he or she:
 - (a) is a member of Parliament or a member of a local authority; or

- (b) is insolvent or an undischarged bankrupt; or
 - (c) is a person having professional qualifications and is disqualified or suspended from practising his or her profession for misconduct.
- (8) A member of the Council is a leader within the meaning of the Leadership Code Act No. 2 of 1998.

CHAIRPERSON AND DEPUTY CHAIRPERSON

7. (1) The members of the Council must select a member to be the Chairperson and another member to be the Deputy Chairperson.
- (2) The Chairperson and Deputy Chairperson each hold office for a term of 3 years and are eligible for reappointment.
- (3) The Chairperson and Deputy Chairperson may resign his or her office by giving a written resignation to the Council.

REMOVAL OF MEMBERS AND ACTING MEMBERS

8. (1) The Minister may, with the approval of the Council of Ministers, remove a member if he or she:
- (a) becomes a member of Parliament or a member of a local authority; or
 - (b) is convicted of an offence and sentenced to imprisonment for 3 months or longer; or
 - (c) is absent from 3 consecutive meetings without the leave of the Council; or
 - (d) becomes insolvent or an undischarged bankrupt; or
 - (e) is a person having professional qualifications and becomes disqualified or suspended from practicing his or her profession for misconduct.
- (2) A member may resign by giving his or her resignation in writing to the Minister.

- (3) The Council may appoint a person to act as a member if the member is absent from Vanuatu or is for any reason unable to perform his or her duties. A person must not be appointed to act for more than 3 months.

TERMS AND CONDITIONS

9. (1) A member is not to be paid any fees, salary or allowances for being a member of the Council.
- (2) However, a member must be reimbursed for all reasonable out of pocket expenses, including travel costs, incurred by the member in connection with the performance of his or her duties as a member of the Council.

DISCLOSURE OF INTERESTS

10. A member who:
 - (a) has a personal business interest in a matter under consideration by the Council; or
 - (b) is likely to have a conflict of interest in relation to the matter;must disclose that interest to the Council in accordance with section 16 of the Leadership Code Act No.2 of 1998.

Division 3 - Meetings and procedures

MEETINGS OF THE COUNCIL

11. (1) The Council must hold such meetings as are necessary for the performance of its functions.
- (2) At a meeting a quorum consists of 5 members.
- (3) Questions arising at a meeting are to be determined by a majority of the votes of the members present and voting.
- (4) If the voting at a meeting is equal, the person presiding at the meeting has a casting vote.

- (5) A resolution in writing signed by not less than 5 members is valid and effective as if it had been passed at a meeting of the Council.

COUNCIL MAY REGULATE ITS PROCEDURES

12. Subject to this Act, the Council may determine and regulate its own procedures.

Division 4- Consultative Committee and other committees

CONSULTATIVE COMMITTEE

13. (1) The Council must establish a Consultative Committee within 28 days after the commencement of this Act.
- (2) The Consultative Committee is to provide advice to the Council about:
- (a) matters of policy and strategic planning relating to vocational education and training; and
 - (b) such other matters as the Council may request.
- (3) The Consultative Committee must meet at least 2 times a year and determine its own procedures.
- (4) The Consultative Committee must have one representative from each of the following bodies:
- (a) the Ministry responsible for rural business development;
 - (b) the Ministry responsible for industry and trade;
 - (c) the Ministry responsible for women's affairs;
 - (d) the Vanuatu National Council of Women;
 - (e) the Vanuatu Chamber of Commerce and Industry;
 - (f) the Vanuatu Council of Trade Unions;
 - (g) the Vanuatu Rural Development and Training Centres Association;
 - (h) the Church Schools;

- (i) the Vanuatu Christian Council;
 - (j) the Council of Chiefs – Malvatumauri;
 - (k) the Public Service Commission;
 - (l) the Vanuatu National Institute of Technology;
 - (m) the University of the South Pacific;
 - (n) the Agence Universitaire de La Francophonie;
 - (o) the League of Credit Unions;
 - (p) any other interested Ministries;
 - (q) any other interested non-government organisations.
- (5) The Consultative Committee must have 2 representatives from the private sector.

OTHER COMMITTEES

14. (1) The Council may form such other committees as are necessary for the performance of its functions.
- (2) A committee is to determine its own procedures.
- (3) A committee may include among its membership persons who are not members of the Council or the Consultative Committee.

PART 3 - LIST AND REGISTER OF COURSES

LIST OF COURSES

15. (1) The Council must establish and maintain a list of courses.
- (2) The list may contain such information about a course as the Council considers appropriate.
- (3) The Council must encourage course providers to provide information about their courses to the Council on a regular basis.

THE REGISTER

16. (1) The Council must establish a register of accredited courses.
- (2) The register must include such information in relation to each accredited course as the Council determines in writing.
- (3) The Council is responsible for the form and maintenance of the register.
- (4) The Council must remove from the register any course that ceases to be an accredited course.
- (5) The Council may publish in the *Gazette* a copy of the register or part of the register.

ACCREDITATION

17. (1) A course provider may apply to the Council for accreditation of a course.
- (2) An application for accreditation of a course must:
 - (a) be in writing and in the form specified by the Council; and
 - (b) be accompanied by the fee prescribed by the regulations.
- (3) In deciding whether to approve an application, the Council must take into account the following matters:
 - (a) the extent to which the course meets the training needs of the Vanuatu community or labour market;

- (b) the extent to which the course will develop the vocational skills and competencies of students;
 - (c) the structure of the course and its assessment procedures;
 - (d) the financial, human and physical resources of the course provider, including security of students' fees, teachers, buildings, workshops, equipment and written materials;
 - (e) whether the level of training or tuition offered by the course is consistent with nationally and/or internationally accepted standards;
 - (f) any other matter that the Council considers relevant.
- (4) The Council must approve or reject an application within 28 days after the application is made. The Council must give written notice of its decision to the applicant within 14 days after making its decision.
 - (5) If the Council approves an application, the Council must enter details of the course on the register within 7 days after the approval is given.

PERIOD OF ACCREDITATION AND RENEWAL

- 18. (1) The accreditation of a course:
 - (a) remains in force for a period of one year or such longer period as the Council specifies in writing; and
 - (b) subject to subsection (2), may be renewed on payment of the fee prescribed by the regulations.
- (2) The Council must not renew an accreditation unless it is satisfied that the course continues to meet standards acceptable to the Council.

COUNCIL MAY ACCREDIT A COURSE WITHOUT APPLICATION

- 19. (1) The Council may, by determination in writing, accredit a course without an application for accreditation being made.
- (2) If the Council makes a determination accrediting a particular course, the Council must enter the course on the register as if an application for accreditation of the course had been made and approved.

COURSE PROVIDER TO NOTIFY COUNCIL OF CHANGES

20. (1) The provider of an accredited course must, within one month after any changes are made to the course that might affect its accreditation, inform the Council in writing of the changes.
- (2) A person who fails to comply with subsection (1) is guilty of an offence punishable on conviction by a fine not exceeding 250,000 Vatu.

OFFENCE TO PROVIDE FALSE INFORMATION ABOUT A COURSE

21. A course provider who provides false or misleading information about a course to the Council is guilty of an offence punishable on conviction by a fine not exceeding 500,000 Vatu.

APPEAL RIGHTS

22. (1) If the Council rejects an application for accreditation of a course, the applicant may appeal to the Minister for a review of the decision.
- (2) The appeal must be in writing and the appellant must lodge the appeal with the Minister within 14 days after receiving notice of the Council's decision under subsection 17(4).
- (3) The Minister may confirm, vary or revoke the Council's decision and must give written notice of his or her decision to the appellant.

PART 4 – FINANCIAL MATTERS

FUNDS OF THE COUNCIL

23. (1) The funds of the Council consist of:
- (a) money received by way of fees and charges paid to the Council;
and
 - (b) any other money received by the Council from any other sources.
- (2) The Council is to open and maintain such bank accounts as it considers necessary.
- (3) The funds of the Council are to be paid to the credit of such of its bank accounts as the Council determines.
- (4) The funds of the Council are to be applied:
- (a) in payment or discharge of the expenses, charges and obligations incurred or undertaken by the Council in the performance of its functions or the exercise of its powers; and
 - (b) in payment of any remuneration payable by the Council.
- (5) The Council may invest any money that is not required for the performance of its functions.

COUNCIL TO KEEP PROPER ACCOUNTS

24. (1) The Council must keep proper accounting records in relation to its financial affairs, and must have annual statements of account prepared for each financial year.
- (2) The Council's accounts for each financial year must be audited within 3 months after the end of the financial year by the Auditor General or a person authorised by the Auditor General.

PART 5 – EXECUTIVE OFFICER AND STAFF

EXECUTIVE OFFICER

25. (1) The Council must appoint a person as the Executive Officer of the Council.
- (2) The person appointed as the Executive Officer must:
- (a) be appointed on merit; and
 - (b) be able to demonstrate relevant experience and competence in vocational education and training matters.
- (3) The Executive Officer is to be appointed for a period of at least 3 years and may be reappointed.

FUNCTIONS AND POWERS OF THE EXECUTIVE OFFICER

26. The Executive Officer has the following functions:
- (a) to manage the continuing development of the Vanuatu national training structure;
 - (b) to implement and evaluate accreditation procedures;
 - (c) to promote and market the Council;
 - (d) to prepare high quality reports to assist the Council in undertaking its functions;
 - (e) such other functions as are specified by the Council.

TERMS AND CONDITIONS

27. The Council must determine the terms and conditions of appointment of the Executive Officer not provided for by this Act.

STAFF OF THE COUNCIL

28. (1) The Council is to have such staff as are necessary for the Council to perform its functions having regard to the budget of the Council.
- (2) Staff of the Council:
- (a) are to be appointed by the Council on merit, and on similar terms and conditions applicable to employees of the Public Service within the meaning of the *Public Service Act No.11 of 1998*; or
 - (b) may be seconded to the Council by ministries, departments or agencies of the government; or
 - (c) may be provided to the Council by organisations other than the government and funded by those organisations.
- (3) The *Public Service Act No.11 of 1998* does not apply to staff referred to in paragraph (2)(a) or (c).

PART 6 – MISCELLANEOUS

ANNUAL REPORT

29. (1) The Council must, within 90 days after the end of each financial year of the Council, give a report to the Minister relating to the operations of the Council for that year.
- (2) The Minister must table a copy of the report in the Parliament within 14 sitting days of the Parliament after receiving the report.

REGULATIONS

30. (1) The Minister may, by Order in writing, make regulations prescribing all matters:
 - (a) required or permitted by this Act to be prescribed; or
 - (b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.
- (2) The Minister must make regulations on the advice of the Council.

COMMENCEMENT

31. This Act commences on the day on which it is published in the *Gazette*.

RÉPUBLIQUE DE VANUATU

LOI NO.13 DE 1999 RELATIVE AU CONSEIL NATIONAL DE LA FORMATION DE VANUATU

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RÉPUBLIQUE DE VANUATU

Promulguée: 10.09.99

Entrée en vigueur: 18.10.99

LOI NO.13 DE 1999 RELATIVE AU CONSEIL NATIONAL DE LA FORMATION DE VANUATU

Portant institution du Conseil National de la Formation de Vanuatu et réglementation de toutes fins connexes.

Le Président de la République et le Parlement promulguent le texte suivant :

TITRE 1 - DISPOSITIONS PRÉLIMINAIRES

DÉFINITION

1. Dans la présente loi, sous réserve du contexte :

“Conseil” désigne le Conseil National de la Formation de Vanuatu institué en vertu de l'article 2 ;

“Formation” désigne toute formation professionnelle ou stage, traditionnels ou non, et comprend tout stage de formation supérieure ;

“Dispensateur de formation” désigne toute personne ou entité (constituée ou non en personne morale) assurant la formation ;

“Collectivité locale” désigne un conseil provincial ou municipal ;

“Membres” désigne les membres du Conseil ;

“Ministre” désigne le Ministre responsable de l'Éducation ;

“Registre” désigne le registre créé en vertu l'article 22.

TITRE 2 - CONSEIL NATIONAL DE LA FORMATION DE VANUATU

Sous-titre 1 - Institution, fonctions et pouvoirs

INSTITUTION DU CONSEIL NATIONAL DE LA FORMATION DE VANUATU

2. 1) Il est créé le Conseil National de la Formation de Vanuatu.
- 2) Le Conseil :
 - a) est une personne morale à succession perpétuelle ; et
 - b) est doté d'un sceau ; et
 - c) peut ester en justice sous sa raison sociale.

FONCTIONS DU CONSEIL

3. Le Conseil a pour fonctions :

- a) de promouvoir et coordonner un enseignement et une formation professionnels et efficaces à tous les niveaux au sein de la communauté, et de conseiller le Ministre en ce qui concerne les coûts et le financement de l'enseignement et de la formation professionnels ;
- b) de conseiller le Ministre sur la répartition des fonds alloués par les bailleurs de fonds étrangers dans le domaine de l'enseignement et de la formation professionnels ;
- c) de conseiller le Ministre sur les objectifs et le rôle des organismes dispensateurs de formation et les relations entre eux ;
- d) d'adopter un système national de formation générale et pertinente y compris des qualifications polyvalentes de divers niveaux ainsi que des qualifications connexes ;
- e) d'encourager l'institution de normes nationales de qualification après consultation des groupes d'entreprises appropriées ;
- f) d'homologuer des programmes de formation et autoriser les organismes dispensateurs de formation (aussi bien publics que privés), à utiliser un sceau attestant une formation de qualité reconnue à l'échelon national pour des programmes de formation homologuée ;
- g) d'apporter conseil sur le projet de législation visant à instituer l'enseignement ou la formation professionnels, y compris la formation en cours d'emploi et une expérience professionnelle pour les étudiants ;
- h) de rendre compte au Ministre et de le conseiller sur le financement d'activités relatives à l'enseignement et la formation professionnels ;
- i) de fournir des renseignements sur les programmes de formation homologuée disponibles ;
- j) de soutenir les recherches en vue de cerner les besoins du marché de l'emploi et les besoins en matière de formation à Vanuatu ;
- k) d'encourager les organismes dispensateurs de formation, y compris les employeurs, à faire homologuer la formation qu'ils dispensent en vertu de la présente loi ;
- l) de mettre en place un processus permettant d'assurer le suivi des normes des institutions et des certificats ;
- m) d'assumer d'autres fonctions telles qu'elles pourront être conférées par ou en vertu de la présente ou de toute autre loi ;
- n) d'assumer d'autres fonctions telles que le Ministre peut ordonner par arrêté publié au Journal officiel.

POUVOIRS DU CONSEIL

- 4. 1) Le Conseil est habilité à faire tout ce qui est nécessaire ou opportun à l'accomplissement de ses fonctions.
- 2) Sans limiter la portée du paragraphe 1), le Conseil est habilité à :
 - a) passer des contrats ;
 - b) acquérir, posséder et disposer des biens meubles et immeubles ;

- c) faire tout ce qui peut résulter des pouvoirs stipulés au présent paragraphe ou conférés par ailleurs au Conseil.

CONSIDÉRATION DE LA POLITIQUE GOUVERNEMENTALE PAR LE CONSEIL

5. Le Conseil doit, dans l'accomplissement de ses fonctions et pouvoirs, prendre en considération la politique gouvernementale en ce qui concerne l'enseignement et la formation professionnels.

Sous-titre 2 - Membres du Conseil

COMPOSITION DU CONSEIL

6. 1) Le Conseil se compose de huit (8) membres.
- 2) Le Conseil doit compter parmi ses membres :
- a) un agent du Ministère responsable de l'enseignement et la formation professionnels ;
 - b) un agent du Ministère responsable de l'Inspection du travail ;
 - c) un représentant de la Chambre de Commerce et d'Industrie ;
 - d) un représentant du secteur de l'enseignement non officiel nommé par l'Association des Centres de Formation et du Développement Rural de Vanuatu ;
 - e) le Directeur de l'Institut National de Technologie de Vanuatu ; et
 - f) un représentant du Ministère responsable de la Condition féminine ;
 - g) un représentant du Conseil National des Femmes de Vanuatu ; et
 - h) un représentant de l'enseignement supérieur à Vanuatu.
- 3) Deux membres, au moins, doivent être de sexe féminin.
- 4) Le Ministre doit nommer chaque membre après consultation d'un haut responsable de son Ministère, de l'Inspecteur du travail et de la Chambre de Commerce et d'Industrie.
- 5) Les membres sont nommés pour trois (3) ans et sont rééligibles ;
- 6) Les membres du Conseil peuvent cumuler les fonctions.
- 7) Nul ne peut être nommé membre du Conseil s'il :
- a) est député au Parlement ou membre d'une collectivité locale ; ou
 - b) est insolvable ou un failli non réhabilité ; ou
 - c) a des qualifications professionnelles mais a été rayé ou suspendu de sa profession pour conduite.
- 8) Les membres du Conseil sont des dirigeants aux termes de la loi No. 2 de 1998 sur le Code de Conduite des Hautes Autorités.

PRÉSIDENT ET VICE-PRÉSIDENT

7. 1) Les membres du Conseil élisent parmi eux un Président et un autre membre à titre de Vice-Président.
- 2) Le Président et le Vice-Président du Conseil sont élus pour trois ans et sont rééligibles.
- 3) Le Président et le Vice-Président peuvent démissionner de leur fonction en remettant par écrit leur démission au Conseil.

RÉVOCACTION DES MEMBRES ET MEMBRES INTÉRIMAIRES

8. 1) Le Ministre peut, avec l'approbation du Conseil des Ministres, mettre fin à la fonction de tout membre du Conseil s'il :
 - a) devient député du Parlement ou membre d'une collectivité locale ; ou
 - b) est reconnu coupable d'une infraction et condamné à une peine d'emprisonnement de trois (3) mois ou plus ; ou
 - c) s'absente lors de trois (3) réunions consécutives sans l'autorisation du Conseil ; ou
 - d) est insolvable ou un failli non réhabilité ; ou
 - e) a des qualifications professionnelles mais a été rayé ou suspendu de sa profession pour inconduite.
- 2) Un membre du Conseil peut démissionner en remettant sa démission au Ministre.
- 3) Le Conseil peut désigner une personne pour assurer l'intérim si un membre est absent de Vanuatu ou s'il n'est pas, pour une raison quelconque, en mesure d'accomplir ses fonctions. Une personne ainsi nommée ne peut assurer l'intérim au delà de trois (3) mois.

TERMES ET CONDITIONS

9. 1) Les membres du Conseil ne peuvent prétendre à aucuns honoraires, salaires ou indemnités.
- 2) Toutefois, toutes menues dépenses, y compris les frais de déplacement, encourus par un membre dans le cadre de l'accomplissement de ses fonctions, doivent lui-être remboursés.

DÉCLARATION D'INTÉRÊTS

10. Tout membre qui :
 - a) a un intérêt pécuniaire personnel dans une affaire considérée par le Conseil ; ou
 - b) est susceptible d'avoir un conflit d'intérêts dans cette affaire,doit en faire état au Conseil conformément à l'article 16 de la loi No. 2 de 1998 relative au Code de Conduite des Hautes Autorités.

Sous-titre 3 - Réunions et règlement intérieur

RÉUNIONS DU CONSEIL

11. 1) Le Conseil se réunit à chaque fois qu'il est nécessaire à l'accomplissement de ses fonctions.
- 2) Le Conseil doit, à chaque réunion, réunir un quorum de cinq (5) membres.
- 3) Les questions débattues au cours des réunions doivent être adoptées à la majorité des voix, des membres présents et votants.
- 4) En cas d'égalité des voix au cours d'une réunion, le Président du Conseil a voix prépondérante.
- 5) Toute délibération écrite signée par cinq (5) membres au moins, est valable et prend effet au même titre que des délibérations adoptées par le Conseil en réunion.

RÈGLEMENT INTÉRIEUR

12. Le Conseil peut, sous réserve de la présente loi, arrêter et élaborer son propre règlement intérieur.

Sous-titre 4 - Comité consultatif et autres comités

COMITÉ CONSULTATIF

13. 1) Le Conseil doit, dans les vingt-huit jours qui suivent la date d'entrée en vigueur de la présente loi, établir un Comité consultatif.
- 2) Le Comité consultatif a pour tâches de conseiller le Conseil sur :
 - a) des questions de planification stratégique et politique de l'enseignement et de la formation professionnels ; et
 - b) toutes autres questions que soulève le Conseil.
- 3) Le Comité consultatif doit se réunir au moins deux (2) fois par an et élaborer son règlement intérieur.
- 4) Les membres du Comité consultatif doivent être des représentants de chacun des organismes suivants :
 - a) le Ministère responsable du développement des entreprises en zones rurales;
 - b) le Ministère responsable du Commerce et de l'Industrie ;
 - c) le Ministère responsable de la Condition féminine ;
 - d) le Conseil National des Femmes de Vanuatu ;
 - e) la Chambre de Commerce et d'Industrie ;
 - f) l'Union Syndicale de Vanuatu ;
 - g) l'Association des Centres de Formation et de Développement Rural de Vanuatu

- h) des écoles confessionnelles ;
 - i) le Conseil national des églises de Vanuatu ;
 - j) le Conseil National des Chefs - Malvatumauri ;
 - k) la Commission de la Fonction publique ;
 - l) l'Institut National de Technologie de Vanuatu ;
 - m) l'Université du Pacifique Sud ;
 - n) l'Agence Universitaire de la Francophonie ;
 - o) la Fédération des Caisses Populaires de Vanuatu ;
 - p) tout autre Ministère concerné ;
 - q) toute autre organisation non gouvernementale concernée.
- 5) Le Comité consultatif doit également avoir deux représentants du secteur privé.

AUTRES COMITÉS

14. 1) Le Conseil peut établir d'autres comités selon qu'il estime nécessaires à l'accomplissement de ses fonctions.
- 2) Chaque comité établit son propre règlement intérieur.
- 3) Chaque comité peut être composé de personnes qui ne sont pas membres du Conseil ou du Comité consultatif.

TITRE 3 - LISTE ET REGISTRE DES PROGRAMMES DE FORMATION

LISTE DES PROGRAMMES DE FORMATION

15. 1) Le Conseil doit établir et tenir une liste des programmes de formation.
- 2) La liste peut contenir des renseignements que le Conseil estime utiles concernant les programmes de formation.
- 3) Le Conseil doit encourager les dispensateurs de formation à lui fournir des informations concernant les programmes de formation qu'ils dispensent à des intervalles réguliers.

REGISTRE

16. 1) Le Conseil doit établir un registre des programmes de formation homologuée.
- 2) Le registre doit contenir des informations concernant chaque formation homologuée selon que le Conseil peut déterminer.
- 3) Le Conseil est responsable de la forme et de la tenue du registre.
- 4) Le Conseil doit rayer du registre tous les programmes de formation qui ne sont plus homologués.
- 5) Le Conseil peut publier dans le Journal officiel une copie du registre de formation en tout ou en partie.

HOMOLOGATION

17. 1) Les dispensateurs de formation peuvent demander l'homologation de leur programme de formation au Conseil.
- 2) La demande d'homologation d'un programme de formation doit :
- a) être écrite et sous la forme spécifiée par le Conseil ; et
 - b) être accompagnée des droits prescrits par les règlements.
- 3) Le Conseil doit, en considérant les demandes, tenir compte des questions suivantes :
- a) en quoi les formations dispensées répondent aux besoins de formation de la communauté vanuatuanne ou du marché du travail ;
 - b) dans quelle mesure les formations dispensées développeront les qualifications professionnelles et les compétences des étudiants ;
 - c) le contenu de la formation et les procédures d'évaluation ;
 - d) les ressources financières, humaines et matérielles dont disposent les dispensateurs de formation, y compris la garantie des droits de scolarité des étudiants, le corps professoral, les bâtiments, ateliers, équipements et matériels pédagogiques ;
 - e) si le niveau de formation ou d'instruction proposée est compatible aux normes reconnues internationalement ou nationalement.
 - f) toute autre question que le Conseil estime pertinente.
- 4) Le Conseil doit approuver ou rejeter la demande dans un délai de vingt-huit (28) jours. Il dispose de quatorze (14) jours pour aviser par écrit le demandeur de sa décision.
- 5) Si le Conseil approuve la demande, il doit, dans les sept (7) jours qui suivent la date d'approbation de ladite demande, inscrire au registre les détails concernant la formation.

PÉRIODE D'HOMOLOGATION ET RENOUVELLEMENT

18. 1) L'homologation d'un programme de formation :
- a) est valable pour une période d'un an ou plus selon que le conseil peut expressément spécifier ; et
 - b) peut, sous réserve du paragraphe 2), être renouvelée moyennant paiement des droits prescrits par les règlements.
- 2) Le Conseil ne doit renouveler l'homologation d'une formation que s'il est convaincu que ladite formation répond toujours aux normes requises par le Conseil.

HOMOLOGATION D'UNE FORMATION SANS LA SOUMISSION DE LA DEMANDE AU CONSEIL

19. 1) Le Conseil peut, par délibération écrite, homologuer une formation sans avoir été saisi d'une demande.
- 2) Si le Conseil décide d'homologuer une formation particulière, il doit l'inclure sur le registre comme si une demande a été soumise et approuvée.

AVIS DE CHANGEMENTS PAR L'ORGANISME DISPENSATEUR DE FORMATION AU CONSEIL

20. 1) Le dispensateur d'une formation homologuée doit informer expressément le Conseil de tous changements, dans un délai d'un (1) mois après avoir apporté des changements au programme de ladite formation qui peut en affecter.
- 2) Toute personne qui omet de se conformer aux dispositions du paragraphe 1) est coupable de délit passible, sur condamnation, d'une amende n'excédant pas 250.000 VT.

DÉLIT QUE DE FOURNIR DES INFORMATIONS ERRONÉES CONCERNANT LES COURS

21. Tout dispensateur de formation qui fournit de fausses ou fallacieuses informations au Conseil concernant une formation est coupable de délit passible, sur condamnation, d'une amende n'excédant pas 500.000 VT.

DROIT D'APPEL

22. 1) Lorsque le Conseil rejette une demande d'homologation de formation, le demandeur peut faire appel au Ministre qui doit en réviser la décision.
- 2) L'appel est écrit et l'appelant doit le déposer auprès du Ministre dans les quatorze (14) jours qui suivent la date de réception de l'avis de la décision du Conseil conformément au paragraphe 4) de l'article 17.
- 3) Le Ministre peut confirmer, modifier ou révoquer la décision du Conseil et doit aviser l'appelant de sa décision par écrit.

TITRE 4 - FINANCES

FONDS DU CONSEIL

23. 1) Les fonds du Conseil proviennent de :
- a) droits perçus et charges imposées sur la prestation des services du Conseil ;
 - b) tout autre argent reçu par le Conseil d'autres sources.
- 2) Le Conseil doit ouvrir et tenir les comptes bancaires qu'il estime nécessaires ;
- 3) Les fonds du Conseil doivent être déposés au crédit du compte bancaire.
- 4) Les fonds du Conseil sont affectés :
- a) au paiement ou à l'acquittement des frais, dépenses et charges encourus ou engagés par le Conseil dans l'accomplissement de ses fonctions et pouvoirs; et
 - b) au paiement de toute rémunération due par le Conseil.
- 5) Le Conseil peut investir tous fonds dont il n'a pas besoin pour l'accomplissement de ses fonctions.

COMPTABILITÉ À TENIR PAR LE CONSEIL

24. 1) Le Conseil doit tenir des livres de comptes en bonne et due forme concernant ses affaires financières, et faire préparer des comptes annuels pour chaque exercice.

- 2) Les comptes du Conseil pour chaque exercice doivent être vérifiés par le Vérificateur général des comptes ou une personne agréée par ce dernier dans les trois (3) mois qui suivent la clôture de l'exercice

TITRE 5 - AGENT EXÉCUTIF ET PERSONNEL DU CONSEIL

AGENT EXÉCUTIF

25. 1) Le Conseil doit désigner une personne en qualité d'Agent exécutif du Conseil.
- 2) La personne nommée à titre d'Agent exécutif doit :
 - a) être nommée sur la base du mérite ; et
 - b) faire preuve d'une expérience pertinente et de compétences dans le domaine de l'enseignement et de la formation professionnels.
- 3) L'Agent exécutif est nommé pour une période de trois (3) ans au moins et peut être reconduit.

FONCTIONS ET POUVOIRS DE L'AGENT EXÉCUTIF

26. L'Agent exécutif a pour tâche :
 - a) de gérer le développement du système de formation de Vanuatu ;
 - b) d'exécuter et d'évaluer les règles d'homologation
 - c) de promouvoir et faire connaître le Conseil ;
 - d) préparer des rapports de qualité pour aider le Conseil dans l'accomplissement de ses fonctions ;
 - e) d'assumer d'autres tâches que le Conseil peut spécifier.

TERMES ET CONDITIONS

27. Le Conseil détermine les termes et conditions d'emploi de l'Agent exécutif qui ne sont pas prévus dans la présente loi.

PERSONNEL DU CONSEIL

28. 1) Le Conseil peut, compte tenu du budget dont il dispose, recruter le personnel nécessaire à l'accomplissement de ses fonctions.
- 2) Les membres du personnel du Conseil :
 - a) doivent être recrutés sur mérite, et selon les mêmes termes et conditions applicables aux employés de la Fonction publique et tels que définis dans la loi No. 11 de 1998 relative à la Fonction publique ; ou
 - b) peuvent être détachés au niveau de ministères, de Services ou d'autres instances du gouvernement ;
 - c) peuvent être fournis au Conseil par des organismes autres que le Gouvernement et financés par lesdits organismes.
- 3) La loi No. 11 de 1998 relative à la Fonction publique ne s'applique pas au personnel cité à l'alinéa a) ou c) du paragraphe 2) .

TITRE 6 - DISPOSITIONS DIVERSES

RAPPORT ANNUEL

29. 1) Le Conseil doit, dans les quatre-vingt dix (90) jours qui suivent la clôture de son exercice financier, remettre un rapport au Ministre concernant ces activités au cours dudit exercice.
- 2) Le Ministre doit, après réception du rapport, le présenter au Parlement dans les quatorze (14) jours de l'ouverture de la session du Parlement.

RÈGLEMENTS

30. 1) Le Ministre peut, expressément par arrêté, établir des règlements régissant toutes les questions :
- a) requises ou autorisées en vertu de la présente loi ; ou
 - b) nécessaires ou utiles à l'application de la présente loi.
- 2) Le Ministre doit établir des règlements suivant l'avis du Conseil.

ENTRÉE EN VIGUEUR

31. La présente Loi entrera en vigueur le jour de sa publication au Journal officiel.



**GOVERNMENT OF THE
REPUBLIC OF VANUATU**

**THE 2000
FINANCIAL, ECONOMIC AND
BUDGET POLICY STATEMENT**

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1. OPENING STATEMENT

The following Financial, Economic and Budget Policy Statement is made with reference to and in accordance with Sections 9 and 10 of the Public Finance and Economic Management Act 1998:

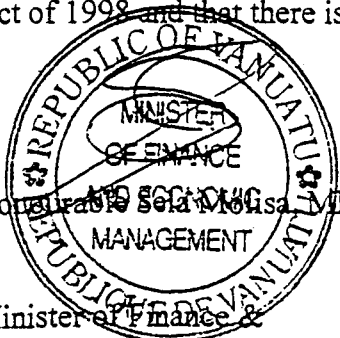
Section 9 requires the Government to:

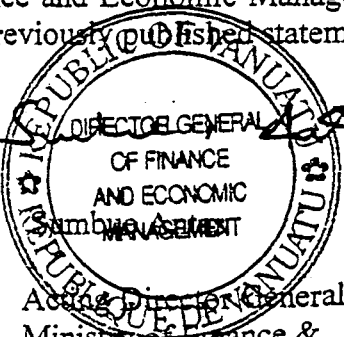
- Specify; its economic and financial policies; including those relating to Gross Domestic Price (GDP), Consumer Price Index (CPI), employment levels, Balance of Payments (BOP) and to provide historical and forecast information in relation to fiscal and debt matters; and
- State the discipline it will adhere to in economic and financial dealings.

Section 10 requires the Government to:

- State its long-term objectives for fiscal policy and indicate any changes expected to occur over the next three years (including intentions and policies in relation to GDP, CPI, employment levels and BOP);
- Indicate the main strategic priorities guiding the preparation of the budget; and
- Provide an assurance that the long-term objectives outlined in the statement are:
 - Consistent with the Principles of Responsible Fiscal Management laid down in Section 22 of the Public Finance and Economic Management Act; and
 - Consistent with previous statements i.e. an assurance that policies have remained consistent over time, or justify their departure.

Pursuant to Section 10, the Government confirms that the fiscal policy objectives, priorities and intentions are consistent with the Principles of Responsible Fiscal Management specified in Section 22 of the Public Finance and Economic Management Act of 1998 and that there is broad consistency with the previously published statement.


Honourable Sola M. Gisa MP
Minister of Finance &
Economic Management


Accounting Director General
Ministry of Finance &
Economic Management

2. FINANCIAL AND ECONOMIC POLICY STATEMENT

1.1 GOVERNMENT VISION AND STRATEGIES

The vision underpinning the recent financial and economic reforms that have been introduced by the Government is of a fast, but sustainably growing economy where the rewards of growth are widely spread to ensure equity.

The Government's commitment is based on the achievement of the CRP vision. This includes:

- A cohesive, well-governed and democratic nation with a sense of common destiny;
- A high level of economic prosperity;
- Empowerment of individuals, families and communities;
- A well-educated and trained workforce;
- Improving levels of health care;
- Infrastructure necessary for private sector growth;
- Reduced disparities between islands, men and women, rural areas and towns;
- Positive development of traditional values and customs; and
- Protection of the physical environment.

Achievement of this vision is dependent on increasing confidence in the country and on a subsequent resurgence of growth in the economy based on private sector led growth.

The Government's strategies will continue to involve working towards the achievement of:

- **Stable Government including a Macroeconomic Environment Conducive to Growth;**
- **Private Sector Development; and**
- **Social Equity and Sustainability**

The Government recognises that it is the private sector that must take the lead in achieving higher growth. Sustainable growth can only be based on a dynamic private sector operating in increasingly competitive conditions. Sustainable growth also means ensuring that all sections of the community have access to income earning opportunities. Providing ni-Vanuatu with the means to go into business is a critical strategy of the reform effort. Better education, training, health and business advice are all key components of this strategy.

The Government's role is to provide the stable conditions necessary for private sector investment. This means reducing its direct participation in business and it also means an efficient public service based on transparent rules and regulations. Predictable policies and a stable macro-economic environment are the first steps in providing the right conditions for private sector investment.

The scope of the CRP is wide and it will take several years to fully implement all CRP policies. The Government is therefore committed to ensuring that policies are maintained consistently over time. This Government will persevere with reform policies for as long as it takes to achieve its objectives.

1.2 POLICIES IN RELATION TO PRIORITIES

1.2.1 Stable Government, Including a Macroeconomic Environment Conducive to Growth

- Maintenance of macro-economic stability (that has been restored) through measures to maintain tight fiscal conditions to attain sound and sustainable fiscal and balance of payments positions. Also, conducting sound and independent monetary policies so as to maintain confidence in the Vatu and to provide a favorable financial environment for strong growth, with continuing low inflation.
- Continue to strengthen the public sector to ensure that it carries out its core roles effectively and efficiently.
- Continue to strengthen the institutions of governance particularly clarification of the interface between politicians and public servants and a strengthened role for Parliament.
- The Government will continue to move out from business in order not to compete with the private sector.

1.2.2 Private Sector Development

- Encouragement of Ni-Vanuatu business development through improved access to credit, business training and advisory services.
- Continue to create a fairer and more efficient tax regime by creating incentives that encourage work, savings and investment.
- Continue to move towards greater openness to the global economy by encouraging foreign investment and promoting policies supporting internationally competitive exports.

- Prepare and implement a long-term Master Plan for transport infrastructure development.
- Pursue sector policies especially in education to support private sector development.
- Continue involvement with the Melanesian Spearhead Group and the World Trade Organization.
- Lower the cost structure of the economy by:
 - (i) encouraging stronger competition;
 - (ii) creating a regulatory framework for public utilities to remove distortions in the economy;
 - (iii) pursuing lower and more flexible wage structures that are internationally competitive in relation to productivity (including through the work of the new Remuneration Tribunal); and
 - (iv) pursuing an appropriate relationship between wage and exchange rate policies.
- Facilitate expansion of Vanuatu exports especially in agriculture, fisheries and tourism.
- Reform the land law system to minimize uncertainty about land tenure and facilitates and encourage better land use.
- Phased liberalization of domestic industry, resulting in greater competition and thus reduction in the cost structure.

1.2.3 Education, Health and Social Equity

The Government recognizes that economic growth that benefits only a few people in the economy is not desirable and only leads to social injustice and thus in turn leads to unsustainable development. Therefore, the Government emphasises that the benefits of growth must be distributed fairly and evenly.

Furthermore it recognizes that education and health are twin pillars of development. That is, a well-educated and healthy population are critical for the country's attainment of sustainable development.

The Government's policies here include:

- Further expansion of courses at INTV to cater for the country's technical needs.
- Restructuring and strengthening of the Health Ministry to ensure that they carry out their role effectively and efficiently.

- The Government is to gradually increase the portion of the National Budget being spent on the health and education sectors.
- Ensure that the Education Master Plan is completed and implemented effectively and that education planning is further strengthened. Also that the Human Resources Development Plan is completed and implemented effectively.

1.3 TAX POLICY STATEMENT

The breadth and robustness of the Government's revenue base, along with the ability of government agencies to administer the collection of these taxes, are key factors in assisting the Government to meet its various objectives. An economically sound revenue base that also has a high degree of voluntary compliance will enable the Government to encourage private sector growth while meeting social policy targets.

The Ministry of Finance and Economic Management, on behalf of the Government, will monitor the performance of its revenue base and recommend adjustments to it when necessary. A requirement for conducting a formal review of the revenue base was discussed and agreed to at the 1997 CRP National Summit. The first review of all existing taxes commenced in August 1999 in terms of the CRP matrix. The review is wide ranging and considers possible amendments to existing tax regimes as well as considering other taxes that may be introduced in the future.

All Government agencies that have a revenue generating function will be subject to an ongoing review of their performance.

The Vanuatu Government will continue to be involved with international organisations, including OECD, IMF and the World Bank, that have interests in strengthening national tax authorities and their revenue bases. Open dialogue with these types of organisations will assist other countries to better understand the specific and unique features of Vanuatu's revenue base.

1.4 FURTHER POLICY INITIATIVES FOR 2000

Policy Initiatives for 2000 are focussed on achieving the three main objectives of government: stable government, private sector development and social equity and sustainability. These will involve the following:

- Further consolidation of fiscal responsibility by continuing the move in 1999 towards a recurrent balanced budget following high and unsustainable deficits in earlier years;

- Introducing annual Ministry reports to improve accountability and transparency of Government operations;
- Improving the operation of the legal sector by implementing a long term institutional strengthening project based on the Legal Sector Action Plan;
- Strengthening the independence and performance of all public employment bodies by reviewing the operations of the Teaching Service Commission and Public Service Commission (PSC) and pursuing an institutional strengthening project at PSC;
- Implementing decisions made by the Government's Remuneration Tribunal to review salaries and allowances for professional civil servants with a view to increasing market flexibility, though in the context of lowering wage costs in both public and private sectors of the economy, especially at unskilled levels;
- Lowering the cost structure of the economy by establishing regulatory regimes for utilities, transport and the Post Office;
- Organizing training for Ni-Vanuatu in business skills by establishing a Ni-Vanuatu Business Development Centre and develop and deliver business courses;
- Establishing a credit guarantee scheme to improve access of credit to Ni-Vanuatu;
- Holding impact-monitoring orientation courses for NGO's, Social Equity Task Force, D.G's and Ministers; and
- Establishing an Impact Monitoring System to assess the effect of the reforms on the society.

3. MACROECONOMIC DEVELOPMENTS AND OUTLOOK

1.5 PRINCIPLES OF RESPONSIBLE FISCAL MANAGEMENT

The long-term economic policies, fiscal objectives and strategic priorities of the Government aim to be fully consistent with the following principles of responsible fiscal management:

1. Managing total State debt at prudent level by ensuring that where such levels have been exceeded, the total overall expenditures of the State in each financial year are less than its total overall receipts in the same financial year;
2. Achieving and maintaining levels of State Net Worth that provide a buffer against factors that may impact adversely on the State's Net Worth in the future;
3. Managing prudently the fiscal risks facing the State; and
4. Pursuing policies that are consistent with a reasonable degree of predictability about the level and stability of tax rates for future years.

1.6 REAL SECTOR DEVELOPMENTS AND OUTLOOK

1.6.1 Gross Domestic Product (GDP)

Table 1: Economic Indicators and Forecasts

	1998	1999	2000	2001	2002
Current Price GDP (million vt)	27,312	27,769	29,045	30,395	31,915
% change in GDP (current prices)	1.4	1.7	4.6	4.6	5.0
% change in GDP (constant prices)	0.2	0.0	2.7	2.8	3.0
% change in CPI	3.3	2.8	2.0	2.0	2.0
Trade balance (billion vt)	-5.7	-5.9	-6.1	-6.2	-6.4
Current account balance (bvt)	0.1	-3.2	-2.7	-2.2	-2.3

GDP is short for Gross Domestic Product – a measure of the size of the economy.

CPI is the Consumer Price Index – the % change in the index is a measure of the annual average inflation

Source: National Statistics Office and Reserve Bank, Port Vila, Vanuatu.

GDP forecasts provide information in relation to the principal goal of the Government, which is an economy conducive to private sector, led growth.

The economy experienced unhealthy developments in 1998 due to the VNPF crisis and Asian downturn. The VNPF riots and the attempted devaluation of the Vatu de-stabilized confidence and the economy.

The Asian crisis adversely affected exports both in terms of demand and commodity prices. Moreover, currency devaluation's in Papua New Guinea, Fiji and Solomon Islands have eroded Vanuatu's relative competitiveness in exports.

The VNPF crisis led to the pay out of members' balances, which subsequently resulted in higher liquidity in the economy, and a subsequent increase in imports, resulting in a decline of official foreign reserves. The Government responded by issuing Government Bonds and Reserve Bank Notes, and introducing a prescribed assets ratio regime. Furthermore interest rates were raised to defend the parity of the Vatu. This has resulted in the restoration of macroeconomic stability. Interest rates have since been reduced.

Despite the sterilization measures imposed by the RBV, liquidity in the economy continued to increase in 1999 due mainly to the disbursement of ADB loans for the CRP.

Table 2: Real GDP Growth Rates (% change)

	1998	1999	2000	2001	2002
Agriculture, fishing and forestry	6.9	0.6	2.6	4.0	4.0
Industry	-7.0	10.2	6.0	-4.4	0.0
Services	0.7	-5.5	2.0	4.1	5.0
Total GDP	0.2	0.0	2.7	2.8	3.0

Source: National Statistics Office, Port Vila, Vanuatu.

Real GDP is estimated to grow by 2.7% in 2000. Growth is expected from services (2.0%), agriculture, fishing and forestry sector (2.6%) and the industrial sector (6.0%).

In the agriculture sector growth is expected to come from all sectors. The beef industry was suffering in terms of prices in 1999 and this is expected to recover in 2000. Also the kava industry is expected to grow in 2000 as it establishes itself as a high quality reliable product.

In 2000 the industrial sector is expected to experience strong growth. This will be due in part to the implementation of major infrastructure projects such as the Efate ring road, urban infrastructure project and the cyclone Dani reconstruction.

The service sector will rebound in 2000, after 1999's losses, which were due mainly to the unforeseen circumstances that adversely affected Air Vanuatu, namely the hailstorm in Sydney.

The outlook for 2001 is a forecast growth of 2.8% and this is expected to come from most sectors. The copra and tourism industries will continue to grow while the construction industry is expected to decline, resulting mainly from the completion of major projects.

In the near to medium term the economy will grow more strongly as confidence continues to grow and the benefits of reform continue to flow into the economy. A more competitive environment along with increased foreign investment is expected to support growth in these later years.

1.6.2 Consumer Prices

Inflation has remained at generally low levels over the past few years, averaging 2.3% from 1994 to 1998. Between March 1996 and September 1997 the average annual growth rate was below 2.0%. Since the December 1997 quarter the annual inflation rate has slowly increased. The introduction of VAT has seen the 1998 annual inflation rate rise to 3.3%. This is still a modest rate in world terms and is below the average rate of 4.3% experienced in the first five years of the 1990s. In 1999 annual inflation is expected to fall to 2.8%, as the effects of the VAT are worked out of the Index.

Since Vanuatu sources a substantial proportion of its imports from Australia, and maintains a high import to GDP ratio, price movements in Vanuatu are expected to converge upon, and then parallel Australian prices. The inflation forecasts for the years 2000 and 2001 of 2.0% are based on these assumptions, and a stable Vatu.

1.6.3 Employment

There is very little existing information on employment. A census will be carried out this year and this will provide the Government with a better understanding of employment dynamics. Public sector employment is expected to be reduced due to the redundancies that accompanied the right sizing exercise and this will be compensated by a rise in informal and semi-formal activity. With the Government's policy focus on encouraging a dynamic private sector, it is expected that the private sector will absorb some of the labor force and the rest by the subsistence sector.

As the economy expands over the next couple of years, employment in the formal sector is expected to grow.

1.7 MONETARY DEVELOPMENTS AND OUTLOOK

1.7.1 Monetary Policy Issues

The main objectives of the Government's monetary policy are the following:

- (1) Price stability or keeping a low and sustainable level of inflation; and
- (2) Maintaining a healthy and viable Balance of Payments position.

The main monetary policy instruments used to achieve the above targets are as follows:

- Open Market Operations;
- Reserve Requirement;
- Discount Window Operation and Repurchase Facility (REPO); and
- Interest Rates.

The Reserve Bank in particular relies on the instruments of Reserve Requirements, Open Market Operations and Interest Rates. Since the inception of the Reserve Bank, monetary policy remained passive. This changed with the VNPF crisis in early 1998. Before the crisis the level of official reserves was healthy. The large payouts of retirement savings by the VNPF, which totaled to around Vt1.5 billion has significantly increased the level of liquidity in the financial system. This situation forced the Reserve Bank to adjust its monetary policy. In order to absorb the excess liquidity the Reserve Bank replaced the Statutory Reserve Deposit (SRD) requirement of 10% by a Prescribed Reserve Asset (PRA) requirement of 16%. This implied that 16 percent of demand, time and savings deposits in Vatu were held in Government securities and Reserve Bank notes.

In addition the Reserve Bank started issuing Reserve Bank of Vanuatu Notes (RBV Notes) which helped in absorbing the excess liquidity. In order to signal the seriousness of the situation, the Reserve Bank also increased the base lending rate (minimum lending rate) by 5 percentage points to almost 11 percent in May.

The measures taken by the Reserve Bank were successful in the sense that monetary and financial stability was largely restored and speculation against the Vatu was halted. However, despite the liquidity absorbing measures, the liquidity within the banking sector continued to increase in particular towards the end of 1998 and in the first quarter of 1999. This development was largely attributable to the disbursement of ADB loans in connection with the CRP. This extra liquidity was again absorbed by the further issue of RBV notes.

However, in conducting monetary policy the SRD is more effective than the PRA. Against this background the Reserve Bank, towards the end of November 1998, reviewed its monetary policy by phasing out the PRA i.e. reducing the PRA from 16% to 10% and reintroduced the SRD which was fixed at the ratio of 6%. Effective 1 April 1999, the 10 per cent PRA was abolished and the SRD ratio was increased from 6 percent to 10

percent. At the same time, the SRD requirement was extended in the sense that half of demand deposits of residents in foreign currency was included.

The Reserve Bank of Vanuatu introduced a new monetary policy instrument known as the Discount Window and the REPO or Repurchase facility on the 24th of December 1998. These facilities which were created for the rediscounting and repurchase of Treasury Bills and Reserve Bank notes, will provide a means by which banks can obtain funds from the Reserve Bank. Besides, enabling commercial banks to manage their need for short-term funds, the facilities enhance the liquidity and therefore marketability of short-term securities. Due to the high liquidity in the banking system, banks have not had recourse to these facilities. With the new credit facilities, the Reserve Bank is able to extend temporary liquidity to the banks in an effective way. In this connection, the advance facility was abolished as from May 1.

Due to the changes in the SRD, the obligatory deposit holdings or Reserve Requirement with the Reserve Bank increased while on the other hand excess reserves fell to manageable levels. The Reserve Bank considers the current level of excess reserves of VT500 million to VT700 million satisfactory.

1.7.2 Balance of Payments

Table 3: Balance of Payments (million VT)

	1998	1999	2000	2001	2002
Current Account Balance	1,093	-3,183	-2,749	-2,188	-2,292
Trade Balance	-5,663	-5,859	-6,055	-6,151	-6,444
<i>Exports</i>	4,323	4,541	4,837	5,247	5,638
<i>Imports</i>	-9,986	-10,400	-10,892	-11,398	-12,082
Services	8,758	6,871	7,397	8,261	8,712
<i>Credit</i>	14,859	14,994	15,818	17,025	17,947
<i>Debit</i>	-6,101	-8,123	-8,422	-8,764	-9,235
Investment Income	-2,016	-2,742	-3,721	-3,916	-4147
<i>Credit</i>	2,618	2,837	2,952	3,086	3,271
<i>Debit</i>	4,634	-5,579	-6,673	-7,003	-7,418
Current Transfers (net)	136	-1,453	-370	-382	-412
Capital & Financial Account	-254	3,352	2,962	2,527	2,635
Gross Official Reserves	5,755	5,749	5,961	6,299	6,643
Months of Import Cover	6.2	5.9	5.9	5.9	5.9

Source: Reserve Bank of Vanuatu, Statistics Office (historical) and DESD (forecasts) Port Vila.

The current account balance is equal to exports of goods and services (including tourism) minus imports of goods and services plus net services and net current transfers. In 2000 the current account will continue to record a deficit, resulting mainly from the deficit in the trade balance, net income and net current transfers balances. The current account deficit will be financed by capital inflows such as those financing expenditures on infrastructure projects and the CRP loan.

The capital account has regularly recorded surpluses and this is mainly attributed to re-invested earning by foreign companies and aid money for capital projects. Gross official reserves will remain healthy in 2000, which is expected to be around 6 months of import cover.

In the near to medium term the current account balance will continue to record deficits, as a result of Vanuatu's trade imbalance. Imports will continue to rise as the economy expands and large amounts of capital investment are injected into infrastructure projects. The capital account on the other hand will continue to maintain surpluses and the official reserves is expected to remain healthy.

1.7.3 Interest Rates

Since the 1990's market forces have determined interest rates in Vanuatu. With the VNPF crisis in 1998, which resulted in higher liquidity in the economy and the pressure on the Vatu, the Reserve Bank increased interest rates to defend the Vatu. This measure prevented speculative attack on the Vatu, and thus averted a currency crisis. Interest rates have since moderated and should remain relatively stable over coming periods, providing the current upward trend in the USA and internationally does not intensify greatly.

The country has managed to have positive real deposit rates since the early 1990's and this will continue for the next 2 years. This is mainly attributed to low price levels over the years. Lending interest rates have been stable since 1995 and this reflects the sluggishness of the economic system to respond to changing economic circumstances.

Table 4. Selected Interest Rates, 1999-2002

	1999	2000	2001	2002
Vatu Deposits				
Saving	0.05-5.00	0.05-5.00	0.05-5.00	0.05-5.00
1 month	1.50-6.25	1.50-6.25	1.50-6.25	1.50-6.25
2-6 month	1.25-6.10	1.25-6.10	1.25-6.10	1.25-6.10
6 months plus	1.75-8.00	1.75-8.00	1.75-8.00	1.75-8.00
Vatu advances (period end)				
Commercial	11.75-18.00	11.75-18.00	11.75-18.00	11.75-18.00
Personal	10.25-23.00	10.25-23.00	10.25-23.00	10.25-23.00
Housing	8.75-17.00	8.75-17.00	8.75-17.00	8.75-17.00
Australian 1 month deposit	2.50-4.56	2.50-4.56	2.50-4.56	2.50-4.56
Savings deposit interest rates	4.6	4.6	4.6	4.6
Time Deposits Interest rates	6.0	6.0	6.0	6.0
Real Savings Deposit rates	1.8	2.6	2.6	2.6
Real Time Deposit Interest Rates	3.2	4.0	4.0	4.0
Lending Interest Rates	13.1	13.1	13.1	13.1
Spread/a	8.7	8.7	8.7	8.7
Interest Margin/b	7.0	7.0	7.0	7.0

Source: Reserve Bank of Vanuatu, Quarterly Economic Review, various issues.

/a difference between the average lending and deposits rates.

/b interest rate earned on lending less interest expense on deposit divided by total assets.

The interest rate structure shows large interest spreads and margins. In 1999 the interest rate spread, which is the difference between the average lending and the deposit rates, is estimated to be 8.7%. The interest margin, which is the difference between interest earned on lending less the interest paid on deposit divided by total deposits, is estimated to be 7% in 1999. These rates are high by world and Pacific standards and these are attributed to the oligopolistic nature of the banking sector, high levels of excess liquidity, the perceived risks associated with doing business in Vanuatu and the cost structure in Vanuatu.

In the near to medium term it is projected that interest rates will remain stable.

1.8 FISCAL DEVELOPMENTS AND OUTLOOK

1.8.1 Revenue

Table 5: Domestic Revenue (billion VT)

	1998	1999 Budget	1999 Estimated Outcome	2000 Projection	2001 Projection	2002 Projection
VAT	0.9	2.4	2.1	2.2	2.3	2.5
Import Duties	3.0	2.8	2.5	2.7	2.8	3.0
Other Taxes	2.8	1.7	1.6	1.8	1.9	1.8
Total Taxation	6.7	6.9	6.2	6.7	7.0	7.3
Grants from abroad	0.4	0.7	0.7	0.6	0.6	0.6
Total	7.1	7.6	6.9	7.3	7.6	7.9
Revenue as % of GDP	25.9	27.4	24.8	24.9	24.9	24.9

Taxation Revenue

Total revenue for 1999 is expected to be slightly below the levels forecast in the Budget. The main reason for this miscalculation is that the 1999 Budget assumed a growth of 6% in nominal GDP this year. This growth did not eventuate, some of the reasons for this include the delay in major infrastructure projects, the more than usual rainfall which delayed some public works as well as the effects of the hailstorm on Air Vanuatu.

As a result no real GDP growth is expected this year. This can be seen by the lower than forecast import duties and consequently lower VAT returns. On a more positive note it is apparent that VAT has been introduced in a satisfactory manner, as the level of VAT collections is consistent with both the import volumes plus the overall demand within the economy. The introduction of VAT has improved the Government's ability to manage its cash flow as the pattern of receipts is now more in line with that of expenditure flows.

The damage to the Air Vanuatu plane in the Sydney hailstorm may have had an effect on tourism in Vanuatu however, this effect has yet to be fully quantified. Some of the decline in service taxes may be attributable to this, however this is unlikely as the small shortfalls in service taxes are more than explained by the lower than expected level of economic activity.

Taxation projections have been based on forecast GDP growth rates driven by stronger private sector business confidence and the completion of the remaining elements of the

comprehensive reform program. It should be noted that taxation revenue as a percentage of GDP is forecast to increase over the period, as a result of improved compliance.

Other Domestic Revenue

Other domestic revenue is anticipated to rise over the next three years as billing and collections improve and the Government considers user pay charges for a number of its non-essential services.

1.8.2 Expenses

Table 6: Operating Expenditure (billion VT)

	1998	1999 Budget	1999 Estimated Outcome	2000 Projection	2001 Projection	2002 Projection
Personnel	3.6	3.9	3.6	3.8	3.9	4.0
Other Operating Expenditure	1.9	2.0	2.0	2.0	2.0	2.0
Subsidies & Transfers	0.7	0.6	0.6	0.5	0.5	0.6
Other Non Operating Expenditure	1.3	0.3	0.3	0.2	0.2	0.2
Capital Expenditure	2.5	2.2	0.9	1.5	1.2	0.6
Debt Servicing	0.7	0.5	0.7	1.0	1.5	1.8
Total	10.8	9.5	8.1	8.9	9.3	9.2

Personnel

Personnel costs for this year are expected to be lower than those forecast in the 1999 Budget. This is partly due to the success of the right sizing exercise as well as financial controls in ensuring that the Government wage bill does not increase unnecessarily. In future years the wage bill is not expected to increase.

Subsidies & Transfers

This component consists of Governments payments to provincial governments, government business enterprises and non-government organisations. It is forecast to

decline slightly as the Government gradually devolves itself of some of its business interests.

Other Non Operating Expenditures

The main item in this category is tax rebates. During 1998 and 1999, an allocation has also been made for the payment of public service redundancies. Since most of the major costs of the redundancy program should now have been met the overall expenditure in this category is expected to decline slightly in future years.

Capital Expenditure

This component mainly represents expenditure from donor funded concessional loans. During 1999 a number of projects experienced difficulties and expenditure was considerably lower than the Budget projections. As a result many of these projects and the expenditure and financing associated with them have to be rolled forward one year.

Future projections are based on the outcomes of current loan agreements with the various donors. The overall level of grant funding received by donors is assumed in the above table to be constant, however as will be mentioned later it is hoped that this will increase as a percentage of the overall aid given to Vanuatu. This would be consistent with the Government's policy to increase the absolute level of development expenditure.

1.8.3 Debt Servicing

It is assumed in the medium term that all payments of domestic principal are to be rolled over. This means that the domestic principal payments will be re-issued as they fall due. External principal will be retired as per the agreed schedules with the donors.

Due to the increases in the debt servicing requirements, there will be an explicit provision in the 2002 Budget relating to the retirement of domestic debt. The need for external debt will also be policy driven with a view to ensuring that the overall debt burden does not become excessive.

This will ensure that there is a small reduction in the stock of Government debt, whilst at the same time not increasing the amount of liquidity in the economy. This policy is consistent with the monetary objectives of the Reserve Bank.

Table 7: Debt Servicing (million VT)

	1998	1999 Projection	2000 Projection	2001 Projection	2002 Projection
Principal					
External	3.0	55.8	138.4	145.5	210.9
Domestic	42.0	365.4	643.0	1,073.0	1,325.0
Total Principal	45.0	421.2	781.4	1,218.5	1,535.9
Interest					
External	14.0	30.2	82.6	94.1	100.1
Domestic	144.0	187.2	170.8	170.8	170.8
Total Interest	158.0	217.4	253.4	264.9	270.9
Total Debt Servicing	203.0	638.6	1,034.8	1,483.4	1806.8

Financing

The Government of Vanuatu received the second instalment of the first tranche of the ADB loan in March 1999. This amounted to approximately VT675 million. This loan has been used to further the work being undertaken by the Public Service Commission as well as providing some support to the national Budget and some funding for Government financial institutions.

It is expected that the VT 365 million of domestic principal that was due in 1999 will be 'rolled-over' or re-issued. To date VT 260 million has already been successfully re-issued into a combination of one and two year debt.

As mentioned before, the forecast deficit for 2000 is VT 881 million, this represents 3.0% of GDP. This deficit is entirely composed of donor funded development projects, and therefore the financing will be of a concessionary nature. This will bring the total stock of Government debt to VT 11.4 billion or 39% of GDP. In order to keep the overall stock of debt to manageable levels it is proposed to run a smaller deficit in 2001 and a surplus after that.

1.9 FINANCIAL STATEMENTS

1.9.1 Statement of Accounting Policies

There have been no changes to accounting policies since the 1999 Budget published in January 1999. The Public Accounts will continue to be produced using these policies.

This report has been presented using the GFS (Government Financial Statistics) methodology. This is the standard reporting format for all countries that are members of the IMF. All future reports will use this method of reporting.

1.9.2 Table 8: Statement of Financial Performance

(Million VT)

	1998	1999 Budget	1999 Estimated Outcome	2000 Budget	2001 Forecast	2002 Forecast
Domestic Revenue						
Tax Revenue	5,932.0	6,238.3	5,433.6	5,843.8	6,112.6	6,393.8
Non Tax Revenue	751.0	731.5	823.9	853.8	893.0	934.1
Total Domestic Revenue	6,683.0	6,969.8	6,257.5	6,697.6	7,005.6	7,327.8
Foreign Cash Grants	371.0	692.5	692.6	550.7	550.0	550.0
TOTAL REVENUE	7,054.0	7,662.3	6,950.1	7,248.3	7,555.6	7,877.8
Operating Expenses						
Personnel	3,645.0	3,904.4	3,600.0	3,755.8	3,866.6	3,982.6
Other Operating Expenditure	1,900.0	1,967.2	2,000.0	1,927.7	1,985.6	2,045.1
Total Operating Expenditure	5,545.0	5,871.6	5,600.0	5,683.5	5,852.1	6,027.7
Subsidies & Current Transfers	696.0	606.3	606.3	531.3	547.2	563.6
Other Non Operating Expenditure	1,257.0	336.9	336.9	190.1	195.8	201.7
Capital Expenditure	2,452.0	2,192.6	860.0	1,470.8	1,180.0	550.0
Interest Payments	161.0	283.5	253.6	254.2	264.9	270.9
TOTAL EXPENSES	10,111.0	9,291.0	7,656.8	8,129.8	8,040.1	7,613.9
Surplus/(Deficit) before Financing	(3,057.1)	(1,628.6)	(706.7)	(881.6)	(484.5)	263.9
Domestic Financing	1,684.0	128.6	31.7	0.0	0.0	(53.0)
External Financing	1,373.1	1,500	675.0	881.6	484.5	(210.9)

1.9.3 Table 9: Statement of Borrowings

End of Period (million VT)

	1998	1999 Estimate Outcome	2000 Forecast	2001 Forecast	2002 Forecast
EXTERNAL DEBT					
Bilateral					
Agence Francaise de Developpment	748.3	738.5	693.9	655.2	618.8
China	614.0	398.8	608.8	754.5	840.0
Total Bilateral Debt	1,362.3	1,137.3	1,302.7	1,409.7	1458.8
Multilateral					
Asian Development Bank	3,616.6	4,357.8	5,422.9	5,726.3	6021.3
European Investment Bank	-	-	341.2	682.4	682.4
International Development Association	1,760.1	1,701.5	1,869.8	1,925.6	1959.4
Total Multilateral Debt	5,376.7	6,059.3	7,633.9	8,334.3	8663.0
TOTAL EXTERNAL DEBT	6,739.0	7,196.6	8,936.6	9,744.0	10,121.8
DOMESTIC DEBT					
Bonds	1,856.5	2,460.5	2,460.5	2,460.5	2,460.5
Reserve Bank Advance	300	-	-	-	-
TOTAL DOMESTIC DEBT	2,156.5	2,460.5	2,460.5	2,460.5	2,460.5
TOTAL STOCK OF DEBT	8,895.5	9,657.1	11,397.1	12,204.5	12,582.3

1.10 CONCLUSION

As can be seen from Tables 5 and 8, the overall fiscal situation in 1999 has not changed much from that forecast in the Budget. Revenues have been slightly lower than projected, however this has not had a major fiscal impact as expenditures have also been lower than forecast.

The main area of difference has been in terms of capital expenditure, where due to the deferment of the second tranche of the ADB loan as well as the delay in implementing some major development projects the overall level of expenditure has been much lower than forecast. This has adversely affected the growth of GDP, which in turn has meant that revenues have been lower than forecast. Despite this the Government has managed to control expenditure and thereby ensure that there has been no deterioration in the Government's fiscal position from that at the start of the year.

The total budget deficit is forecast to be approximately 2.4% of GDP by the end of the year. This is lower than forecast deficit of 5.4% due to the delay in projects and loans as mentioned above. The deficit in 2000 is forecast to be about 3.0% of GDP. However, it should be noted that this entire deficit is forecast to be externally financed. This means that the Government is expected to run a balanced recurrent budget. This implies that the Government will only be spending what it earns from its revenue base, all surplus spending will come from concessionary loans to be specifically used on development projects. This is why after 2000 the overall deficit is forecast to decline further as the Government takes on more grants, and the private sector assumes greater role in further developing Vanuatu.

In future years the realisation of the major infrastructure projects as well as improvements in the environment for investors should provide the catalyst, and the funding, required to encourage private sector growth. It is hoped that the increase in private sector activity will enable the Government to further enhance its revenue collections and improve its fiscal position such that by 2002 the Government is able to run a small overall fiscal surplus.

4. BUDGET POLICY STATEMENT

1.11 FISCAL POLICY ISSUES

1.11.1 Strategic Economic and Fiscal Direction

The Strategic Economic and Fiscal Direction of the Government stated in this Budget Policy Statement is consistent with the Principles of Responsible Fiscal Management contained in Section 22 of the Public Finance and Economic Management Act of 1998.

1.11.2 Fiscal Framework

The Government's intentions relating to the collection and expenditure of Government funds include:

- Compliance with responsible spending levels reflecting the more focussed role of Government;
- Achieve a balanced recurrent budget in 2000 with a contingency element for debt repayments and unforeseen circumstances such as natural disasters;
- All new borrowings will only be targeted for high return developmental projects and not for any recurrent activities and must be in line with the Government's debt management policy; and
- Allocation of expenditures consistent with clear and realistic service targets of Government institutions that reflect Government priorities.

The fiscal stabilization measures successfully implemented during fiscal year 1999 will help to maintain the momentum of the economic restructuring in terms of:

- Consolidating the gains in implementing program budgeting;
- Improvements in the compliance of tax and non-tax revenues;
- Strengthening the capacity of the public service; and
- Maintenance of tight controls over expenditures.

1.11.3 Fiscal Policy: Long-Term Objectives

Domestic Revenue

Domestic revenue (tax revenue and other domestic receipts excluding grants) is expected to increase from around 22.5% in 1999 to 23% of Gross Domestic Product (GDP) in 2002.

The domestic revenue target for 2000 is VT 6.7 billion or 23.0% of GDP. The majority of the revenues will be achieved through the collection of import duty and VAT.

As the economy is estimated to grow by 2.7% in 2000 it is expected that more tax revenues will be collected. Tougher compliance measures imposed by the tax administration and the Department of Finance will improve the revenue situation.

Parliamentary Appropriated Expenditure and their Financing

This includes government expenditure financed by domestic revenue as well as expenditure financed by domestic and overseas borrowing. The Government from 2000 will present an integrated recurrent and development budget.

The Government's long-term objectives are for expenditure levels to be consistent with:

- Building, and then maintaining a level of reserves sufficient to provide adequate cash flow for government operations and to cater for unanticipated expenditures such as those resulting from natural disasters or sudden changes in external conditions;
- Gradually increasing its development expenditures, which are consistent with the Government national goals and debt management policy; and
- Maintaining a prudent level of debt.

The requirement to build reserves will mean the Government will ensure that domestically financed expenditure is kept in line with domestic revenue. This policy objective will be achieved in the 2000 Budget. The 2000 Budget aims for a balanced recurrent budget and an overall budget surplus is targeted by 2002.

The increase in developmental expenditures is important for the maintenance of existing infrastructures and the building of new ones. It is critical that quality investments occur. However, all developmental expenditures, as they will constitute mainly external loans, must be consistent with the Budget and debt management strategy of the Government.

A prudent level of debt is defined as a level of debt that results over an extended period of time in annual debt service costs (domestic and foreign interest, charges and external principal repayments) of no more than 8% of domestic revenue.

In 2000 total debt service costs as described above are 5.7% of domestic revenue. By 2002 this will have risen slightly to 6.5% as the payment of recently procured external debt begins to take effect. However, as can be seen the Government debt servicing expenditure is still within prudent limits to 2002. Maintaining prudent levels will depend heavily on running low and responsible budget deficits in coming years.

1.12 EXPENDITURE PRIORITIES

The strategic priorities of the Government are clearly stated in the Financial and Economic Policy Statement of this document. The strategies will work towards the achievement of:

- Stable Government Including a Macroeconomic Environment Conducive to Growth;
- Private Sector Development; and
- Social Equity and Sustainability

The 2000 Budget is consistent with the above strategic goals by allocating scarce financial resources to achieve those priorities. This is reflected in the 2000 Budget mainly in the Government's Investment Program and the resources made available to Government Departments. The Government's main expenditure priorities continue to be in the traditional areas of education, health and infrastructure sector. This is reflected by:

- Education – Between the years 1997 and 1998 the education sector's budget has increased from 19.6% to 22.3% of the overall budget respectively. Their share of expenditure for 1999 is forecast to be 22.5% of the overall budget expenditure. This is planned to increase in 2000 to 24.9%.
- Health - Between the years 1997 and 1998 the health sector's budget increased moderately from 11.5% to 11.6% of the overall budget respectively. Their share of expenditure for 1999 is forecast to be 11.8% of the overall budget expenditure. This is planned to increase in 2000 to 12.2%.
- Infrastructure – Between the years 1997 and 1998 the infrastructure sector's budget declined from 8.6% to 7.1% of the overall budget respectively. Their share of expenditure for 1999 is forecast to be 7.2% of the overall budget expenditure. This is planned to increase in 2000 to 8.9%.

5. CLOSING STATEMENT: STRATEGIC RESULT AREAS

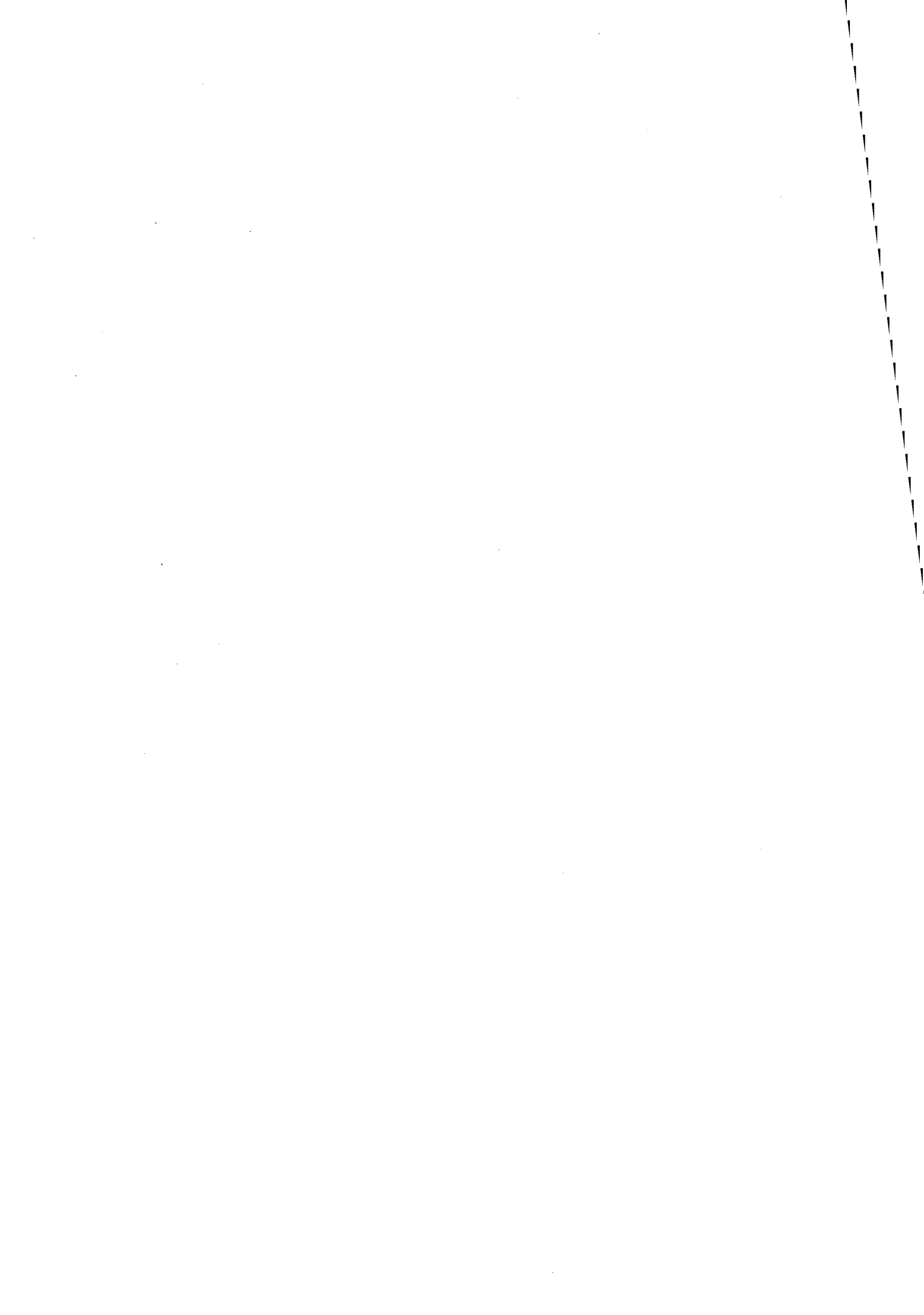
The Government's attainment of its objectives and strategies will be measured by:

- Economic growth (real) averaging at least 2.8% per annum over a three year cycle so providing for an improvement in income per capita and higher employment growth. This implies that economic growth, (as measured by changes in real Gross Domestic Product), averages greater than population growth.
- Inflation (CPI) at no more than 3% over a three year cycle.
- A competitive Real Effective Exchange Rate.
- Achieve surplus in the Government's recurrent budget within which there is adequate provision of funds for any adverse shocks to the economy and for rebuilding the infrastructure.
- Overall budget deficit to average no more than 3 per cent of GDP over a three year cycle.
- Net domestic financing of the deficit to be negative or at worst zero over a three year cycle.
- Ratio of Total Public Debt to GDP, which at the end of 2000 will be around 38% of GDP. This ratio will not increase over the cycle. Annual debt service costs (that is, the sum of domestic interest, foreign interest and foreign principal) are also to be no more than 8% of domestic revenue.

- Shares of the following components of the national expenditure budget to be adjusted as follows over the next three years:

	<u>Average of 1997 To 1999 budgets</u>	<u>2002 Budget</u>
Recurrent Expenditure	79.4	75.0
Development Expenditure	20.6	25.0
Wages and Salaries (As % of Recurrent)	55.0	56.4
Recurrent expenditures of Central Government Administrative/Economic Ministries (MFEM-excluding debt service, Prime ministers, PSC, Trade and Business Development (As % of Recurrent)	19.6	12.0
Total Expenditures (Recurrent plus Development) Ministry of Education, Youth and Sport (As % of Total Expenditure)	21.7	25.0
Total Expenditures (Recurrent plus Development) Ministry of Health (As % of Total Expenditures)	11.4	14.0

- Domestic Revenue (tax revenue and other domestic receipts excluding grants) increases from around 22.5% of GDP expected at end of 1999 to the target of around 23% of GDP in 2002.
- Achieve consistent annual improvements in the relative placing of Vanuatu in the world league of tables of the Human Development Index.



**NOTICE TO CLAIM AGAINST THE ESTATE OF OSEA TUNIDAU, LATE OF
PORT VILA.**

Any person having a claim against or interest in the Estate of **OSEA TUNIDAU**, late of Port Vila, Retired Mariner, who died on 25 August 1999, must give notice in writing to the Executor, C/- Hudson & Sugden, Solicitors, First Floor, Lo Lam House, Kumul Highway, (or P.O. Box 7), Port Vila, within two months after this date. The Executor will then distribute the Estate amongst the persons entitled, having regard only to the claims of which they shall have received notice, and will not be liable, as regards property so distributed, to any person of whose claim they do not then have notice.



HUDSON & SUGDEN

REPUBLIC OF VANUATU

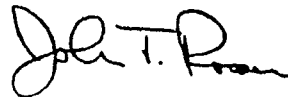
THE MARITIME ACT [CAP. 131]

NOTICE OF CHANGE IN NAME OF VESSEL

NOTICE IS HEREBY GIVEN that in accordance with section 44 of the Maritime Act [CAP. 131], the Vanuatu vessel “**OHI 5000**” has been renamed “**GRAND TRADE**”.

The change in name of the vessel shall be deemed to come into force on the 29th of September, 1999.

· DATED at Port Vila this 30th day of September, 1999.



JOHN T. ROOSEN
Commissioner of Vanuatu Maritime Affairs



REPUBLIC OF VANUATU

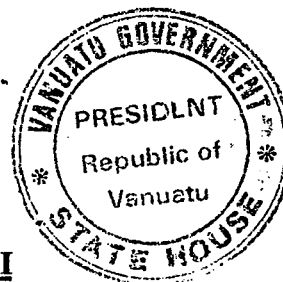
CHAPTER 114

PRESIDENTIAL ORDER

IN EXERCISE of the powers conferred by section 2 of the Public Holiday Act [CAP. 114] and on the advice of the Acting Prime Minister, **I, FR. JOHN BANI**, President of the Republic of Vanuatu, hereby declare Friday 1st October, 1999 to be a Public Holiday throughout the TORBA Province including those citizens of TORBA Province who reside in other Provinces.

MADE at State House, Port Vila, this ^{1st}..... day of *October*, 1999.

A handwritten signature in black ink, appearing to read 'J. Bani'.



FR. JOHN BANI
PRESIDENT OF THE REPUBLIC OF VANUATU

The President
Le Président



Port Vila,
Vanuatu



REPUBLIC OF VANUATU

CHAPTER 114

PRESIDENTIAL ORDER

IN EXERCISE of the powers conferred by section 2 of the Public Holiday Act [CAP. 114] and on the advice of the Acting Prime Minister, **I, FR. JOHN BANI**, President of the Republic of Vanuatu, hereby declare Friday 8th October, 1999 to be a Public Holiday throughout the TAFEA Province including those citizens of TAFEA Province who reside in other Provinces.

MADE at State House, Port Vila, this ^{1st}..... day of October, 1999.

FR. JOHN BANI
PRESIDENT OF THE REPUBLIC OF VANUATU

The President
Le Président



Port Vila,
Vanuatu


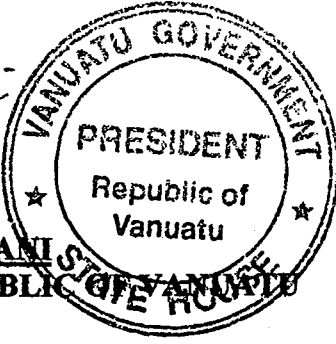
REPUBLIC OF VANUATU

CHAPTER 114

PRESIDENTIAL ORDER

IN EXERCISE of the powers conferred by section 2 of the Public Holiday Act [CAP. 114] and on the advice of the Acting Prime Minister, **I, FR. JOHN BANI**, President of the Republic of Vanuatu, hereby declare Monday 11th October, 1999 to be a Public Holiday throughout the MALAMPA Province including those citizens of MALAMPA Province who reside in other Provinces.

MADE at State House, Port Vila, this *7th* day of *October*, 1999.



FR. JOHN BANI
PRESIDENT OF THE REPUBLIC OF VANUATU

REPUBLIC OF VANUATU

GOVERNMENT REMUNERATION TRIBUNAL ACT


APPOINTMENT

I, DONALD KALPOKAS MASIKEVANUA, Prime Minister of Vanuatu and Minister responsible for the Government Remuneration Tribunal, pursuant to section 6(1) of the Government Remuneration Tribunal Act, appoint

PHILLIP TREMETHICK

to be a member of the Government Remuneration Tribunal for a period of three years with effect from the date of the publication of this instrument of appointment in the Gazette.

DATED this 13th day of OCTOBER , 1999.


DONALD KALPOKAS MASIKEVANUA
Prime Minister and Minister
responsible for the Tribunal