

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



Vanuatu: 2020 Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments (\$ million)^a

Product Type	Sovereign	Nonsovereign	Total
Grants	34.07	–	34.07
Technical Assistance ^b	5.05	0.48	5.53
Total	39.11	0.48	39.60

– = nil, DMC = developing member country, TA = technical assistance.

Notes:

Commitment is the financing approved by ADB's Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and TA include ADB-administered cofinancing.

^a Numbers may not sum precisely because of rounding.

^b Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

Vanuatu: Cumulative Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments^{a, b, c, d}

Sector	No.	Total Amount (\$ million) ^a	% of Total Amount ^c	COVID-19 Response (\$ million) ^e
Agriculture, Natural Resources, and Rural Development	8	1.93	0.75	–
Education	4	5.58	2.16	–
Energy	5	12.97	5.04	–
Finance	13	11.95	4.64	0.50
Health	8	16.55	6.42	2.55
Industry and Trade	2	0.45	0.17	0.21
Information and Communication Technology	–	0.14	0.05	–
Multisector	5	6.45	2.50	–
Public Sector Management	25	50.35	19.54	22.24
Transport	27	124.54	48.34	–
Water and Other Urban Infrastructure and Services	7	26.73	10.37	0.35
Total	104	257.63	100.00	25.85

– = nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.

^a Grants and TA include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

^e Numbers may not sum precisely because of rounding.

Consistent with its Strategy 2030, ADB will focus its assistance to Vanuatu on helping to improve public financial management, transport, urban infrastructure, renewable energy, disaster risk management, water and sanitation, access to finance, and social protection.

VANUATU

Vanuatu is an archipelago with a population of about 297,000 people spread across 84 islands in the West Pacific. It is ranked the most vulnerable country in the world to natural disasters and the effects of climate change.

Economic growth has traditionally been driven by tourism, public spending on infrastructure, private sector construction activities, and aid flows. The largely rural population is engaged in subsistence farming and limited production of copra, beef, cocoa, and kava for export.

In March 2020, the coronavirus disease (COVID-19) pandemic forced the Government of Vanuatu to close the country's borders, leading to a collapse in tourism revenues and high socioeconomic costs. In April, Vanuatu was struck by Cyclone Harold, which caused significant crop losses and had cascading effects on employment and the economy.

The Asian Development Bank (ADB) has supported Vanuatu since 1981, with robust assistance to build economic resilience, upgrade transport and energy assets, and improve urban infrastructure and health systems.

Since 1981, ADB has committed loans totaling \$96.8 million, grants of \$64.2 million, technical assistance worth \$25.3 million, and ADB-administered cofinancing of \$71.3 million for Vanuatu. Cumulative loan and grant disbursements to Vanuatu amount to \$107.6 million. These were financed by concessional ordinary capital resources, the Asian Development Fund, and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

In response to the combined effects of the COVID-19 pandemic and Cyclone Harold, ADB provided multilayered assistance to Vanuatu. It committed a \$1 million grant from the [Asia Pacific Disaster Response Fund](#) in April, a \$1.5 million [COVID-19](#)



Emergency Response grant in July, and a \$16.9 million countercyclical support grant in December to help alleviate the socioeconomic impacts of pandemic restrictions.

Also in 2020, Phase 3 of ADB's Pacific Disaster Resilience Program, with a \$5 million grant available to Vanuatu, was approved as contingent disaster finance for early recovery and reconstruction activities following disasters caused by natural hazards and health emergencies.

To further protect against future crises, the Greater Port Vila Urban Resilience Project will build on the completed 2018 Port Vila Urban Development Project, which upgraded road networks and drainage systems and improved sanitation facilities in villages and the rural-urban hinterland. The \$9.64 million resilience project covers construction of two multipurpose emergency shelters, capacity building, and institutional strengthening.

The \$15 million Energy Access Project is expanding the availability of electricity through renewable energy generation on the island of Malekula replacing diesel generation with hydropower, and extending power distribution grids on both Espiritu Santo and Malekula.

The Interisland Shipping Support Project comprises two major components; investing in shipping infrastructure across Port Vila and the outer islands, and establishing a shipping support scheme to help provide more services to remote destinations.

In the health sector, ADB has committed a \$25.1 million package to support the introduction of new vaccines in Vanuatu through the System Strengthening for Effective Coverage of New Vaccines in the Pacific Project. This project will further strengthen immunization

programs in response to the COVID-19 pandemic.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments in loans and equity investments from ADB's own funds in 2020 amounted to \$1.4 billion for 38 transactions in economic and social infrastructure, finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2020, ADB mobilized \$1.9 billion of long-term project cofinancing and \$3.3 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$14.3 billion as of 31 December 2020.

PARTNERSHIPS

ADB works closely with the Vanuatu Project Management Unit, which acts as the implementing agency for several ADB-financed infrastructure projects.

ADB also works directly with other development partners—most notably the governments of Australia, Japan, and New Zealand, the European Union, and the World Bank—on project preparation, financing and implementation.

ADB's Pacific Private Sector Development Initiative, cofinanced by the governments of Australia and New Zealand, has been active in Vanuatu since 2008. This regional technical assistance works to improve the business enabling environment in

the Pacific region. Reforms supported by the initiative reduce constraints to doing business, incentivize entrepreneurship and investment, foster new business models, and remove barriers to women's full participation in the economy.

ADB also supports Vanuatu through the Pacific Region Infrastructure Facility, which is a multipartner coordination and technical assistance facility established in 2008 to help improve the quality and coverage of infrastructure in the Pacific. The facility provides technical advice on infrastructure development and sustainable infrastructure management and works to enhance the coordination of development partner investments in the Pacific.

FINANCING PARTNERSHIPS

Financing partnerships enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of loans and grants, technical assistance, and other nonsovereign cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program.

ADB began cofinancing operations in Vanuatu in 1992. Since then, sovereign cofinancing commitments for Vanuatu have amounted to \$65.8 million for five investment projects and \$3.46 million for six technical assistance projects.

A summary of projects with cofinancing from 1 January 2016 to 31 December 2020 is available at www.adb.org/offices/pacific/cofinancing#vanuatu.

Vanuatu: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2019–2020

No. of Ongoing Loans ^a (as of 31 Dec 2020)	3	
	2019 (\$ million)	2020 (\$ million)
Contract Awards ^{b,c}	0.17	2.27
Disbursements ^b	6.84	1.23
No. of Ongoing Grants ^{a,d} (as of 31 Dec 2020)	7	
	2019 (\$ million)	2020 (\$ million)
Contract Awards ^{b,c,d}	0.73	2.79
Disbursements ^{b,d}	3.78	19.86
At Risk Projects (%) (as of 31 Dec 2020)	-	

- = nil.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based, results-based, and financial intermediation/credit loans and grants.

^d Includes only Asian Development Fund and other ADB special funds.

Vanuatu: Projects Cofinanced, 1 January 2016–31 December 2020

Cofinancing	No. of Projects	Amount (\$ million)
Sovereign	3	12.55
Grants	3	12.55

Vanuatu: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2019		2020		Cumulative (as of 31 Dec 2020)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	0.71	0.01	18.28	0.08	47.31	0.02
Consulting Services	0.07	0.01	0.16	0.02	8.31	0.06
Total Procurement	0.78	0.01	18.44	0.08	55.62	0.02

Top 5 Contractors/Suppliers from Vanuatu Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2016–31 December 2020

Contractor/Supplier	Sector	Contract Amount (\$ million)
Downer Edi Works Vanuatu Ltd.	TRA	1.59
Au Bon Marche	EDU, HLT	0.95
Davids Construction Ltd.	TRA	0.55
Air Taxi Vanuatu	HLT	0.23
Wong Sze Sing Store	HLT	0.19
Others		18.18
Total		21.70

EDU = education, HLT = health, TRA = transport.

Top 5 Consultants from Vanuatu Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2016–31 December 2020

Consultant	Sector	Contract Amount (\$ million)
Kramer Ausenco (Vanuatu) Ltd.	EDU	1.02
Individual Consultants		1.05
Total		2.07

EDU = education.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from all ADB members.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$14.19 billion in 2019 and \$22.79 billion in 2020. Cumulative procurement since 1966 has been \$216.35 billion covering 222,415 contracts.

For contractors and suppliers from Vanuatu, 140 contracts worth \$47.31 million have been awarded since 1981.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations

totaled \$756.72 million in 2019 and \$732.11 million in 2020. Cumulative procurement since 1966 has been \$14.13 billion covering 67,086 contracts.

For consultants from Vanuatu, 67 contracts worth \$8.31 million have been awarded since 1981.

OPERATIONAL CHALLENGES

In 1980, Vanuatu gained independence from France and the United Kingdom, after 76 years of joint administration. ADB's engagement with the country since 1981 has been primarily in transport, water and sanitation, and urban infrastructure. The bank has also provided disaster relief financing and helped strengthen coverage of new vaccines.

In the past, the sustainability of projects in Vanuatu has been fragile, with attention to administration often lacking and institutional capacity often inadequate. Upstream design work on projects has sometimes failed to incorporate lessons from previous implementations, and designs have remained complex and overly ambitious, with difficulties in tendering processes.

FUTURE DIRECTIONS

As a tourism-dependent economy that is also highly exposed to destruction from natural disasters, Vanuatu will require short-term support to overcome the impacts of the COVID-19 pandemic, as well as longer-term assistance to build resilience to catastrophic climate events.

ADB operations in the country are aligned with the strategic priorities in Vanuatu 2030—the People's Plan, which has, as its core priority, improvement to lives and livelihoods. Consistent with its Strategy 2030, ADB will focus its assistance to Vanuatu on improved public financial management, transport, urban infrastructure, renewable energy, disaster risk management, water and sanitation, access to finance, and social protection.



ABOUT VANUATU AND ADB

ADB Membership

Joined 1981

Shareholding and Voting Power

Number of shares held: 708 (0.007% of total shares)
Votes: 39,822 (0.299% of total membership,
0.460% of total regional membership)

*Overall capital subscription: \$10.2 million

*Paid-in capital subscription: \$0.5 million

*United States dollar figures are valued at rate as of 31 December 2020.

Johnny Koanapo Rasou MP is the Governor and **Letlet August** is the Alternate Governor for Vanuatu in ADB.

Kisun Bang is the Director, and **Yu-Peng (James) Tseng** is the Alternate Director representing Vanuatu on the ADB Board of Directors.

Lotte Schou-Zibell is the ADB Regional Director of the Pacific Liaison and Coordination Office. The office was opened in 2005 and is ADB's representative office in Sydney, Australia. It acts as the focal point for liaison with the governments of Australia and New Zealand and with development organizations and nongovernment organizations based in those two countries. The office engages in policy dialogue, country partnership strategy development and programming, portfolio management, and knowledge-based solutions for Nauru, Solomon Islands, and Vanuatu. The liaison and coordination office is also responsible for finance sector development and private sector development across all 14 of ADB's Pacific developing member countries.

The ADB Pacific Country Office in Vanuatu strengthens the bank's presence in the country by enhancing the relationship between ADB and the government, improving development partner coordination, and building local capacity to design and implement ADB-supported projects.

The Vanuatu government agency handling ADB affairs is the Ministry of Finance and Economic Management.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from Asia and the Pacific and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2020, lending volume was \$26.9 billion (149 projects), with technical assistance at \$293.56 million (275 projects) and grant-financed projects at \$1.08 billion (62 projects). In addition, \$16.41 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program. From 1 January 2016 to 31 December 2020, ADB's annual lending volume averaged \$19.69 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$805.5 million and \$230.81 million respectively over the same period. As of 31 December 2020, the cumulative commitments excluding cofinancing were \$323.17 billion in loans for 3,369 projects in 44 countries, \$11.3 billion in 495 grants, and \$5.01 billion in technical assistance grants, including regional technical assistance grants.

Notes:

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars. Data are updated as of 31 December 2020 unless otherwise indicated.

CONTACTS

Vanuatu Pacific Country Office

Level 5, Reserve Bank Building
Rue Emile Mercet
P. O. Box 246
Port Vila, Vanuatu
Tel: +678 20300

Pacific Liaison and Coordination Office

45 Clarence Street, Level 20
Sydney 2000, NSW, Australia
Tel: +61 2 8270 9444
Fax: +61 2 8270 9445
adbplco@adb.org
www.adb.org/vanuatu

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel: +63 2 8632 4444
Fax: +63 2 8636 2444

Ministry of Finance and Economic Management

Private Mail Bag 9058
Port Vila, Vanuatu
Tel: +678 23032

Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org