

1. Relevance of Assistance

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

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

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

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

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

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

### 3. Priority Areas

#### (1) Overcoming Vulnerability

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

#### (2) Environment / Climate Change

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

### 4. Point to be considered

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

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

Annex: Rolling Plan for Vanuatu