



The Government of the Republic of Vanuatu

Statement by

**The Right Honourable Rialuth Serge VOHOR, Prime Minister of the
Republic of Vanuatu**

**On the occasion of the IV United Nations Conference on the Least
Developed Countries, Istanbul, Turkey, 10th May 2011.**

Check against delivery

Mr. President
Distinguished Heads of States and Governments
The Secretary General of the United Nations
Excellencies
Ladies and Gentlemen

It is indeed a great honor and privilege for me to address this most august Fourth United Nations Conference on Least Developed Countries. On behalf of my delegation, I wish to thank the Government and the people of Turkey for the warm hospitality accorded to us from the time of our arrival in this beautiful and historic city of Istanbul.

I would also like to thank his Excellency Mr. Cheick Sidi Diarra for his tireless efforts in ensuring that at this important conference our hopes and concerns as members of the LDC can be heard. This appreciation is also extended to Ambassador Jarmo Viinanen, Chairman of the Inter-Governmental Preparatory Committee and officials who have worked tirelessly to come up with the draft Istanbul Programme of Action. I also take this opportunity to acknowledge the work of the ACP and express my Government's support on ACP proposals towards LDCs.

Mr. President,

Vanuatu, as you know, is a small island developing state classified amongst others as a Least Developing Country. Over the last decade Vanuatu has experienced modest economic growth amidst numerous challenges. Vanuatu was recommended for graduation by the Committee for Development Policy (CDP) twice, however, we continue to maintain our status as a LDC due to the extent of our susceptibility to extremely external economic shocks and natural disasters. Vanuatu's location in the "Pacific-rim of Fire" and "Pacific Cyclone Belt" has made it one of most vulnerable countries in the world as we face the constant threat of natural disasters. It is my strong conviction that building a resilient economy must come first and foremost before graduation to enable sustainable growth into the future.

UNCTAD's in-country visit to Vanuatu next month to prepare for the CDP 2012 Triennial Review should be able to make a comprehensive assessment on our eligibility for graduation with a stronger focus on Vanuatu's economic vulnerability. I am therefore pleased to note that the draft Istanbul Programme of Action has included provisions for a smooth transition period after graduation, thereby enabling graduating LDCs to continue to enjoy the financial and technical assistance from development partners, including extension of preferential treatment with respect to trade agreements.

Economic Development

For the last several years Vanuatu has continued to grow at an average of 5.2 per cent as a result of the government's commitment to reforms and pursuit of economic reform policies. However, irrespective of this positive growth path, we continue to face challenges particularly in the country's economic structure. Currently tourism and agriculture are the main stay of the economy, but the need for diversification remains paramount to cushion the economy against the impact of external shocks, and natural disasters.

Trade Facilitation

Mr. President,

Vanuatu recognizes the pivotal role of trade in facilitating economic growth. However, production and export capacity remains stagnant. This is exacerbated by the permanent geographical dispersion of production centres, distance to markets, poor infrastructure and high cost of transport, lack of access to capital, and very high cost structure.

Vanuatu has gained from the Integrated Framework and will also benefit through the Enhanced Integrated Framework. This programme will continue to support the formulation of trade policies and mainstream trade issues into national development strategies, as well as build trade capacities by addressing the supply side constraints. It is our hope that developing trade in Vanuatu will enhance investment by the private sector, increase exports and create employment for our young population. We appeal to the developed countries to continue to grant preferential treatment for products from Vanuatu and other LDCs, by eliminating tariff peaks and provide capacity building assistance to LDCs to help them navigate through technical barriers to trade.

Mr. President, I have this great honour to inform this august conference that after sixteen years of intense negotiations, Vanuatu has now concluded its accession package to join the World Trade Organisation.

Enhancing Finance for Development

Access to finance remains a concern for Vanuatu and other LDCs. While the government has developed policies to promote foreign direct investment, the need to mobilize development assistance from development partners to address certain structural weaknesses in the productive sectors of the economy remains imperative. In related developments, microfinance targeted for women and the disadvantaged has proven to be a tremendous success in Vanuatu. It has enabled women to successfully venture into small and micro business, thereby empowering them to address poverty.

Overseas Development Assistance and Debt Relief

Development assistance from development partners has been catalytic in the implementation of the national Priorities Action Agenda policies, the regional Pacific Plan of Action and the international commitments such as the MDGs and the LDC programme of Action.

Mr. President,

The implications of graduation are great on small and fragile economies like Vanuatu. Graduation implies a gradual loss of benefits, diminished opportunities for donor funding and concessional loans and other forms of accessing finance. It is in this context, that in contemplating graduation it is absolutely essential that future development assistance MUST target Vanuatu's structural reforms to enable strong and sustainable economic growth. I urge bilateral and multilateral partners to consider making provisions for debt relief for LDCs that have been severely affected by the global financial crisis, natural disasters and conditional loans that have financial implications with no substantial gains for the recipient country.

My government also wishes to encourage further South-South Cooperation particularly in the areas of capacity building, technology transfer, agriculture, forestry, fisheries, and tourism.

I call on development partners to improve the quality of their assistance in accordance with the principles of national ownership, alignment, harmonization and results oriented outcomes as agreed in the Paris declaration and Cairns Compact.

Climate change

Mr. President,

Vanuatu is ranked one of the highest disaster prone countries in the world due to its location along the "Pacific Rim of Fire" and "Pacific Cyclone Belt" as mention earlier. Therefore climate change will always impose a very serious threat for us. Frequent natural disasters and the subsequent damages to infrastructure often lead to the diversion of our scarce economic resources thus hampering Vanuatu's socio-economic development progress. We call on the development partners to provide new and additional resources for

climate change mitigation and adaptation to enable countries like ours cope with the impacts of climate change. Resources provided for climate change should be made accessible with less stringent and bureaucratic procedures.

Infrastructure

Infrastructure is vital in facilitating trade between the islands and urban centres and international markets. The development of our productive capacity to combat poverty and stimulate growth depends on the expansion and maintenance of infrastructure. The government is embarking on an infrastructure master plan to upgrade and improve infrastructure throughout the country. These programs will be achieved through the participation of government, private sector and development partners.

Strengthening social sector

Mr. President,

Vanuatu places high importance on education and health sectors. This is reflected in the allocation of 45 per cent of the national budget to the two sectors. Despite this huge budget allocation the quality of services in the two social sectors remain meagre. However, in meeting its obligations Vanuatu is currently implementing a free primary education policy in line with the UN Convention on the Rights of the Child and working towards providing better health services to the population as well as addressing MDG obligations. We beseech our development partners to continue to provide assistance to these two important sectors.

Finally, I would like to thank our development partners for their continuing support towards the LDCs and we look forward to a renewed partnership in addressing the many challenges ahead of us. May I also acknowledge the divine leading of the Almighty God, whose name my country has proclaimed its motto, "In God we stand". The faith of my nation on God will be an eternal guide and we unreservedly express our hope that God's continued providence will empower us to give to other nations in need in the future. We are confident that the Istanbul programme of action will chart a new and realistic course of structural transformation for LDCs for the next decade. The challenges before us are unforeseen but as Thomas Kuhn President of the Edison Electric Institute puts it "we will meet it head-on with fire in our bellies, a wind in our sails, steam up, and full charge!"

I thank you for your attention.