CDP2012/PLEN/10a

Department of Economic and Social Affairs
Secretariat of the Committee for Development Policy

Ex-ante impact assessment of likely consequences of graduation of Vanuatu from the least developed country category

United Nations, New York, November 2011

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Ex-ante Impact Assessment: Vanuatu
(November 2011 update)

Abstract

The Committee for Development Policy (CDP) considered Vanuatu eligible for graduation for the first time in 2006, which triggered the preparation of a first impact assessment report in 2008. Eligibility for graduation was confirmed for a second consecutive time in March 2009, but the country was not recommended for graduation owing to concerns about the sustainability of the development progress registered by the country. At that time, the Committee stated that the country would be considered for graduation at the next triennial review in 2012. The present – second -- study has been prepared for assessing the likely consequences of graduation for the country and updates information contained in the 2008 report. [1]

This report surveys preferential market access, other special and differential trade treatment, official development assistance and other provisions extended by development and trade partners to the country due to its status as least developed country. It then examines the possible changes in support measures as a result of graduation of the country from the LDC category and, to extent possible, assesses potential impacts of these changes on the sustainability of the country's development progress.

The CDP Secretariat approached Vanuatu's major trade and development partners in 2011 to inquire about their policy stance vis-à-vis the country once it graduates from the category. Overall, it is not apparent that graduation will drastically affect the way donors approach development cooperation towards Vanuatu as they have their own criteria for allocating aid. Yet, it should be noted that once graduated from the LDC category Vanuatu will face non-zero tariff rates on exports of certain types of tuna and copra oil, which currently enjoy duty- and quota-free entry in the European Union and in Japan, respectively, the two major export markets for the country.

1. Background

The Committee for Development Policy (CDP) has established that, after a country is considered eligible for graduation for the first time, the Department of Economic and Social Affairs (DESA) would prepare, in conjunction with, and as a supplement to UNCTAD's

[1] Department of Economic and Social Affairs, Secretary of the Committee for Development Policy, "Ex-ante impact assessment of likely consequences of graduation of Republic of Vanuatu from the least developed country category", November 2008 (CDP09/EGM/16).

vulnerability profile, an ex-ante impact assessment of the likely consequences of graduation.[2] Vanuatu was considered eligible for graduation for the first time in 2006, thus triggering the preparation of the ex-ante impact assessment report in late 2008. The report was presented to the expert group meeting of the CDP in January 2009, in which representatives of Vanuatu participated.[3] At its plenary meeting in 2009, the Committee established the country met the graduation criteria, but did not recommend it for graduation owing to the concerns about the data used for the calculation of human asset index and the sustainability of the improvements registered by the country. At that time, the Committee also stated that the country would be considered for possible graduation at the triennial review in 2012, which led to the preparation of this updated impact assessment. Should the country be recommended by the CDP for graduation at the 2012 review— such recommendation be endorsed by ECOSOC and, subsequently, the General Assembly take action/note of the CDP finding—graduation of Vanuatu will take place in 2015.

The impact assessment is undertaken in conjunction with, and as a supplement to, a vulnerability profile prepared by UNCTAD.[4] An important element of the impact assessment is to gather information not only through desk work, but also from its main official development partners (multilateral organizations, multilateral and bilateral donors) on the amount and/or type of preferences, benefits and assistance accorded to Vanuatu due to its LDC status.

The impact assessment of Vanuatu was finalized in November 2011 to give the country the opportunity to make its voluntary presentation at the expert group meeting of the CDP on 16-17 January 2012 prior to the triennial review to be conducted at the plenary meeting of the Committee on 12-16 March 2012.

2. Methodology and data considerations

Despite a wide array of existing impact assessment methodologies to draw on, there is no internationally recognized methodology for identifying and assessing actual or potential consequences incurred by graduating countries as a result of a reduction in receiving special international support measures related to their status as an LDC. The present impact assessment undertaken by DESA is an ex-ante assessment. An overview of different assessment methods, their advantages and limitations as well as considerations on the choice of the present methodology are available in the 2008 report and will not be repeated here.

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[2] See Report on the ninth session of the Committee for Development Policy, 19-23 March 2007 (E/2007/33, Supplement No. 33), and ECOSOC resolution (E/2007/L.34) on the Report of the Committee for Development Policy on its ninth session (unedited). Part of data and analysis on trade and official development assistance were provided by UNCTAD.

[3] Secretariat of the CDP, DESA (2009). "Ex-ante impact assessment of likely consequences of graduation of Republic of Vanuatu from the least developed country category", November (CDP09/EGM/16).

[4] The 2008 report explains differentiated but complementary roles of the impact assessment and the vulnerability profile

The LDCs derive special support measures both from the donor community, including bilateral donors and multilateral organizations, as well as from the special treatment accorded to them by trading partners and certain multilateral and regional trade agreements. These measures fall into three main areas: international trade; official development assistance, including development financing and technical cooperation; and other forms of assistance. Currently, the major support measures extended owing to LDC status vary among development partners and are mostly related to trade preferences and the volume of official development assistance (ODA).

It is important to emphasize that the analysis carried in this report involves the identification of support measures that are made available to the country concerned exclusively *on the basis of its LDC status alone*. Some of those measures can be easily identified, for instance, the preferential market access granted to LDCs, such as in the Everything But Arms (EBA) of the European Union and other similar initiatives, or the support provided by the UN in terms of caps to budget contribution and participation at various international meetings.

However, in some other instances, it is not possible to make a distinction between LDC specific measures and "regular" development assistance. For example, it is difficult to specify LDC-specific ODA flows. Hence, this report will identify major bilateral and multilateral donors and briefly provide an overview of their development assistance strategies vis-à-vis Vanuatu and highlight those areas (if any) that could be potentially affected.

The qualitative analysis employed in this report is supplemented by quantitative data to an extent possible. Every effort has been made to collect most up-to-date information from national, regional and international sources on socio-economic data of Vanuatu and on relevant trade and external aid data of its development partners. As of late-2011, most data are available at least up to the end of 2009 or 2010.

Export values of Vanuatu were calculated based on imports of its trading partners reported in the Commodity Trade (mirror data). There are, however, some discrepancies between the export values so obtained and those reported in other data sources that are based on export values reported by Vanuatu itself, particularly in fish trade, owing to significant under-reporting of by the Pacific Island countries, including Vanuatu.[5] It should be further noted that different tariff rates and other preferential market access treatment on imports (from developed countries' view point) are applied to different commodity items coded by the Harmonized System in the Commodity Trade Statistics Database. For these reasons, the present report uses export values reported by Vanuatu's trading partners in the Commodity Trade data base.

[5] Gillett, Robert and Cris Lightffot (2001). The Contribution of Fisheries to the Economies of Pacific Island Countries: A Report Prepared for the Asian Development Bank, the Forum Fisheries Agency, and the World Bank,

3. Trade-related support measures and benefits

As of November 2011, Vanuatu was not a member of the World Trade Organisation (WTO). The country applied for WTO membership in July 1995, but in November 2001 it sent a letter to the WTO Secretariat requesting a "technical delay" in its accession procedure. In May 2011, the working party on Vanuatu's accession approved the revised terms of its accession (often called the accession package). The General Council of WTO approved the package on 26 October 2011. Vanuatu needs to ratify the deal by 31 December 2011 and would become WTO's 154th member 30 days after the ratification[6]

a. Overview of benefits received

Vanuatu is heavily dependent on trade of international services (largely the tourism industry) and less so on merchandise trade in general and preferential treatments in particular (see table 1). In fact, the value of services exports was about 5 times larger than the corresponding value of the export of goods in 2010.

Vanuatu receives preferential market access treatment under the following frameworks: the General System of Preferences (GSP) of bilateral and regional trading partners as allowed by WTO agreements, the Trade and Economic Cooperation Agreement (SPARTECA) and the Africa, Caribbean and Pacific – European Union (ACP-EU) Partnership Agreement.

Under the GSP, developed countries are allowed to apply preferential or duty-free rates to imports from developing countries, with deeper preferential rates for the least developed countries (LDCs), while the most favoured nation (MFN) rates remain being applied to other countries. Developed market economies extend duty-free, quota-free (DFQF) treatment or deeper preferential market access to LDC exports as well. Recently, developing countries have started granting preferential market access treatment to LDCs as well. The United States and Australia, Japan and New Zealand – the main trade and development partners of Vanuatu –provide LDCs with deeper preferential market access to their markets under various sets of their GSP programmes. Vanuatu is also a beneficiary of the Everything-But-Arms (EBA) initiative of EU for LDCs that allows duty- and quota-free access to the EU market. Graduation of the country from the list of LDCs will potentially affect the application of the preferences given to the country. As of November 2011, Vanuatu and EU have not yet reached an economic partnership agreement (EPA). Details will be examined in section 4

Within the free trade agreement (FTA) frameworks, market access concessions to Vanuatu are offered through SPARTECA, which was signed in 1981, by Australia, New Zealand and island countries of the South Pacific (Forum Island Countries (FICs)). It allows duty-free access for the products of FICs to the markets of Australia and New Zealand, subject to "rules of origin" and other regulations. It should be noted that LDC status does not impact the

[6] See http://www.wto.org/english/news_e/news11_e/acc__26oct11_e.htm

application of the trade preferences specified in this Agreement.[7] Australia and New Zealand, however, have not been major destinations of Vanuatu's exports.

Vanuatu is also a signatory of the Melanesian Spearhead Group Preferential Trade Agreement (Fiji, Papua New Guinea, Solomon Islands and Vanuatu)[8] and the Pacific Island Countries Trade Agreement (PICTA), signed by Cook Islands, Fiji, Kiribati, Micronesia, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Under this agreement, Vanuatu's major exports to the markets of other signatory countries receiving duty-free treatment are bovine meat, kava and vanilla. The loss of LDC status would not affect preferences extended to the country under the Melanesian Agreement and PICTA.

b. Possible impact of graduation

As noted previously, the Vanuatu Parliament is due to vote by the end of December 2011 on the ratification of the accession package presented to the country by the WTO. Prior to the conclusion of the package, Vanuatu as a LDC was entitled to receive support from the WTO and its Members in facilitating the negotiation of accession to the organization.[9]

Access to special and differential treatment in the application of WTO disciplines, once the country joins the organization, is to be ruled by the accession agreement the country negotiated. In principle, however, one would expect the country to lose access to LDC specific differential treatment.

4. Specific market access preferences related to the LDC category

As mentioned above as a LDC Vanuatu enjoys preferential access in some main export markets. Some of country's major exports, such as tuna and copra, are likely to face tariffs in some markets when Vanuatu graduates from the LDC list.

a. Main export products and markets

According to Commodity Trade Statistics data base (COMTRADE) the main export products during the latest 3 years for which data are available (2007-2009), are frozen fish (tuna and bonito), meat, copra and copra oil and ships, boats and other floating structures. The main export markets are Thailand, Japan, Belgium, Saudi Arabia, Fiji and three ASEAN countries – the Philippines, Singapore and Malaysia (see table 2).

[7] The Permanent Representative of Australia to the United Nations, a letter sent to Mr. Sha Zukang, the Under-Secretary General for Economic and Social Affairs, the UN, 1 July 2008.
[8] New Caledonia has an observer status in the group.
[9] See WTO. General Council. Accession of least-developed countries – Decision of 10 December 2002 (WT/L//508).

Thailand was consistently the largest export destination of Vanuatu's products, accounting for at least 50 per cent of country's total exports in these 3 years. Japan was another important importer for the country while the rest of countries listed in table 2 were among the 10 largest, at least twice during 2007-2009.[10] Other such countries as Ecuador, Mexico and the United States appeared among the top 10 importers only once in these three years, largely owing to the (apparently) one-shot deal of buying frozen fish or oil seeds from Vanuatu. Accordingly, the present report examines the structure of preferential treatment extended by five countries which seem to be a consistent destination for Vanuatu's exports: Thailand, Japan, Belgium, Saudi Arabia and Fiji.

b. Possible impact of loss in preferences

Among the countries listed above, Belgium, Fiji, Japan and Thailand offer preferential treatment for at least some Vanuatu's exports (see annex table A.1).

Under the EU tariff schemes, Vanuatu is currently eligible for duty-free exports of copra or copra (coconut) oil with preferential treatment extended under the EBA imitative. Belgium imported about $1.4 million of some types of copra (crude coconut) oil (HS 151311) in 2009, amounting for about 2.5 per cent of value of exports of goods by the country as reported in table 1.

Vanuatu's graduation from the list of LDCs in 2015 will not immediately affect the preferential treatment provided by the EU provided the current regulation of the GSP that stipulates that countries continue to benefit from EBA preferential treatment for 3 years after graduation is maintained in a new cycle of the GSP scheme. The current cycle of the GSP scheme will expire at the end of 2015. Thus, on the assumption that the basic elements of the current GSP remain in place, changes in preferential treatment for Vanuatu will not be in effect before 2018.

If the European Commission decides not to extend EBA benefits beyond 2018, Vanuatu may still receive preferential treatment under the EU's other GSP frameworks available for developing countries. On the assumption that the margins of preference under the current GSP scheme remain unchanged, Vanuatu would face tariffs up to 4.4 per cent on its copra exports to the EU,[11] unless the country applies to the so-called GSP-plus[12] after it graduates from the list, or negotiates an EPA with EU to receive the benefits available to the ACP countries (see annex table A. 1 for the tariff rates). If applies and is qualified for the GSP-

[10] New Caledonia was also among the top 10 largest importers in every year during the period 2007-2009.

[11] EU tariff rates are defined at the HS 10-digit level and tariffs are applied on two types (HS 1513119100 and 1513119900) under crude coconut oil under HS 151311 in the GSP scheme will be subject to non-zero tariff rates if Vanuatu become a non-LDC and exports these commodities. Unfortunately, the Commodity Trade Statistics database does not show what types and quantities of crude coconut oil Vanuatu are currently exporting to Belgium and Germany at the HS 10-digit level.

[12] It is also known as the special incentive arrangement for sustainable development and good governance. This provides additional benefits for countries implementing certain international standards in human and labour rights, environment protection and good governance.

plus or the ACP rates, its copra exports may still have duty-free entry (once again, provided the current GSP-plus remains unchanged).

The share of Vanuatu in total imports of copra oil by Belgium was about 7.4 per cent in 2009 (see able 3). Among the major copra exporters to Belgium, Fiji and French Polynesia receive preferential treatment by the EU at present[13]along with Vanuatu. These countries may benefit from the relative cost advantage coming from the loss of Vanuatu's preferential treatment. Yet, they have relatively small productive capacity and may not be able to increase output to take over Vanuatu's market share. On the other hand, Indonesia and the Philippines, the two largest copra producers in the world, face average tariffs between 6.4 and 12.8 per cent, depending on sub-category items in the copra products (HS 151311). In theory, these countries may be able to take over Vanuatu's share of the Belgium market. In this case, while a loss of export earnings would still be small relative to its overall export revenues,[14] Vanuatu's graduation from LDC status could have a negative impact particularly for some of the smaller islands in the country for which copra is the sole cash product[15] and means of livelihood of small landholders.

In case of exports to Japan, the loss of LDC status may affect Vanuatu's export of boneless beef (HS 020230) and certain types of fish (under HS 0302 and 0303). These products enter the Japanese market duty free under the special preferential tariff treatment given to the imports from LDCs. After graduation, Vanuatu would face tariffs of 3.5 per cent in case of fish and 38.5 per cent on beef exports on the basis of Japan's current tariff schedule.

Vanuatu's share of the Japanese beef market is small (see table 4). Despite facing much larger and probably more efficient producers (Australia, New Zealand and the United States) the higher tariff will affect the country's exports to Japan to some extent, but the exact magnitude of the impact is difficult to predict. As argued in the 2008 report, while, beef from Vanuatu will likely lose price competitiveness, it is regarded as higher quality and "speciality" – i.e. being organic -- beef and does have a captive, though small, market.[16]

Turning to tuna, as mentioned in the 2008 report, it is unlikely that the higher tariff rates will significantly affect export quantities of various types of tuna to Japan, either. Since the 1980s, several international measures and regulations have been in effect to manage tuna fishing which have affected fishing patterns and the distribution of catches among countries. Because of these regulations, even large competitors in the Japanese market -- Taiwan, Province of China and the Republic of Korea -- may not be able to expand output and take over Vanuatu's market share. On the other hand, it is possible that Vanuatu may be less competitive relative to a few other LDCs, which will continue to enjoy duty- and quota-free market access to Japan, though the supply capacity of these countries is limited.

[13] EPA and Overseas-territories preferential treatments, respectively.
[14] Copra exports to Belgium accounted for about 2.5 per cent of total export value of Vanuatu in 2009.
[15] Department of Trade, Industry and Investment (2008). *Vanuatu: Diagnostic Trade Integration Study, 2008 Report* (Integrated Framework Partnership 2008: Port Vila), pp. 85-87.
[16] A meat processing factory is partly owned by Japanese investors, with a well-established distribution channel in Japan.

The impact of higher tariffs on albacore or long-finned tunas (HS 030341) is also expected to be minor for the fish exports to Thailand. Vanuatu will face a higher tariff of 3.5 per cent on albacore or long-finned tunas (HS 030341) if graduated from the category of LDCs. Vanuatu's fish has a small share in the Thai market (see table 5) and it is conceivable that the country loses its market share when facing the higher tariff particularly when the fishing industry of Vanuatu fails to increase productivity to compensate the higher tariff disadvantage. Nonetheless, because the share of this type of tuna in Vanuatu's total tuna export value to Thailand was only up to 2 per cent during period 2007-2009, impacts of the higher tariff seems to be minor.

5. Official Development Assistance

In 2009, the latest year for which data are available, Vanuatu received $106 million as official development assistance, which corresponds to about 17 per cent of country's GNI in the same year (see annex table A.2). ODA to the country in 2009 increased significantly from previous years, owing to larger inflows from Australia, Japan and New Zealand.

As argued in the 2008 report, official donors have historically focused their assistance in education, public and social infrastructure and economic infrastructure (see annex table 3). More recently, the priority of assistance to Vanuatu has largely been targeted to support the Vanuatu Government's Prioritised Action Agenda (PAA) to make progress towards the Millennium Development Goals. The PAA lists the national priorities as follows:

- implementing structural reforms aimed at making public action more efficient;
- developing the productive sector, in particular agricultural and tourism sectors; and,
- improving access to basic services, in particular health care, primary education and professional training.

Donors are also supporting the country in developing an environment conducive for private sector-led economic growth and in creating economic and employment opportunities for both men and women through human resources development. Donors have also shifted aid allocation to multi-sector projects and production sectors, while retaining the importance attached to education and public infrastructure.

Cash grants from abroad have increased from less than 2 per cent of the GDP in 2007 (or between 8-9 per cent of central government revenue) to around 7 per cent of GDP in 2008 (or more than a quarter of government revenue) (see table 6). The Government is estimated to have received high levels of grants in 2009 and 2010. Overall, fiscal position of the Government seems to be sound, with public debt being low at around 20 per cent of GDP and government deficits have been small for recent years. To safeguard this favourable situation, however, the Government's ability to collect taxes needs to be improved as total fiscal revenue around 20 per cent of GDP is lower than other Pacific Island countries.

a. Bilateral official development assistance

Australia, New Zealand and France have been major donors to Vanuatu, reflecting their geographical proximity to and/or historical ties with the country (see annex table A. 2). Japan and the United States also provide significant amounts of ODA to the country.

The first three donors refer to the PAA in their strategy papers on Vanuatu and state their commitment to focusing their aid programmes on supporting the country's prioritized national goals. In fact, ODA from these countries focuses on social infrastructure and services (see annex tables A. 3 and 4). None of the donors' strategy papers mention LDC status as a reason for their assistance for the country. These countries (together with Japan and the United States) have their own criteria for development assistance which do not depend on the LDC criteria set forth by the CDP.

Under the Australia-Vanuatu Partnership for Development, Australia supports Vanuatu in addressing its development challenges, including achieving the MDGs by 2015. To this end, Australia has strengthened assistance in the areas of access to and quality of education, enhancement of the national healthcare system, infrastructure development and economic governance reforms, which are also reflected in the Vanuatu Government's short- to medium-term development goal through the PAA.

As in the case of Australia, New Zealand's aid activities are designed to address the specific development challenges that Vanuatu faces. They include inadequate public utilities, high youth unemployment, high drop-out rates among primary school students, weak governance and the difficulty of ensuring adequate access to public services in all provinces, owing to the archipelagic nature of the country. Graduation would not influence its ODA programmes to Vanuatu because the volume, nature and content of assistance would continue to be determined by a negotiated outcome between the two countries, along with New Zealand's development policy settings and Vanuatu's development priorities and needs

Official development assistance by France – the leading donor in the past -- to Vanuatu has been decreasing in recent years, reflecting the changes in France's overall aid strategy in 2010. The new strategy focuses on 14 priority countries, largely in sub-Saharan Africa and the Mediterranean region and countries in crisis or emerging from crisis. In February 2010 France renewed a five-year cooperation agreement with Vanuatu (valid thorough 2014). In response to DESA's inquiry, it indicated that France-Vanuatu aid operations are based on economic, social and cultural cooperation projects and thus graduation will not affect the support provided to Vanuatu.[17]

ODA from Japan emphasizes infrastructure development and productive sectors. Currently, Japan's ODA centres around 4 areas, namely economic growth – infrastructure investment; sustainable development – environment, health and education, (see annex table A. 4). As indicated in its reply to the CDP Secretariat both in 2008 and 2011, Japan has developed its

[17] Ministrère des Affaires Étrangères et Européennes, "Conséquences d'une sortie de Tuvalu et de Vanuatu de la catégories des PMA", le 25 octobre 2011.

own criteria of ODA allocation and Vanuatu's graduation will not immediately affect the development aid it extends to that country. In general, graduated countries would face higher interest rates on yen loans beyond the special rate applied to LDCs. Japan's aid to Vanuatu, however, has comprised only grants and technical cooperation. No loans have been extended.

The United States of America had officially stated that UN designations did not affect its ODA policies, In May 2004, Vanuatu became one of 16 countries selected by the US Millennium Challenge Account (MCA).[18] In 2006, the Millennium Challenge Corporation and the Government of Vanuatu agreed a compact, in which the US provided about $65.7 million over next 5 years. The compact was restructured in 2008 due to escalating global construction costs and currency fluctuations. It closed out in April 2011.[19] Some 150 kilometres of rehabilitated roadways have been built under the MCA and over 39,000 people are expected to benefit from this investment. The Government of the United States stated in its communication to the DESA that graduation from LDC status would not impact Peace Corps programmes in Vanuatu. The Peace Corps agreement between the two countries was concluded in 1989 and currently over 80 volunteers are in country.[20]

In sum, the major development donors of Vanuatu have maintained the overall framework of their aid policies towards the country. Thus, as concluded in the 2008 report, graduation of the country does not seem to impact the overall aid policies of bilateral donors towards the country, at least immediately. As seen above, this is largely because donors have their own criteria and priorities for aid provisions.

b. Multilateral official development assistance

The European Union is among Vanuatu's largest multilateral donors. In the framework of the 10th European Development Fund (EDF) (2008 – 2013), the European Commission (EC) signed Country Strategy Papers with Vanuatu, together with other 12 Pacific Island states, in October 2007. The main focus of the EDF is to "support to Economic Growth and the creation of employment, including Human Resources Development (vocational training and capacity building). For the period of 10th EDF, the EC earmarked a total amount of €23.2 million to Vanuatu, of which 40 per cent is earmarked for general budget support. In addition, the European Commission approved in February 2011 the Annual Action Programme 2010 "Support to Non-State Actors and Community-Based Organizations in Vanuatu", in which a €1.6 million is allocated to promote the effective participation of civil society in the development process.

[18] In January 2004, Congress of the United States of America established the Millennium Challenge Corporation (MCC) to administer the Millennium Challenge Account for foreign assistance. The mission of the MCC "is to reduce poverty by supporting sustainable, transformative economic growth in developing countries that create and maintain sound policy environments." United States Government Accountability Office, "Report to the Chairman, Committee on Foreign Affairs, House of Representative" Millennium Challenge Corporation: Vanuatu Compact Overstates Projected Program Impact" (GAO-07-909), July 2007, p.1.

[19] Millennium Challenge Corporation, Vanuatu, available at http:www.mcc.gov/pages/countries/overview/Vanuatu, accessed on 25 October 2011.

[20] See http://www.state.gov/r/pa/ei/bgn/2815.htm.

The EU informed DESA that the EC would not have implications for programmes being currently implemented under the 10th EDF.[21] Nonetheless it indicated that graduation might be a factor to be taken into consideration under the 11th EDF (2014-2020), but in view of Vanuatu being a small island state and the disadvantages this entails, the EC would expect to have special consideration and discussion on the next programming cycle.

The Asian Development Bank's (ADB) country partnership strategy for Vanuatu aligns the Government's poverty reduction strategy and complements support provided by other development partners.[22] It assists the Government in 3 areas: transport, urban development and energy. ADB's program has been based on non-lending resources – i.e., grants and technical cooperation – in recent years. During 2010 – 2012, the bank envisions providing about $20 million in Asian Development Fund (ADF) loans and $1 million per year in technical assistance (TA) grant support. After 2012, ADB is expected to provide about $6 million per year from ADF as well as $1 million in TA per year. When determining the eligibility for access to concessional and interest-free loans, the bank takes into account levels of per-capita GNI, together with availability of commercial capital flows on reasonable terms and development of socio-economic institutions. While LDC criterion is one of the factors in considering ADF-eligibility, the criterion itself does not directly determine the eligibility. Thus graduation does not seem to affect ADB's strategy for the country.[23]

c. United Nations

The United Nations provides financial support for the participation of LDC representatives in regular, special and emergency special sessions of the General Assembly.[24] According to ST/SGB/107/Rev.6, 25 March 1991, travel (tickets, but not daily subsistence allowance-DSA) is provided to LDCs for up to 5 representatives when attending a regular session of the GA, and one representative for attending a special and an emergency special session of the GA. Graduation of Vanuatu does not lead to the immediate loss of the benefits. According to General Assembly resolution, A/65/L.66/Rev.1/Add.1 adopted in 20 June 2011, the travel-related benefits would be extended, if requested by the graduated country for a period appropriate to the development situation of the country not exceeding 3 years.

In addition, LDC contributions to the regular budget of the United Nations are capped at 0.01 per cent of the total UN budget (e.g. amounting to contributions no larger than $234,870 per country to the 2011 budget[25]), regardless of their national income and other factors determining a Member State's assessment rate. In 2011, Vanuatu's contribution is accessed at the minimum rate of 0.001 per cent of the regular budget, $23,487.

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[21] Letter from European Union Delegation to the UN, dated 8 November 2011, in response to inquiry by DESA concerning support measures provided to countries identified for graduation.
[22] Asian Development Bank, Country Partnership Strategy: Vanuatu, 2010-2014, August 2009.
[23] The IMF, UNDP and World Bank have negligible flows to Vanuatu, except those being implemented under the (Enhanced) Integrated Framework and the Global Environment Fund which are reported below.
[24] In accordance with General Assembly resolution 1798 (XVII), as amended by resolutions 2128 (XX), 2245 (XXI), 2489 (XXIII), 2491 (XXIX), 41/176, 41/213, 42/214, section VI of 42/225, section IX of 43/217 and section XIII of 45/248. See also ST/SGB/107/Rev.6, 25 March 1991.
[25] See UN, *Report of the Commission of Contributions*, 71st session, 6-24 June 2011.

Every LDC is also entitled to a 90 per cent discount in their contributions to a UN peacekeeping operation or a mission (i.e. they pay 0.0001 per cent -- one millionth -- of a peacekeeping operation).[26] If Vanuatu graduates from the list, the discount rate associated with peacekeeping operations will be reduced to 80 per cent (i.e., at 0.0002 per cent) (A/Res/55/235, 30 January 2001).[27]

d. Capacity building in trade

The Integrated Framework (IF) was inaugurated in October 1997 at the WTO High Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development by 6 multilateral institutions; IMF, ITC, UNCTAD, UNDP, World Bank and WTO.[28] It was established "in response to the concerns of LDCs regarding their integration into the multilateral trading system."[29] In 2007, the Enhanced Integrated Framework (EIF) was adopted by the IF governing bodies to strengthen effective result-oriented partnership among all EIF stakeholders towards mainstreaming trade into the national development plans, establishing structures necessary to coordinate the delivery of trade-related technical assistance and building trade capacity, including critical supply-side constraints.

Vanuatu undertook and validated a Diagnostic Trade Integration Study (DTIS) in 2007 and published its report in January 2008. Then, under the IF Trust Fund, the country and the UNDP regional office located in Fiji (on behalf of the 6 multilateral institutions) have signed a $1 million programme for 2008 – 2012 in March 2008 to implement priority actions items identified in the DTIS. The priority actions aim at assisting the country in enhancing its trade capacity and policy framework to ensure the long-term sustainability of Vanuatu's trade policies, including the establishment of the Trade and Development Unit in the Department of Trade and capacity building and legislative assistance to the Custom Department among other things. The first phase of the project came to completion at the end of 2010 under the (old) IF Trust Fund. Further progress is expected to be made in the capacity building, particularly in the areas of trade policy, participation of the private sector and coordination and monitoring of aid for trade initiates. As of October 2011, the country is preparing projects both for Tier 1 and 2 funding, but has not yet tapped on the resources of the EIF Trust Fund.[30]

The graduation of Vanuatu from the LDC category will not immediately affect EIF's policy towards the country because graduation may only take place in 2015. More importantly, a

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[26] See General Assembly resolution A/RES/55/235 on the scale of assessments for the apportionment of the expenses of the United Nations peacekeeping operations. See A/64/220 (23 September 2009) for the Secretary Genera's latest assessment of the implementation of the above-mentioned resolution.
[27] Member States' contributions to peace keeping operations are reported by operation by operation in UN Secretariat document mentioned in footnote 21.
[28] See Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries, http://www.integratedframework.org/about.htm, accessed on 26 August 2008.
[29] Enhance Integrated Framework for Trade-related Assistance for Least Developed Countries, *Compendium of EIF Documents: A User's guide to the EIF* (Draft), 2011
[30] EIF Executive Secretary, "ES Progress Report", 2011.

graduating EIF country has access full access to Tier 1 and 2 funds for an automatic 3 years and for additional 2 years after graduation subject to justification and approval by the EIF Board.[31]

e. United Nations Framework Convention on Climate Change (UNFCCC)

The parties to the UNFCCC established the Least Developed Countries Fund (LDCF) to support LDCs in carrying out the preparation and implementation of national adaptation programmes of action (NAPAs). The Global Environment Facility (GEF) was assigned the operation of the UNFCCC's financial mechanism and manages the LDCF.

Vanuatu has developed a national adaptation programme of action (NAPA) under a GEF/LDCF project with $0.2 million and its final report was submitted to UNFCCC in December 2007.[32] The main objective of the NAPA project for the country is "to develop a country-wide programme of immediate and urgent project-based adaptation activities in priority sectors in order to address the current and anticipated adverse effects of climate change, including extreme events."[33] The list of projects proposed in the NAPA report includes 5 areas: agriculture and food safety, water management policies/programmes, sustainable tourism, community based marine resource management programmes and sustainable forestry management.

As of November 2011, GEF has approved funding of a project related to the implantation of the NAPA, called Increasing Resilience to Climate Change and National Hazards, with $2.7 million LDCF grant. This project is expected to be completed by December 2014 and thus graduation of Vanuatu from the LDC category in 2015 (if realized) will not affect funding.[34] Another project under the GEF (not LDCF), Geothermal Power and Electricity Sector Development Project, is pending as of October 2011. Once the country graduates from the category of LDCs, it loses eligibility under the LDCF, but not the GEF. If Vanuatu submits its any other detailed project descriptions for LDCF funding and they are approved by the Chief Executive Officer of the Fund before graduation, LDCF funding will not be lost even after graduation. As of November 2011, there are no projects under the LDCF in Vanuatu, other than the Increasing Resilience project.

In November 2010, the 16th session of the Conference of the Parties to the UNFCCC – known as the Cancun Climate Change Conference – adopted the Cancun Adaptation Framework (CAF) as part of the Cancun Agreement. In the Agreement, the Parties agreed to establish a process to enable LDC Parties to formulate a national adaptation plans (NAPs), building upon their experiences with NAPAs. The NAP process is designed to address medium- and long-term adaptation to complement the NAPA for urgent and immediate needs. The Framework is likely to be in force in 2012, depending on an outcome of the COP 17 in

[31] *Compendium of EIF Documents*, op. cit.
[32] National Advisory Committee on Clive Change, Republic of Vanuatu (2007), National Adaptation Programme for Action (NAPA).
[33] NAPA, op. cit. p. 7.
[34] For detail, see http://www.adaptationlearning.net/vanuatu-napa.

December 2011, Durban, South Africa. In this case, Vanuatu will receive preferred access to funding and technical support as long as the country prepares NAP (and an updated NAPA if necessary) while it is still an LDC. Once graduate, however, the country may not be able to access to funding and technical support from the NAP process.

The Cancun Agreements also established the Green Climate Fund, which will support projects, programmes, policies and other activities in developing countries using thematic windows. Both mitigation and adaptation will be covered. The Fund is expected to be fully operational in several years from now. In general, all developing countries will be eligible to access funds, which will channel a significant share of new multilateral funding for adaptation. The Cancun Agreement notes that for adaptation funding, priority will be given to the most vulnerable developing countries, such as LDCs, small-island developing States (SIDS) and Africa. Hence, as Vanuatu is a SID, it is unclear whether a possible graduation would affect eligibility or allocation of funding under the Green climate Fund in the future. Graduating countries will in any case continue to have access to other funds under the Convention or the Kyoto Protocol that are open to all developing countries (such as the Adaptation Fund, the Special Climate Change Fund or the GEF Trust Fund).

The UNFCCC facilitates the participation of LDCs and small-island developing states (SIDS) in the Convention process. Graduation of Vanuatu will not affect its eligibility for the related travel benefits, because Vanuatu would continue to access, as a SIDS, to the benefits made available through voluntary trust funds to assist LDCs, SIDS and landlocked developing States, to attend meetings of the UN consultative process. [35]

f. Possible impact of loss of special support measures

Since reviewed by the CDP on the occasion of the triennial review of the list of the LDCs in 2009, major donors, both bilateral and multilateral, have maintained or strengthened their financial and technical assistance towards Vanuatu. They have also reaffirmed the continuation of support they currently extend should the country be graduated from the category. At the same time, as indicated above, some multilateral partners have introduced smooth transition procedures to the support they currently extend to LDCs, in accordance to the General Assembly resolution A/65/209. Therefore, graduating countries can still tap some of the benefits they acceded as LDCs for a certain period of time after exiting the category. In the case of Vanuatu, the most immediate impact of graduation with respect to LDC-specific measures would be the increase of Vanuatu's contributions to the UN peacekeeping operations from 0.0001 to 0.0002 per cent. [36]

[35] Other various trust funds, such as the FAO/WHO Codex Alimentarius Commission and the Convention of Biological Diversity, also facilitate the participation of LDCs and SIDS in international or regional meetings.
[36] Total budget for the UN peace keeping operations for the period July 1, 2010 to June 30, 2011 was $7.83 billion. Based on this figure, Vanuatu's contribution would increase from $7,830 to $15,600.

5. Conclusions

In the 2008 ex-ante impact assessment concluded that despite its remote location from the major world markets and vulnerable economy, development assistance and preferential trade support extended by Vanuatu's partners have contributed to the development of the county. Yet, it is very difficult to precise how much of the country's progress is due to support made available exclusively due to the country's LDC status, in particular with respect to official development assistance.

Member States of the UN committed, in the Istanbul Declaration and the Programme of Action for the least developed countries for the decade 2011-2020,[37] to assisting the 48 LDCs with a goal of enabling half of them to meet the criteria for graduation from that category by 2020. To this end, the General Assembly of the UN decided that the long-standing benefit of travel-related support the UN made available to the LDCs would be extended, if requested, to graduating countries, for a maximum of 3 years. The Board of Enhanced Integrated Framework also decided that a graduating LDC has access to the so-called Tier 1 and 2 funds for an automatic 3 years and additional 2 years subject to justification and approval by the Board. The Global Environment Fund and UNFCCC are also more explicit about the eligibility of graduating countries for financial and technical assistance.

Nonetheless, some potential adverse impacts of graduation on the extension of some types of support are identified in two areas: specific preferential treatment in trade and some forms of development finance.

In the area of trade, Vanuatu would lose benefits from LDC-specific preferential treatment affecting, in particular, its exports of tuna and copra—possible increases in tariff rates applied to copra imports by the European Union (Belgium) and tuna and beef imports of Japan have been identified. Copra accounted for about 13 per cent in total exports of goods of Vanuatu in 2010 while the shares of beef and fish in total exports were about 12 and 9.5 per cent. While in the case of Belgium there are smooth transition provisions in place for the phasing out of EBA benefits, LDC preferential treatments granted by Japan are not anticipated to be extended beyond graduation. In all, some 12 per cent of Vanuatu's merchandise exports (value terms in 2009) may be subject to higher tariff rates.

As discussed, the country's development partners do not appear to have changed the policy stance indicated earlier about the continuation of support extended to Vanuatu in the event of its graduation from the list of LDCs. Donors reiterated that their allocation of ODA to Vanuatu is guided by factors other than its LDC status, such as diplomatic relations and geopolitical considerations, including historical ties with the recipient countries. On the other hand, the country will lose access to certain LDC-specific funds (such as GEF-LDCF and the EIF Trust Fund) after a transition period but will be able to tap resources available for developing countries in general such as aid for trade and others.

[37] See United Nations (2011), Programme of Action for the Least Developed Countries for the Decade 2011-2020 (A/CONF.219/3). http://ldc4istanbul.org/uploads/IPoA.pdf.

Trade support measures and development assistance need to continue to be available to strengthen the productive sectors of Vanuatu and support infrastructure development. Such support would help increase and diversify economic activities of the economy and reduce some aspects of economic vulnerability, in particular vulnerability to some of the adverse impacts of climate change to which small island developing states are in general very vulnerable.

Table 1
Vanuatu: balance of payments, 2003–2010 (Millions of dollars)

	2003	2004	2005	2006	2007	2008	2009	2010
Balance on goods	-60.2	-68.7	-93.2	-103.6	-146.4	-223.4	-191.9	-194.9
Exports	26.6	38.1	38.1	37.7	29.7	41.7	55.2	51.4
Imports	-86.8	-106.8	-131.3	-141.2	-176.0	-265.2	-247.0	-246.3
Balance on services	49.6	56.7	65.2	72.8	113.6	121.8	137.0	150.7
Credit	110.2	122.2	139.0	157.6	204.1	232.8	244.5	279.2
Debit	-60.5	-65.5	-73.8	-84.8	-90.6	-111.0	-107.5	-128.6
Income, net	-15.9	-18.9	-26.3	-31.1	-40.4	-1.1	-30.8	-33.0
Credit	23.5	26.9	27.4	28.0	21.6	64.0	37.5	38.8
Debit	-39.4	-45.8	-53.7	-59.0	-62.0	-65.1	-68.4	-71.8
Current transfers, net	8.0	14.6	20.2	33.5	36.3	37.0	37.3	36.2
Current account balance	-18.5	-16.3	-34.1	-28.4	-36.9	-65.8	-48.5	-41.0

Source: IMF World Economic Outlook database, April 2011.

Table 2
Vanuatu: Main export destinations and products, 2007 - 2009

Country	***Products***
Thailand	**Frozen tunas, frozen bonito and fishing vessel/floating platforms**
Japan	**Frozen tunas and frozen meat of bovine animal**
Belgium	**Crude coconut oil**
Saudi Arabia	**Ships, boats and floating structures**
Philippines	**Copra**
Singapore	**Cocoa beans and frozen fish**
Malaysia	**Copra, oil seeds**
Fiji	**Oil seeds**

Source: **Based on the Commodity Trade Statistics database**

Table 3
Belgium: imports of copra (HS151311) by country, 2009
(thousands of dollars and per cent)[a/]

	Value	*Share*
World	18,575.4	100.0
Vanuatu	1,371.2	7.4
Fiji	1,579.8	8.5
Fr. Polynesia	1,188.7	6.4
Indonesia	7,881.0	42.4
Netherlands	2,297.7	12.4
Philippines	4,099.5	22.1

Source: World Integrated Trade Solution at http://wits.worldbank.org/WITS/WITS/Default-A.aspx?Page=Default, accessed on 12 October 2011

Note a/ Major exporters only.

Table 4
Japan: selected beef and tuna imports by source, 2009
(thousands of dollars and per cent)[a/]

HS 020230			HS 030232			HS 030342		
	Value	*Share*		*Value*	*Share*		*Value*	*Share*
World	830182.6	100.0	World	26030.3	100.0	World	138694.9	100.0
Vanuatu	809.1	0.1	Vanuatu	3631.1	13.9	Vanuatu	5178.7	3.7
Australia	542279.8	65.3	Canada	3596.3	13.8	China	24760.3	17.9
Canada	24601.1	3.0	China	1260.1	4.8	Fiji	5641.9	4.1
Mexico	37499.0	4.5	Fiji	703.0	2.7	Kiribati	1725.6	1.2
New Zealand	73108.8	8.8	Korea Rep.	6291.5	24.2	Indonesia	3240.0	2.3
United States	151569.7	18.3	Other Asian countries ns	6557.1	25.2	Korea Rep.	27583.933	19.9
			United States	3148.1	12.1	Other Asian countries ns	45170.958	32.6
						Micronesia	481.0	0.3
						Marshall Is	2927.6	2.1
						Papua New Guinea	1000.5	0.7
						Philippines	9365.6	6.8
						Seychelles	2187.0	1.6
						Tuvalu	109.9	0.1
						United States	4783.676	3.4

Source: World Integrated Trade Solution at http://wits.worldbank.org/WITS/WITS/Default-A.aspx?Page=Default, accessed on 12 October 2011.

Note a/ Major exporters and least developed countries only.

Table 5

Thailand: imports of albacore or long finned tunas (HS 030341) by source, 2009 (thousands of dollars and per cent)

	Value	*Share*
World	104409.2	100.0
Vanuatu	5016.2	4.8
Belize	368.0	0.4
Fiji	2957.8	2.8
Guyana	585.8	0.6
Indonesia	10104.1	9.7
Japan	35295.1	33.8
Korea Rep.	1165.1	1.1
Malaysia	2828.6	2.7
Mauritius	3856.2	3.7
Other Asian countries non specified	19361.9	18.5
Namibia	1817.8	1.7
New Zealand	1614.6	1.5
Papua New Guinea	2345.3	2.2
Philippines	4881.8	4.7
Seychelles	913.3	0.9
South Africa	4421.9	4.2
Suriname	359.6	0.3
Samoa	503.6	0.5

Source: World Integrated Trade Solution at http://wits.worldbank.org/WITS/WITS/Default-A.aspx?Page=Default, accessed on 13 October 2011.

Note a/ Major exporters and least developed countries only.

Table 6

Vanuatu: Central government revenue and expenditure, 2006-2010
(per cent of GDP)

	2006	**2007**	**2008**	**2009**[a/]	**2010** [b/]
Total Revenue and grants	20.7	22.3	27.2	26.8	25.0
Tax	16.8	18.2	19.1	17.2	16.5
Taxes on properties	0.4	0.9	1.1	0.7	0.7
Goods and services	10.8	10.8	11.5	10.2	11.7
International trade	5.5	6.3	6.4	6.2	4.0
Non-tax	2.1	2.2	2.0	2.3	1.7
Capital revenue	0.0	0.0	0.0	0.0	0.0
Grants [c/]	1.8	1.8	6.6	7.3	6.8
Total expenditure and net lending	20.2	22.0	27.9	27.6	27.7
Total expenditure	19.5	22.0	26.2	27.6	27.1
Current expenditure	17.4	19.4	18.6	18.6	19.8
Wages and salaries	10.7	11.8	11.7	11.4	11.6
Purchases of goods and services	3.3	4.4	3.6	3.5	4.4
Interest payments	0.7	0.6	0.6	0.5	0.5
Transfers	2.2	2.1	2.2	2.4	2.4
Capital expenditure	2.1	2.6	7.6	9.0	7.3
Primary balance	1.2	0.9	0.4	-0.2	-2.2
Overall balance	0.5	0.3	-0.2	-0.7	-2.7
Memorandum items:					
Public debt	22.2	19.1	21.1	21.2	21.0
Domestic	6.4	5.5	4.3	3.9	5.0
External	1538.0	13.5	16.8	17.3	16.0

Source: IMF (2011). Vanuatu: 2011 Article IV Consultation -- Staff Report; Debt Sustainability Analysis, IMF Country Report No. 11/120 (May)

Notes: ***a/*** Estimates
b/ Projection
c/ Cash grants only

Annex

Table A.1
Selected tariff rates by Vanuatu's major importers

Thailand (2008)	HS 030341	HS 030342	HS 030430	HS 030400A	HS 030400B
MFN duties	3.5	5.0	5.0	10.0	0.0
Preferential tariff for LDCs	0.0	--	--	--	--
Japan (2008)	HS 020230010	HS 020230020	HS 020230030	HS 020230090	HS 030232000
MFN duties	38.5	38.5	38.5	38.5	3.5
Preferential tariff for LDCs	0.0	0.0	0.0	0.0	0.0
Japan (2008) cont'd	HS 030341000	HS 030342000	HS 030344000	HS 030379011	HS 030379019
MFN duties	3.5	3.5	3.5	6.0	6.0
Preferential tariff for LDCs	0.0	0.0	0.0	--	--
Japan (2008) cont'd	HS 030379021	HS 030379022	HS 030379023	HS 030379029	HS 030349031
MFN duties	10.0	10.0	10.0	10.0	2.0
Preferential tariff for LDCs	--	--	--	--	0.0
Belgium (2010)	HS 1513111010	HS 151311090	HS 151119100	HS 1513119900	
MFN duties	2.5	2.5	12.8	6.4	
Preferential tariff for ACP countries	0.0	0.0	0.0	0.0	
Preferential tariff for GSP countries, excluding Indonesia and Malaysia	0.0	0.0	4.4	2.2	
Preferential tariff for countries benefiting from the special incentives arrangement (GSP plus)	0.0	0.0	0.0	0.0	

Malaysia (2007)	HS 12030000	HS 1801000	
MFN duties	0.0	0.0	
Fiji (2010)	HS 12129910	HS 12129990	
MFN duties	5.0	5.0	
Preferential tariff for PICTA countries	0.0	0.0	
Philippines (2007)	HS 12030000		
MFN duties	10.0		
Saudi Arabia (2009)	HS 89040000		
MFN duties	0.0		
Singapore (2010)	HS 03037910	HS 03037920	
MFN duties	0.0	0.0	
HS 020230010 Loin of bovine animals, boneless, frozen			
HS 020230020 Chunk, clod and round of bovine animals, boneless, frozen			
HS 020230030 Brisket and plate of bovine animals, boneless, frozen			
HS 020230090 Other meat of bovine animals, boneless, frozen			
HS 03023200 Yellow tuna (Thunnus albacare), (excluding fish fillet, other fish meat, livers and roes),, fresh or chilled			
HS 030341000 Albacore/longfinned tunas (Thunnus alalunga), frozen (excl. fillets/other fish meat of 03.04/livers & roes)			
HS 030342000 Yellow fin tunas (Thunnus albacares), frozen (excl. fillets/other. fish meat of 03.04/livers & roes)			
HS 030343 Skipjack/stripe-bellied bonito (Euthynnus (Katsuwonus) pelamis), frozen			
HS 030344000 Bigeye tunas (Thunnus obesus), frozen (excl. fillets/other fish meat of 03.04/livers & roes)			
HS 03037910 Other marine fish frozen, excluding livers and roes			
HS 030379011 Nishin (Clupea spp.), (excluding fish fillet, other fish meat, livers and roes), frozen			
HS 03079019 Tara (Gadus spp. And Teragra spp.)(excluding fish fillet, other fish meat, livers and roes), frozen			
HS 030379021 Aji (excluding fish fillet, other fish meat, livers and roes), frozen			
HS 030379022 Buri (excluding fish fillet, other fish meat, livers and roes), frozen			
HS 030379023 Sammai (excluding fish fillet, other fish meat, livers and roes), frozen			

HS 030379029 Saba (Scomber spp.) and Iwashi (Etrumeus spp. and Engraulis spp.) (excluding fish fillet, other fish meat, livers and roes), frozen
HS 030379031 Sea breams (excluding fish fillet, other fish meat, livers and roes), frozen
HS 030379039 Barracuda and king clip (excluding fish fillet, other fish meat, livers and roes), frozen
HS 03037920 Other freshwater fish frozen, excluding livers and roes
HS 030400A Tugs and pusher craft: No description at the level 8
HS 030400B Tugs and pusher craft: No description at the level 8
HS 12030000 Copra
HS 12129910 Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh, shelled, frozen or dried in including Yaqona or kava
HS 12129990 Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh, shelled, frozen or dried, not included in HS12129910
HS 1513111010 Crude coconut oil, for technical or industrial uses (excl. for manufacture of foodstuffs) : for the manufacture of mixtures of methyl esters of fatty acids of subheading 3824 90 99
HS 1513111090 Crude coconut oil, for technical or industrial uses (excl. for manufacture of foodstuffs) : Other
HS 1513119100 Crude coconut oil, in immediate packings of <= 1 kg (excl. for technical or industrial uses)
HS 1513119900 Crude coconut oil, in immediate packings of > 1 kg or put up otherwise (excl. for technical or industrial uses)
HS 18010000 Cocoa beans, whole/broken, raw or roasted
HS 89040000 Tugs and pusher craft

Source: International Trade Centre, Market Access Mat at http://www.macmap.org/Quick.Search.aspx, accessed on 12 October 2011.

Table A.2

Development Assistance Committee: ODA flows to Vanuatu, 2005-2009 (gross disbursements) [a/]

		Current Prices (USD millions)					*Share*				
		2005	**2006**	**2007**	**2008**	**2009**	**2005**	**2006**	**2007**	**2008**	**2009**
DAC Countries, Total b/		34.0	42.0	52.8	90.0	98.8	100	100	100	100	100
	Australia	19.1	21.5	22.1	26.8	40.0	56	51	42	30	41
	Austria	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0
	Canada	0.6	0.6	0.9	0.8	0.4	2	1	2	1	0
	France	4.5	5.6	11.1	11.8	6.8	13	13	21	13	7
	Germany	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0
	Greece	0.0	0.0	0.04	0.0	0.0	0	0	0	0	0
	Italy	0.0	0.0	0.1	0.0	0.0	0	0	0	0	0
	Japan	3.3	4.0	8.7	0.0	13.1	10	10	17	0	13
	Korea	0.1	0.0	0.1	0.0	0.0	0	0	0	0	0
	New Zealand	5.0	7.0	7.4	10.5	15.5	15	17	14	12	16
	Norway	0.0	0.01	0.0	0.0	0.0	0	0	0	0	0
	Spain	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0
	United Kingdom	0.0	0.0	0.0	0.1	0.1	0	0	0	0	0
	United States	1.5	3.2	2.3	25.9	22.8	4	8	4	29	23
Non-DAC Countries, Total c/		0.0	0.0	0.01	0.03	0.0	0	0.0	0.02	0.03	0.0
Bilateral, Total c/		34.0	42.0	52.8	90.0	98.8	100	100	100	100	100

Multilateral, Total d/		7.3	8.8	6.2	4.7	7.3	100	100	100	100	100
	AsDF	0.0	0.0	0.0	0.4	0.7	0	0	0	9	9
	EU Institutions	6.0	7.9	5.1	4.1	2.8	83	90	82	88	38
	GEF	0.0	0.0	0.0	0.0	3.7	0	0	0	0	51
	UNTA	1.2	0.8	1.1	0.1	0.1	17	10	18	3	2
All ODA		**41.3**	**50.8**	**59.0**	**94.7**	**106.0**					

Source: OECD.Stat

Notes a/ All aid to Vanuatu during 2005-2009 was in the form of grants.

b/ Share shows percentage in total DAC countries ODA.

c/ Share shows percentage in total bilateral ODA.

d/ Share shows percentage in total multilateral ODA.

Table A.3.
Total receipts of ODA by sector, 2005-2009 (gross disbursements, Millions of dollars, current)

			Average (2005-2009)	**Share (per cent, 2005 – 2009)**	**2005**	**2006**	**2007**	**2008**	**2009**
ALL: (All)			67.72	100.00	37.72	49.32	56.95	93.09	101.51
450: V. TOTAL SECTOR ALLOCABLE (I+II+III+IV)			64.17	94.75	35.20	45.41	53.62	89.53	97.07
100: I. SOCIAL INFRASTRUCTURE & SERVICES			31.99	47.24	25.17	31.71	31.11	34.38	37.60
	110: I.1. Education		12.53	18.50	10.00	14.96	11.77	13.91	12.02
	110: I.1. Education	111: I.1.a. Education, Level Unspecified	4.88	7.21	1.53	7.03	6.51	5.58	3.75
		112: I.1.b. Basic Education	1.90	2.81	1.07	2.14	1.15	2.43	2.71
		113: I.1.c. Secondary Education	1.56	2.30	3.81	0.79	0.71	0.55	1.94
		114: I.1.d. Post-	4.19	6.18	3.58	4.99	3.39	5.35	3.61

	Secondary Education							
120: I.2. Health		4.20	6.20	3.18	2.71	2.95	4.61	7.53
120: I.2. Health	121: I.2.a. Health, General	2.11	3.12	2.67	2.47	1.96	1.30	2.16
	122: I.2.b. Basic Health	2.08	3.08	0.51	0.24	1.00	3.31	5.37
130: I.3. Population Pol./Progr. & Reproductive Health		0.32	0.48	0.27	..	0.03	0.62	0.70
140: I.4. Water Supply & Sanitation		0.35	0.52	0.28	0.28	0.91	0.25	0.03
150: I.5. Government & Civil Society		13.65	20.16	10.59	12.70	14.20	13.93	16.85
150: I.5. Government & Civil Society	151: I.5.a. Government & Civil Society-general	13.65	20.15	10.59	12.70	14.20	13.93	16.82
	152: I.5.b. Conflict, Peace & Security	0.01	0.01	..	..	..	..	0.03
160: I.6. Other Social Infrastructure & Services		0.94	1.38	0.85	1.06	1.26	1.05	0.47
200: II. ECONOMIC INFRASTRUCTURE AND SERVICES		19.74	29.15	3.21	1.71	6.64	41.96	45.17

210: II.1. Transport & Storage		14.87	21.96	1.85	1.04	2.73	31.94	36.78
220: II.2. Communications		1.93	2.85	0.34	0.22	1.33	1.47	6.28
230: II.3. Energy		2.44	3.60	..	0.20	2.35	8.27	1.37
240: II.4. Banking & Financial Services		0.08	0.12	0.34	..	..	..	0.08
250: II.5. Business & Other Services		0.42	0.62	0.67	0.23	0.23	0.28	0.67
300: III. PRODUCTION SECTORS		3.73	5.50	2.36	3.25	7.93	3.47	1.61
310: III.1. Agriculture, Forestry, Fishing		2.56	3.79	1.24	1.81	6.01	2.74	1.02
310: III.1. Agriculture, Forestry, Fishing	311: III.1.a. Agriculture	1.72	2.54	0.66	0.82	4.98	1.70	0.46
	312: III.1.b. Forestry	0.22	0.32	0.30	0.12	0.31	0.12	0.23
	313: III.1.c. Fishing	0.62	0.92	0.29	0.86	0.72	0.91	0.33
320: III.2. Industry, Mining, Construction		0.31	0.46	0.31	0.28	0.70	0.22	0.04
320: III.2. Industry, Mining, Construction	321: III.2.a. Industry	0.24	0.36	0.31	0.24	0.51	0.12	0.04
	322: III.2.b. Mineral Resources & Mining	0.07	0.10	..	0.04	0.19	0.09	..
	323: III.2.c. Construction		0.00	..	..	..	..	..

331: III.3.a. Trade Policies & Regulations	0.07	0.11	0.06	0.03	0.12	0.03	0.12
332: III.3.b. Tourism	0.78	1.15	0.75	1.13	1.10	0.49	0.43
400: IV. MULTISECTOR / CROSS-CUTTING	8.71	12.86	4.46	8.74	7.94	9.71	12.69
410: IV.1. General Environment Protection	0.70	1.03	0.10	0.74	0.57	1.21	0.86
430: IV.2. Other Multisector	8.01	11.83	4.36	8.00	7.37	8.50	11.83
500: VI. COMMODITY AID / GENERAL PROG. ASS.	0.88	1.29	0.97	1.02	0.08	1.20	1.11
510: VI.1. General Budget Support	0.85	1.25	0.93	1.02	0.08	1.20	1.02
520: VI.2. Dev. Food Aid/Food Security Ass.	0.00	0.00	..	..	..	..	0.00
530: VI.3. Other Commodity Ass.	0.03	0.04	0.04	..	..	..	0.09
600: VII. ACTION RELATING TO DEBT	0.02	0.04	..	..	..	0.06	0.06
700: VIII. HUMANITARIAN AID	0.09	0.14	0.00	0.04	0.02	0.09	0.32
720: VIII.1. Emergency Response	0.05	0.07	0.00	..	..	..	0.22
730: VIII.2. Reconstruction Relief & Rehabilitation		0.00	..	..	..	..	..
740: VIII.3. Disaster Prevention & Preparedness	0.05	0.07	..	0.04	0.02	0.09	0.10

910: IX. ADMINISTRATIVE COSTS OF DONORS	0.45	0.67	0.04	0.61	0.57	0.55	0.50
920: X. SUPPORT TO NGO'S	1.40	2.07	1.18	0.94	1.80	1.23	1.84
930: XI. REFUGEES IN DONOR COUNTRIES		0.00	..	..	..	..	..
998: XII. UNALLOCATED/UNSPECIFIED	0.71	1.04	0.32	1.31	0.86	0.43	0.61

Source: OECD.Stat

Table A.4

Receipts of ODA (gross disbursements) by sector and main bilateral and multilateral donors, 2009

	Australia		*France*		*Japan*		*New Zealand*		*United States*		*EU Institutions*	
All	40.0	100.0	6.8	100.0	13.1	100.0	15.5	100.0	22.8	100.0	2.8	100.0
TOTAL SECTOR ALLOCABLE	39.7	99.1	6.0	88.7	12.1	92.7	14.3	92.0	22.8	100.0	1.8	63.6
SOCIAL INFRASTRUCTURE & SERVICES	22.0	54.9	5.3	78.3	1.8	13.9	6.8	43.7	0.0	0.0	1.4	52.2
Education	5.2	12.9	1.4	20.5	1.0	8.0	4.1	26.4	..		0.2	7.1
Unspecified	2.7	6.6	0.5	6.7	0.3	2.2	0.2	1.4	..		0.0	0.2
Basic	0.0	0.0	0.3	4.5	0.7	5.3	1.6	10.6	..		0.1	2.3
Secondary	1.5	3.8	0.2	3.3	0.1	0.5	..		..		0.1	4.6
Post-Secondary	1.0	2.4	0.4	6.1	..		2.2	14.4	..		..	
Health	3.3	8.3	3.7	54.1	0.3	2.1	0.2	1.1	..		0.1	3.4
Health, General	1.9	4.8	..		0.1	0.8	0.1	0.9	..		..	
Basic Health	1.4	3.4	3.7	54.1	0.2	1.4	0.0	0.2	..		0.1	3.4
Population & Reproductive Health	0.4	1.0	..		0.0	0.1	0.3	1.8	..		..	
Water Supply & Sanitation	0.0	0.0	..		0.0	0.3	..		..		..	
Government & Civil Society	13.1	32.7	0.1	1.8	0.3	1.9	2.2	14.4	0.0	0.0	1.1	38.2
Government & Civil Society-general	13.1	32.7	0.1	1.8	0.3	1.9	2.2	14.4	0.0	0.0	1.1	38.2
Conflict, Peace & Security	0.0	0.1	..		..		..		..		..	

Other Social Infrastructure & Services	0.0	0.0	0.1	1.9	0.2	1.5	..		..		0.1	3.4
ECONOMIC INFRASTRUCTURE SERVICES	9.9	24.6	0.1	1.5	9.6	73.2	7.2	46.5	18.4	80.8	0.0	1.0
Transport & Storage	3.6	8.9	0.1	1.5	7.6	58.5	7.0	45.4	18.4	80.8	0.0	1.0
Communications	5.7	14.3	..		0.5	4.1	..		..		..	
Energy	..		..		1.4	10.4	..		..		..	
Banking & Financial Services	0.1	0.2	..		..		..		..		..	
Business & Other Services	0.5	1.2	..		0.0	0.1	0.2	1.1	..		..	
PRODUCTION SECTORS	0.3	0.8	0.2	3.2	0.7	5.0	0.0	0.3	..		0.3	10.4
Agriculture, Forestry, Fishing	0.3	0.8	0.2	3.2	0.5	3.6	0.0	0.1	..		..	
Agriculture	0.0	0.1	0.2	3.2	0.2	1.4	0.0	0.1	..		..	
Forestry	0.2	0.6	..		..		..		..		..	
Fishing	0.0	0.1	..		0.3	2.2	..		..		..	
Industry, Mining, Construction	0.0	0.0	..		0.0	0.3	..		..		..	
Industry	0.0	0.0	..		0.0	0.3	..		..		..	
Mineral Resources & Mining	..		..		..		..		..		..	
Construction	..		..		..		..		..		..	
Trade Policies & Regulations	..		..		0.0	0.2	0.0	0.2	..		..	
Tourism	0.0	0.0	..		0.1	0.9	..		..		0.3	10.4
MULTISECTOR / CROSS-CUTTING	7.5	18.8	0.4	5.7	0.1	0.6	0.2	1.5	4.4	19.2	..	
General Environment Protection	0.5	1.4	0.2	2.9	0.1	0.4	0.0	0.3	0.0	0.1	..	

Other Multisector	7.0	17.4	0.2	2.8	0.0	0.2	0.2	1.3	4.3	19.1	..	
COMMODITY AID / GENERAL PROG. ASS.	0.1	0.3	..		..		..		..		1.0	36.4
General Budget Support	0.0	0.0	..		..		..		..		1.0	36.4
Dev. Food Aid/Food Security Ass.	0.0	0.0	..		..		..		..		..	
Other Commodity Ass.	0.1	0.2	..		..		..		..		..	
ACTION RELATING TO DEBT	..		..		..		..		..		..	
HUMANITARIAN AID	0.1	0.2	0.1	2.2	..		0.1	0.5	..		..	
Emergency Response	0.1	0.2	0.1	2.2	..		..		..		..	
Reconstruction Relief & Rehabilitation	..		..		..		..		..		..	
Disaster Prevention & Preparedness	0.0	0.0	..		..		0.1	0.5	..		..	
ADMINISTRATIVE COSTS OF DONORS	..		0.5	6.9	..		..		..		..	
SUPPORT TO NGO'S	0.2	0.5	..		0.5	3.8	1.2	7.5	..		..	
REFUGEES IN DONOR COUNTRIES	..		..		..		..		..		..	
UNALLOCATED/UNSPECIFIED	0.0	0.0	0.1	2.2	0.5	3.5	..		..		..	

Source: OECD.Stat