

VANUATU
COUNTRY PERFORMANCE INDICATORS

Item	1995	1996	1997	1998	1999	2000 ^a
ECONOMIC INDICATORS						
A. Income and Growth						
1. GDP per Capita (dollars, current)	1,280	1,276	1,225	1,176	1,143	1,179
2. GDP Growth (% in constant prices)	3.2	0.1	0.6	4.4	-2.4	4.1
Agriculture	6.4	4.6	4.9	6.8	-9.3	3.5
Industry	6.4	-12.0	-18.1	8.9	2.6	13.9
Services	1.4	0.7	2.1	3.0	1.6	2.9
B. Saving and Investment (current market prices)						
			(percent of GDP)			
1. Gross Domestic Investment	30.5	..	..	..	..	..
2. Gross Domestic Saving	23.0	..	..	..	..	..
C. Money and Inflation						
			(annual percent change)			
1. Consumer Prices (annual average)	2.2	0.9	2.8	3.3	1.9	
2. Broad Money (M2)	8.5	3.4	1.9	14.5	8.2	
D. Government Finance						
			(percent of GDP)			
1. Total Revenue	26.6	23.5	23.0	25.8	26.4	
2. Total Expenditure and Net Lending	29.4	25.3	23.0	37.0	27.7	
3. Overall Surplus/Deficit (-)	-2.7	-1.8	-0.7	-10.3	-1.4	
E. Balance of Payments						
1. Merchandise Trade Balance (% of GDP)	-23.5	-24.3	-20.9	-19.9	-24.5	
2. Current Account Balance (% of GDP)	-2.1	-1.9	-5.2	4.8	-11.6	
3. Export (Vatu) growth (annual percent change)	9.0	6.2	21.3	5.8	-25.4	
4. Import (Vatu) growth (annual percent change)	2.5	5.2	0.1	4.0	2.5	
F. External Payments Indicators						
1. International Reserves (million Vatu, end of period)	5,513.0	4,872.0	4,599.0	5,755.0	5,509.0	
- months of imports	7.6	5.6	4.7	6.5	5.1	
2. External Debt Service (% of exports of goods & services)	1.5	1.4	1.5	1.6	1.6	
3. External Debt (% of GDP)	20.3	18.6	18.5	24.7	26.1	
Memorandum Items:						
GDP (current prices, million Vatu)	26,633.0	28,231.0	24,999.0	27,291.0	27,602.0	
Exchange Rate (Vatu per dollar, annual average)	113.0	111.6	115.9	127.5	129.1	
Population (thousand)	168	173	177	182	193 ^a	

^a Estimates

Source: Republic of Vanuatu: 2000 Fiscal Strategy Report; Reserve Bank of Vanuatu: Quarterly Economic Review, Dec. 1999, Statistics Office, Vanuatu: Statistical Indicators, Oct-Dec. 1999.

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COUNTRY PERFORMANCE INDICATORS

	1985	1990	Latest Year	
POPULATION INDICATORS				
Total Population (thousands)	129.1	147.3	193.2	1999
Annual Population Growth Rate (% change)	3.50	3.10	3.00	
SOCIAL INDICATORS				
Total Fertility Rate (births per woman)	..	5.1	4.4	1996
Maternal Mortality Rate (per hundred thousand live births)	..	..	68.0	1997
Infant Mortality Rate (below 1 year; per '000 live births)	..	55	45	1997
Life Expectancy at Birth (years)	..	63	65	1997
Female	..	62	66	1997
Male	..	64	63	1997
Adult Literacy (%)	32	32	34	1997
Primary School Enrollment (% of school age population)	..	..	63	1994
Female	..	..	..
Secondary School Enrollment (% of school age population)	..	..	16	1989
Female	..	..	..
Child Malnutrition (% of under age 5)	..	..	23	1994
Population Below Poverty Line (%)	..	..	..
Income Ratio of Highest 20% to Lowest 20%	..	..	..
Population with Access to Safe Water (%)	..	87	87	1996
Population with Access to Sanitation (%)	..	91	91	1996
Public Education Expenditure as % of GNP	6.3	5.0	6.3	1999
Public Health Expenditure as % of GDP	3.5	2.5	3	1999
Human Development Index	..	0.533	0.425	1999
Human Development Ranking	..	106	116	1999
ENVIRONMENTAL INDICATORS				
Forestry				
Deforestation				
Total Area	..	..	..
Annual deforestation	..	..	..
Biodiversity				
Nationally protected area				
Area	..	..	..
Number	..	..	..
As % of land area	..	..	..
Biosphere reserves				
Area	..	..	..
Number	..	..	..
World Heritage sites (number)	..	..	..
Wetlands of international importance				
Area	..	..	..
Number	..	..	..
Land Use	..	..	..
Cropland; permanent pasture	..	..	..
Air Pollution (Ambient concentrations)				
Particulates	..	..	..
SO ₂	..	..	..
Water Pollution (concentration of pollutants in water bodies)	..	..	..
Biochemical Oxygen Demand (BOD)	..	..	..
Chemical Oxygen Demand (COD)	..	..	..
Global Environmental Problems	..	..	..
CO ₂ emissions (total and per capita)	..	..	..

Source: SPRM Staff and Government estimates.

VANUATU

PORTFOLIO PERFORMANCE

**Table 1 : Implementation, Disbursement Performance and Postevaluation Results
Public Sector Projects only
(as of 31 December 1999)**

A. Project Portfolio	Net Loan Amount \$ million %		Rating (No.) ^a											
			Total		Implementation Progress				Development Objectives					
			No.	%	HS	S	PS	U	HS	S	PS	U		
Agriculture and Natural Resources	0.00	0.0	0	0.0	0	0	0	0	0	0	0	0	0	0
Energy	0.00	0.0	0	0.0	0	0	0	0	0	0	0	0	0	0
Finance and Industry	20.29	63.8	1	33.3	0	1	0	0	0	0	1	0	0	0
Social Infrastructure	9.48	29.8	1	33.3	0	0	1	0	0	0	1	0	0	0
Transport and Communications	0.00	0.0	0	0.0	0	0	0	0	0	0	0	0	0	0
Others/Multisector	2.01	6.3	1	33.3	0	1	0	0	0	0	1	0	0	0
Total	31.78	100.0	3	100.0	0	2	1	0	0	0	3	0	0	0

B. Disbursements	OCR	ADF	Total
(1) Total funds available for withdrawal (\$ mn, active loans only)	0.0	49.90	49.90
(2) Disbursed amount (\$ mn, cumulative, active loans only)	0.0	16.99	16.99
(3) Percentage disbursed [(2)/(1)] (%)		34.10	34.10
(4) Disbursements (\$mn, active loans only, latest year)	0.0	6.39	6.39
(5) Disbursement ratio (%) ^b		29.60	29.60

C. Net Transfer of Resources ^c (\$ million)	OCR	ADF	Total
Net transfer in 1995	0.0	0.80	0.80
Net transfer in 1996	0.0	0.15	0.15
Net transfer in 1997	0.0	0.01	0.01
Net transfer in 1998	0.0	11.00	11.00
Net transfer in 1999	0.0	5.85	5.85

D. Post-Evaluated Projects (By Year of Approval)	1968 - 1977		1978 - 1987		1988 - 1999		1968 - 1999			
	No.	%	No.	%	No.	%	No.	%		
1. Postevaluation Rating (as of 31 December 1999)										
Rated Generally Successful (GS)	0	0.0	0	0.0	0	0.0	0	0.0		
Rated Partly Successful (PS)	0	0.0	0	0.0	1	33.3	1	33.3		
Rated Unsuccessful (US)	0	0.0	0	0.0	2	66.7	2	66.7		
No Rating	0	0.0	0	0.0	0	0.0	0	0.0		
Total	0	0.0	0	0.0	3	100.0	3	100.0		
2. Postevaluation Rating by Sector 1968-99 (as of 31 December 1999)	GS		PS		US		NR		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	0	0.0	1	100.0	0	0.0	0	0.0	1	33.3
Energy	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Finance and Industry	0	0.0	0	0.0	1	50.0	0	0.0	1	33.3
Social Infrastructure	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transport and Communications	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Others/Multisector	0	0.0	0	0.0	1	50.0	0	0.0	1	33.3
Total	0	0.0	1	100.0	2	100.0	0	0.0	3	100.0

^a HS: Highly satisfactory; S: Satisfactory; PS: Partially satisfactory; U: Unsatisfactory

^b Ratio of disbursement during the year over the undisbursed net loan balance less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

^c Includes private sector projects for countries with private sector operations.

Source : Programs (A), CTD (B & C), OEO (D)

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PORTFOLIO PERFORMANCE
Table 2: Status of Project Implementation
Public Sector Projects Only
(As of 31 December 1999)

Sector ^a	Project Title	Net Loan Amount		Approval Date (mm/yy)	Effectivity Date (mm/yy)	Closing Date		Project Progress (% complete)	Cum Contract Awards (\$ million)	Cummulative Disbursement (\$ million)	Project Performance Rating ^b	
		OCR (\$ million)	ADF			Original (mm/yy)	Revised (mm/yy)				Implementation Progress	Development Objective
SOC	Urban Infrastructure Project		9.48	Jun-96	Jun-97	Dec-01		19	3.81	0.85	PS	S
OTH	Comprehensice Reform Program		20.29	Jul-98	Aug-98	Dec-00		63	15.1	15.1	S	S
OTH	Cyclone Emrgency Rehabilitation		2.01	Apr-99	Aug-99	Sep-00		35	0.0	1.0	S	S
Total		0.0	31.8						19.0	17.0		

^a Sector:
 AGR: Agriculture & Natural Resources
 ENE: Energy
 F&I: Finance and Industry
 SOC: Social Infrastructure
 T&C: Transport and Communications
 OTH: Others/Multisector

^b HS: Highly satisfactory; S: Satisfactory; PS: Partially satisfactory; U: Unsatisfactory

VANUATU
OVERALL EXTERNAL ASSISTANCE
(in \$ million)

External Source	Past 3-5 Years (annual average)		2000 Program	
	Loan/Credit	Grant	Loan/Credit	Grant
A. Multilateral Assistance				
ADB*	5.0	1.2	5.0	1.1
EU	0.0	4.1	4.8	4.0
UNDP & UN Agencies	0.0	0.9	0.0	0.7
IDA/World Bank	0.5	0.0	0.0	0.0
Others	0.0	1.0	0.0	1.2
Subtotal	5.5	7.2	9.8	5.8
B. Bilateral Assistance				
Australia	0.0	7.7	0.0	7.9
France	0.0	9.2	0.0	10.2
Japan	0.0	4.6	0.0	6.1
New Zealand	0.0	2.7	0.0	2.9
United Kingdom	0.0	1.5	0.0	1.2
PRC	0.0	0.8	0.0	0.7
Subtotal	0.0	26.5	0.0	29.0
Total	5.5	33.7	9.8	34.8
Memo Items: * ADB loan of \$5.0 million programmed for 2000 is a standby (Rural Financial Services Project).				
External Assistance as 90% of Capital Expenditures				

Sources: Aid Management Unit, Ministry of Finance and Economic Management of Vanuatu

VANUATU
LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2001-2003

Sector/Project Name	Poverty Classification ^a	Crosscutting Operational Priority ^b	Responsible Division	Year of PPTA	PROJECT COST					
					TOTAL	Bank			Gov't	Cofinancing (Others)
						OCR	ADF	Total		
2001 LOAN PIPELINE										
Agriculture and Natural Resources										
1. Rural Financial Services	ODI	PSD	POHQ	1999	7.7	0.0	5.0	5.0	0.0	2.7
Subtotal					7.7	0.0	5.0	5.0	0.0	2.7
Total					7.7	0.0	5.0	5.0	0.0	2.7
2001 STANDBY LOAN										
Social Infrastructure										
1. Outer Islands Infrastructure Development Program	ODI	PSD	SPRM	1999	7.5	0.0	7.5	7.5	0.0	0.0
Subtotal					7.5	0.0	7.5	7.5	0.0	0.0
Total					7.5	0.0	7.5	7.5	0.0	0.0
2002 LOAN PIPELINE										
Social Infrastructure										
1. Outer Islands Infrastructure Development Program	ODI	PSD	SPRM	1999	7.5	0.0	7.5	7.5	0.0	0.0
2. Skills Development Program	ODI	HD	POHQ	2000	2.0	0.0	2.0	2.0	0.0	0.0
Subtotal					9.5	0.0	9.5	9.5	0.0	0.0
Total					9.5	0.0	9.5	9.5	0.0	0.0
2003 LOAN PIPELINE										
Agriculture and Natural Resources										
1. Agriculture and Fisheries Development Program	ODI	PSD	SPRM	2001	5.0	0.0	5.0	5.0	0.0	0.0
Subtotal					5.0	0.0	5.0	5.0	0.0	0.0
Total					5.0	0.0	5.0	5.0	0.0	0.0

^a CPI = Core Poverty Intervention; PI = Poverty Intervention; ODI = Other Development Interventions.

^b ENV = Environmental Protection; GAD = Gender and Development; GG = Good Governance; HD = Human Development; PSD = Private Sector Development and RC = Regional Cooperation

This classification was completed prior to the finalization of the improved and redesigned classification system in December 2000, which will be applied from January 2001.

VANUATU
LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2001-2003

Sector/Project Name	Responsible Division	Type of TA	Amount (\$'000)		
			Bank	Others	Total
2001 TECHNICAL ASSISTANCE PROGRAM					
Agriculture and Natural Resources					
1 . Agriculture and Fisheries Development	POHQ	PP	400.0		400.0
<i>Subtotal</i>			<u>400.0</u>		<u>400.0</u>
Finance and Industry					
1 . Capacity-Building in Rural Financial Services (piggy-backed to loan)	POHQ	AD	200.0		200.0
<i>Subtotal</i>			<u>200.0</u>		<u>200.0</u>
Others					
1 . Frontline Services Performance Enhancement II	SPRM	AD	150.0		150.0
2 . CRP Sustainability II	SPRM	AD	400.0		400.0
3 . Capacity-Building of the Legal Sector	SPRM	AD	300.0		300.0
<i>Subtotal</i>			<u>850.0</u>	<u>0.0</u>	<u>850.0</u>
Total			<u>1,450.0</u>	<u>0.0</u>	<u>1,450.0</u>
2002 TECHNICAL ASSISTANCE PROGRAM					
Social Infrastructure					
1 . Urban Sanitation, Public Health and Environment Project	POHQ	PP	500.0		500.0
2 . Capacity-Building in Infrastructure Management (piggy-backed to loan)	SPRM	AD	150.0		150.0
3 . Capacity-Building in Skills Development (piggy-backed to loan)	POHQ	AD		200.0	200.0
<i>Subtotal</i>			<u>650.0</u>	<u>200.0</u>	<u>850.0</u>
Finance					
1 . Private/Financial Sector Development	POHQ	PP	300.0		300.0
<i>Subtotal</i>			<u>300.0</u>	<u>0.0</u>	<u>300.0</u>
Others					
1 . CRP Sustainability III	SPRM	AD	300.0		300.0
2 . VNCW Phase II	SPRM	AD	200.0		200.0
<i>Subtotal</i>			<u>500.0</u>	<u>0.0</u>	<u>500.0</u>
Total			<u>1,450.0</u>	<u>200.0</u>	<u>1,650.0</u>
2003 TECHNICAL ASSISTANCE PROGRAM					
Agriculture and Natural Resources					
1 . Capacity-Building in Agriculture and Fisheries Management (piggybacked to loan)	POHQ	AD	200.0		200.0
<i>Subtotal</i>			<u>200.0</u>		<u>200.0</u>
Social Infrastructure					
1 . Capacity-Building in Urban Sanitation, Public Health and Environment	POHQ	AD	200.0		200.0
<i>Subtotal</i>			<u>200.0</u>		<u>200.0</u>
Others					
1 . PIER	POHQ	AD	200.0		200.0
<i>Subtotal</i>			<u>200.0</u>		<u>200.0</u>
Total			<u>600.0</u>		<u>600.0</u>

VANUATU
LENDING PROGRAM, 2001-2003
BY POVERTY CLASSIFICATION, CROSSCUTTING OPERATIONAL PRIORITY AND SECTOR

Classification	2001 (Firm)		2002-2003	
	No.	%	No.	%
I. By Poverty Classification *				
A. Core Poverty Intervention		0.0		0.0
B. Poverty Intervention (Non-core)		0.0		0.0
C. Other Development Interventions	1	100.0	3	100.0
Total	1	100.0	3	100.0
II. By Crosscutting Operational Priority				
A. Environment		0.0		0.0
B. Gender and Development		0.0		0.0
C. Good Governance		0.0		0.0
D. Human Development		0.0	1	33.3
E. Private Sector Development	1	100.0	2	66.7
F. Regional Cooperation		0.0		0.0
Total	1	100.0	3	100.0
III. By Sector				
A. Agriculture and Natural Resources	1	100.0	1	33.3
B. Energy		0.0		0.0
C. Finance and Industry		0.0		0.0
D. Social Infrastructure		0.0	2	66.7
E. Transport and Communications		0.0		0.0
F. Others/Multisector		0.0		0.0
Total	1	100.0	3	100.0

* This classification was completed prior to the finalization of the improved and redesigned classification system in December 2000, which will be applied from January 2001.

VANUATU

PROJECT PROFILE					
1. Project Name: Rural Financial Services			2. Sector/Subsector: Finance		
3. Poverty Classification: ^a ODI			4. Crosscutting Operational Priority PSD		
5. Rationale: None of the four commercial banks operating in Vanuatu have extensive coverage in rural areas. Given the fact that rural population represents 80 percent of total population, the issue of access to financial services is an important one. The sparse population density and dispersed nature of economic activities in the island economy of Vanuatu discourage an organic growth of rural financial services. The objective of the project is to facilitate provision of financial services to rural population of Vanuatu.			6. Beneficiary Participation/Consultation Needs: Rural communities, NGOs commercial banks, private sector, and other stakeholders will be consulted with and their comments and proposals will be incorporated in the project design.		
7. Objectives and Scope: The scope of the project includes: (i) credit guarantee scheme; (i) enhancement of participation of the National Bank of Vanuatu (NBV) in provision of rural financial services and lending to agriculture sector; (ii) developing a microfinance program with participation of the Vanuatu Credit Union League (VCUL) and possibly other non-government organizations (NGO)s; and (iii) development of business advisory services.					
8. Estimated Cost & Financing Plan:			Remarks:		
Loan Project Cost (\$m)					
Financing (Source)	FC	LC			Total
ADB	3.0	2.00			5.0
Co-financing	0.0	2.7			2.7
Borrower	0.0	0.0			0.0
Sub-borrowers					-
Total	3.0	4.7	7.7		
9. Estimated Benefits and Beneficiary Groups: The benefits of the project will be in enhancing financial services provision, which will in turn lead to enhanced private sector led economic growth through facilitating linkages of rural communities to formal economy. Beneficiaries of the project will be mainly rural population of Vanuatu.					
10. Executing Agency: Ministry of Finance and Economic Management/Ministry of Trade and Business Development			11. Project Implementation Period: Start: 2001 End: 2005		
12. Environment Category: C			13. Processing Year: 2000/2001		

^a CPI = Core Poverty Intervention; PI = Poverty Intervention; ODI = Other Development Interventions

^b ENV = Environmental Protection; GAD = Gender and Development; GG = Good Governance; HD = Human Development; PSD=Private Sector Development and RC = Regional Cooperation

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