



Government of the Republic of Vanuatu

National Aid Management Policy Implementation Strategy

Final Draft

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List of Abbreviations

ACNU	Aid Coordination and Negotiation Unit
ADR	Annual Development Report
APMS	Aid Project Management System
AMP	Aid Management Policy
CAC	Central Agencies Committee
COM	Council of Ministers
DCO	Development Committee of Officials
DCIR	Department of Customs and Inland Revenue
DSPPAC	Department of Strategic Policy, Planning and Aid Coordination
GIP	Government Investment Program
LDC	Least Developed Country
MBC	Ministerial Budget Committee
MEF	Monitoring and Evaluation Framework
MoFAICET	Ministry of Foreign Affairs, International Cooperation and External Trade
MFEM	Ministry of Finance and Economic Management
MIA	Ministry of Internal Affairs
NAB	National Advisory Board on Climate Change and Disaster Risk Reduction
NGO	Non-Government Organization
NPF	National Planning Framework
NSDP	<i>Vanuatu 2030: The People's Plan</i> (Vanuatu's National Sustainable Development Plan)
PMU	Project Management Unit
PPP	Public Private Partnership
PSC	Public Service Commission
SDGs	Sustainable Development Goals
SWAp	Sector Wide Approach
VAT	Value Added Tax
VNSO	Vanuatu National Statistics Office

I. Introduction

The Aid Management Policy (AMP) provides direction for the Government of the Republic of Vanuatu (hereinafter, the Government) to coordinate and manage all development assistance flows to enhance the overall effectiveness of the assistance to achieve national development outcomes. The Policy is also to provide direction to Vanuatu's development partners so there can be a true partnership for development planning, management and evaluation.

The Policy is aligned with the Government's National Planning Framework as well as the international framework that helps countries such as Vanuatu cooperate with development partners and take the lead for all development activities.

The AMP emphasizes the use of the national framework for the direction and alignment of development with a focus on the Busan Global Partnership for Effective Development (2011) commitments. These commitments include:

1. Ownership of development priorities by developing countries;
2. Focus on results;
3. Inclusive development partnerships; and
4. Transparency and accountability between countries and development partners.

The utilization of the national and international frameworks becomes more important as Vanuatu is expected to graduate from Least Developed Country status in 2020.

While the AMP provides the general direction of the Government's development cooperation framework, the implementation strategy is to provide more details about the institutions, processes and information required to help make the AMP work. The Government recognizes the importance of having the support and commitment of all the country's development partners to help implement the AMP. The Government has endorsed the implementation strategy so that the Government and its development partners will work together to achieve more effective development cooperation to meet Vanuatu's development needs.

The Aid Coordination and Negotiation Unit (ACNU) of the Department of Strategic Policy, Planning and Aid Coordination (DSPPAC) of the Prime Minister's Office will execute the implementation strategy. The implementation will be coordinated with other key Government bodies to include other DSPPAC units, the Ministry of Finance and Economic Management (MFEM) and the Ministry of Foreign Affairs, International Cooperation and External Trade (MoFAICET). And, the inputs and participation of the line Ministries, Government agencies and non-government organizations are essential to make the AMP and this implementation strategy work.

II. Aid Policy and Strategy Implementation Objectives

As stated in the AMP, the overall objective of the AMP is to: *to improve the attraction and effective utilization of external resources to support national development objectives as envisioned in the NSDP to benefit the improvement of living standards for the people of Vanuatu. The Government will assert leadership of the aid management process and work with development partners on the*

alignment and harmonization of external assistance to national interests to ensure that external assistance is used effectively.

The objective of the implementation strategy is to ensure effective implementation of the AMP. The implementation strategy will focus on:

1. Defining the roles and responsibilities of the main Government entities and development partners for implementing the AMP.
2. Identifying key performance indicators that will help measure progress to implement the strategy.
3. Defining processes and reporting mechanisms that will ensure that the AMP is implemented using Government processes, systems and human resources.

III. Aid Coordination and Management Structural Framework

A. National Government Policies and Implementation Framework

The Government has put into place a robust planning, management and evaluation framework that facilitates development planning, helps to target domestic and externally provided development resources, and measure development performance. This framework is at an early stage of use. The AMP and its Implementation Strategy are necessary components of this framework to help with alignment and targeting of resources to where attention is needed.

The National Planning Framework consists of the following:

1. *Vanuatu 2030: The People's Plan* (Vanuatu's National Sustainable Development Plan -NSDP, 2016-2030)
2. *Vanuatu 2030: The People's Plan Monitoring and Evaluation Framework*
3. Annual Development Report
4. National Planning Framework
5. Annual Budget Policy Statement
6. Medium Term Debt Strategy

The **NSDP** identifies the country's vision and serves as its overarching policy framework to achieve a stable, sustainable and prosperous country within the next 15 years. The NSDP sets out the national priorities and their alignment with the global Sustainable Development Goals (SDGs) to which the Government has committed.

The NSDP currently consists of 3 pillars (society, environment and economic pillars), each with a set of goals and each goal having a set of policy objectives. In regards to the AMP, the NSDP "requires the active participation of civil society, the private sector and our international development partners." And, "It also requires strong coordination of the partnerships with business, civil society, development agencies and donors, aligning their contributions to national priorities and ensuring program delivery takes place through national systems."

Development cooperation programs and projects should be aligned with the NSDP. A factor of program or project approval is how the proposed intervention aligns with the NSDP. As shown in

the forms accompanying this strategy, alignment with the NSDP must be indicated from the program or project planning stage.

The **Monitoring and Evaluation Framework (MEF)** was designed to complement the NSDP and report on its progress. It is the result of the Monitoring and Evaluation Policy. The MEF is results based and is intended to serve as a guide for implementing, monitoring and reporting on the NSDP. DSPPAC prepared the MEF with the assistance of the Vanuatu National Statistics Office (VNSO) and inputs of a variety of Government Ministries and agencies as well as other stakeholders.

Development cooperation programs and projects should identify the monitoring and evaluation components at the planning stage and be realistic so that ongoing monitoring and evaluation can be undertaken. For each policy objective, the related indicator, target and baseline comparison indicator should be identified. Time and resources should be allocated so there is an ongoing monitoring and evaluation activity and reporting process. The reporting will contribute to Government information needs as well as those of the development partner.

The **Annual Development Report (ADR)** is the annual monitoring report for the NSDP. It follows the NSDP's MEF. The report is results-oriented as it shows the status of achieving specific targets based on activities to achieve the NSDP's pillars, goals and policy objectives. DSPPAC's Monitoring and Evaluation Unit produce the ADR.

The ADR will help inter-governmental discussions by measuring performance, identifying resource or other gaps, and providing information for future planning and decision-making. The ADR will also help development partners and their own reporting needs. And, the ADR will help Government-development partner discussions to help ongoing implementation and future planning.

DSPPAC also prepares the Six Monthly Report (biannual report) on COM decisions and large projects that are VT10 million and above. The Aid Project Management System (APMS) will help to prepare the reports and as well as provide inputs or help verify information for the ADR.

The **National Planning Framework (NPF)**, approved September 2018) was prepared for decision makers involved in planning at the Ministry and agency level. This includes keeping Ministries and agencies compliant with the legal reporting requirements of the MFEM and the Public Service Commission (PSC). The NPF is to ensure that planning across the Government is carried out in a uniform manner. The planning process includes alignment with the NSDP, MEF, *Corporate Plans* (Ministry or agency medium term strategies) and *Business Plans* (annual plans that accompany annual budget submissions). The NPF was prepared by DSPPAC.

The NPF uses the guidance and framework of the NSDP and the feedback of the ADR to help plan future interventions. Most importantly, it helps to integrate development interventions in the business and corporate plans that help in budgeting, resource allocation and day-to-day implementation.

The **Annual Budget Policy Statement** is prepared per the Public Finance and Economic Management Act. It incorporates the Government's strategic vision that is in line with the NSDP and identifies the financial policies and indicators of the Government including economic and fiscal performance, targets and future trends. It accompanies the annual budget. With the Government moving toward more of a budget support type funding modality, such integration of

the above framework components helps to make the budget “live” and a key part of development cooperation implementation.

The **Medium Term Debt Strategy** includes policy conditions and other requirements for loans, credits, loan guarantees and on-lending.

B. Roles and Responsibilities of National Institutions

There are three main entities involved at the central level that are responsible for managing and coordinating development assistance. They are:

- DSPPAC with the ACNU being the main coordinating point and working in collaboration with the Policy Unit and Monitoring and Evaluation Unit.
- MFEM regarding its financial and debt management role and its role in coordinating with the international and regional financial institutions.
- MoFAICET with its development assistance attraction role, negotiation role and management of the country’s foreign policy, including development assistance.

The central coordination and management functions are supplemented by the cooperation and collaboration with the line Ministries and agencies, some of which have their own aid management and coordination units or staff, typically placed within Project Management Units (PMUs). There are also a set of decision making bodies that help to set priorities and make approval decisions.

The following is a more detailed description of the functions of each of the central agencies as well as the entry, coordination and decision points to provide direction both internally to Government and externally to development partners, including NGOs.

1. DSPPAC

DSPPAC’s objectives relevant to development assistance coordination and management are¹:

1. Provide high-level policy and administrative support to the Prime Minister, Council of Ministers (COM) and Development Committee of Officials (DCO), coordinate major initiatives, and ensure a professional, responsive, and high performing department.
2. Implement the NSDP, *Vanuatu 2030*, through coordination of Government strategic policy, planning and budgeting processes, and improve evidence-based decision-making.
3. Establish common structures and standards for effective monitoring and evaluation to improve efficiency, effectiveness and resilience of service delivery.
4. Coordinate donor resources to align with national objectives.

DSPPAC has three units that are involved in development assistance coordination and management. These are the Policy Unit comprised of the Sector Policy Analysts, the Monitoring and Evaluation Unit and the ACNU. While all three have distinct roles and processes, the coordination of the three units is essential so that each of their roles is executed with the

¹ DSPPAC objectives and Unit objectives are per the 2018 Business Plan.

complementary work of its neighbor units. Each of the functions is outlined below. All units respond to objective 1, above.

Policy Unit

The unit implements objective 2, above, by providing support to annual budget preparation, supporting NSDP implementation and conducting project appraisal.

AMP Implementation Role:

- ✓ Review and ensure sector strategies and/or policies are reviewed and aligned with the NSDP.
- ✓ Review and ensure Ministry and Department corporate and annual plans are aligned with the NSDP, sector strategies and relevant policies.
- ✓ Review and approve project proposals of development partner support.

Monitoring and Evaluation Unit

The Unit implements objective 3, above. The Unit is responsible for implementing the National Monitoring and Evaluation policy and the accompanying framework to measure the performance of implementing the NSDP. The Unit is also responsible for policy audit and conducting research on specific topics, such as development outcomes.

The Unit and the appropriate DSPPAC Sector Policy Analyst coordinate Government-wide monitoring and evaluation activities. Monitoring and Evaluation Working Groups, one for each Ministry, are to be established comprised of the Line Ministry monitoring and evaluation Focal Point Officer, the DSPPAC Sector Analyst responsible for the Line Ministry, and an officer from the Unit. These Working Groups are tasked with:

- Identifying current and emerging barriers within Ministry plans relating to policy or project implementation with the objective of providing sound and timely advice for remedial measures.
- Ensuring policy consistency and identifying indicators to be used to monitor and evaluate implementation of Ministry plans in line with the NSDP and other related sector plans.
- Maintaining and promoting the exchange of data and information between line ministries and agencies, and with DSPPAC.

AMP Implementation Role:

- ✓ Prepare the ADR that reports on the NSDP annually to show its performance according to the approved MEF.
- ✓ Prepare United Nations Voluntary National Report on an annual basis.²
- ✓ The information from the Working Group, ADR and United Nations report are to be fed back into the planning process to identify development gaps and more effectively target development attention and resources to these gaps and improve the effectiveness of development efforts.
- ✓ Facilitate stakeholders in monitoring and evaluation data identification and reporting.

² The report is a national report on the status of Sustainable Development Goals. The Government plans to submit its first report in 2019.

ACNU

The unit implements objective 4, above, and is to coordinate, monitor, and report on development assistance. Its **AMP Implementation Role** is broader, consisting of the following:

1. Create an effective negotiation environment for regular dialogue between Government and development partners by:
 - Effective and efficient coordination between development partners and the Government;
 - Provision of effective and efficient aid negotiation between development partners and the Government; and
 - Identify and secure new funding sources from development partners.
2. Prepare, implement and monitor the AMP.
3. Develop and manage the APMS to help the planning, approval and monitoring of development projects and programs and provide information for dialogue with development partners and for inter governmental discussions, reporting and decision making.
4. Organize high level, working level and sector or thematic meetings to improve Government, NGO and development partner coordination and effective development assistance implementation. Facilitate the regular convening of sector coordination groups led by line ministries and departments to promote effective coordination between Government and development partners, including NGOs, within sectors and to enhance multi-sector integrated programming, as appropriate, to achieve better development outcomes.

The unit has direct linkages with the following entities:

- *Inter DSPPAC-*
 - 1) Work with the Policy Unit to receive valid project proposals from Ministries and agencies to eventually be presented to development partners.
 - 2) Work with the Monitoring and Evaluation Unit to help (through Development Project Profile forms and entry into the APMS) project design to include monitoring and evaluation information including NSDP indicators and, when implemented, progress reports in line with the MEF.
 - 3) Prepare Six Monthly Report (biannual report) on COM decisions and large projects that are VT10 million and above.
 - 4) With both units, use the information generated from all three units to actively identify development gaps and support development priorities that need further attention from Government and/or development partners.
- *With Ministries and Agencies-* Work with Ministries and agencies to help identify development gaps; project proposal preparation; GIP code issuance; duty and VAT exemptions; support to SWAp formulation and implementation; liaise with development partners; and information reporting.
- *With NGOs-* As needed, work with NGO's to identify resources for project execution; liaise within Government including with the Ministry of Interior NGO Desk; liaise with development partners, as needed; exchange information to help report on NGO activity (not captured from other sources) and for NGO to receive information in areas of expertise and interest; and coordinate a Government-NGO meeting at least once

annually to discuss national development priorities and issues.

- *With development partners-* Liaise between Government Ministries and agencies, as necessary; collaborate to help identify development gaps and priorities; organize an annual schedule of meeting to consist of high level, working group level, and sector or thematic meetings on a regular basis (minimum quarterly); and exchange information for program and project approval and reporting through the APMS.

2. MFEM

The MFEM has several roles in regard to external assistance management. The roles include: planning and executing the annual budget inclusive of development partner resources that are nationally executed, debt management, and liaise with the international and regional development finance institutions.

The MFEM has identified in its 2016-2018 Corporate Plan objectives in line with the NSDP. Relevant to external assistance management, the objectives include:

1. To manage MFEM and financial resources at the highest standards; and
2. To maintain a sustainable fiscal balance while re-prioritizing expenditures, reducing debt, and minimizing subsidies paid to state-owned enterprises.

These Ministerial objectives are further refined in the Department of Finance and Treasury's Business Plan (2017-19):

1. To maintain prudent budget management practices at all levels of Government and achieve responsible recurrent and overall budget outcomes,
2. To prepare and implement a debt management strategy to gradually reduce domestic debt, and
3. To better manage donors' funds through the Government's financial system.

To implement the objectives, efforts are ongoing to better integrate external financing through the budget process; improve development finance revenue collection, accounting, expenditure, and reporting through Government systems; and improve debt management in terms of implementing the Medium Term Debt Strategy to improve debt assessment, accounting, payments, payment and liability forecasting and reporting (quarterly and annually).

The MFEM also has an economic management role. This role includes:

1. Monitor and analyze economic and social trends in Vanuatu and their implications on national development, fiscal and monetary policies,
2. Advise on macro and microeconomic policies to enhance private sector investment and employment, and
3. Advise on sector development priorities, including the fiscal implications of proposed projects.

The budget, finance and economic management role is coordinated with DSPPAC in regard to various aspects of the external assistance management effort to include:

1. Consultation on the implications of development projects and programs,
2. Financing and financial management of such projects and programs, and

3. Financial reporting of the projects and programs.

This cooperation is necessary to help present quality and timely information to the COM, development partners and line ministries.

DSPPAC's ACNU and the MFEM's Department of Customs and Inland Revenue (DCIR) also cooperate on the provision of duty and VAT exemptions. The exemption letters are submitted to the ACNU by the requesting Government entity and reviewed before being sent to the DCIR for the relevant exemption.

The MFEM also prepared a Public Financial Management (PFM) Reform Roadmap 2017-21. The Roadmap has the main objective of increasing the fiscal resilience, transparency and accountability of all public entities.³ A major reform strategy was to develop capacity towards an integrated and medium-term planning and budgeting regime.⁴ The strategy includes⁵:

1. Improving the planning and budgeting process for external assistance projects that will require consultation and interactions with DSPPAC, namely the ACNU, PMUs and other Line Ministry or agency aid coordinating units, and
2. Developing a medium term budgeting concept and capacity that includes development financing.

The PFM also recommended the development of a debt management policy. The MFEM prepared the Medium Term Debt Strategy.

The MFEM may require development partner support to help develop the processes, capacities and systems to address these PFM Roadmap strategies.

AMP Implementation Role:

- ✓ Integrate development finance into the budget and financial systems in terms of collection, management, expenditure and reporting.
- ✓ Work with DSPPAC and other Ministries and agencies on program and project appraisal from a financial management perspective.
- ✓ Conduct external debt management and reporting.
- ✓ Implement a medium term budget framework that is inclusive of development finance.
- ✓ Work with DSPPAC on processing and awarding duty and VAT exemptions.

3. MoFAICET

The MoFAICET has two core objectives relevant to development assistance coordination and management:

1. To project a positive image of Vanuatu internationally and to maintain healthy relations.

³ Public Financial Management Roadmap 2017-2021, Ministry of Finance and Economic Management, p.16.

⁴ Ibid, page 20.

⁵ Ibid, page 35-36.

2. Increase economic opportunities through development cooperation and consular initiatives.

Relevant to development cooperation, the Ministry ensures that Vanuatu meets its international obligations by participating in and being represented at international and regional organizations. These entities include development-related entities and programs.

The Ministry is also responsible for attracting and negotiating development assistance programs. The participation of the relevant Government agencies, namely the ACNU and MFEM, are essential in such discussions and negotiations to make use of the Government resources and information available and to avoid duplication of effort or misdirection of potential resources.

While the Government has existing relationships with long-time donors, most of whom are resident in Vanuatu, the Government also receives periodic or one-off assistance. As the “entry point” for such external partners with specific interventions or interests, the Ministry serves a useful function to direct the potential development partner to the proper entities, mainly DSPPAC and the ACNU as the first contact point, so that the ACNU can coordinate with other Government units and/or development partners, as necessary.

AMP Implementation Role:

- ✓ The main entity to identify new development partners and negotiates cooperation agreements.
- ✓ Cooperate with other central agencies and line ministries in finding resource needs or gaps and help to find or work with appropriate development partners.
- ✓ Help to communicate development and other economic performance information to development partners.

4. *Line Ministries*

The line ministries and agencies are the main implementers of development assistance in Vanuatu. They are also a source of project and program plans submitted as Development Project Profiles or New Project Profiles. A variety of delivery modalities have been experienced over the years. The Government is moving toward establishing more PMU type structures to facilitate program and project development, management, monitoring and evaluation. Some of these structures are already in place. While these units have proven necessary for the short term, the emphasis will be on having the structures more institutionalized and integrated to better manage recurrent together with development funding. The major functions are:

AMP Implementation Role:

- ✓ Coordination with DSPPAC on planning (and project proposal submission), liaison with donors (for identifying resources as well as planning and/or implementation issues) reporting, and monitoring and evaluation.
- ✓ Coordination with MFEM on financial management.
- ✓ Managing or coordinating SWAs based on their respective sectors or thematic areas involving their and possible other sectors or thematic areas.
- ✓ Coordination with development partner(s).
- ✓ Project and program implementation and monitoring.
- ✓ Procurement and other administrative functions.

The PMU approach is usually more effective when more than one development partner or source of funding is involved and when there is a sector or thematic strategy or SWAp approach. However, as mentioned above, there needs to be an evolution to integrating these functions into the organizational structure and workflow of the entity so there are not stand alone PMUs and recurrent and development funding are integrated.

5. Climate Change and Disaster Risk Reduction Coordination

Vanuatu's vulnerability to climate change and natural disasters as exemplified by actual occurrences in 2015, 2017 and 2018 have focused attention and resources as indicated in the NSDP as one of the main development aspirations:

“With enhanced resilience and adaptive capacity to climate change and natural disasters- We will marshal support to enhance our resilience and adaptive capacity to the impacts of natural and man-made disasters, including increasingly more intense, more frequent, and more prolonged extreme weather events. We will also continue to draw on our rich history of resilience and risk reduction that stems from our traditional knowledge and practices, particularly in relation to food production and preservation.”⁶

The policy objectives for this goal are:

- Institutionalize climate change and disaster risk governance, and build institutional capacity and awareness,
- Improve monitoring and early warning systems,
- Strengthen post-disaster systems in planning, preparedness, response and recovery,
- Promote and ensure strengthened resilience and adaptive capacity to climate related, natural and man-made hazards, and
- Access available financing for climate change adaptation and disaster risk management.

The institutions responsible for coordinating and/or achieving these policy objectives are the Ministry of Climate Change Adaptation, Meteorology, Geo-Hazards, Environment and Energy along with the National Advisory Board on Climate Change and Disaster Risk Reduction (NAB) and National Disaster Committee in coordination with other Government and non government implementing stakeholders.

The NAB was established to be a focal point to help coordinate activities relating to climate change and disaster risk reduction as well as external assistance to other Ministry departments. The NAB has members from throughout Government, including from DSPPAC, MFEM and MoFAICET. It is supported by a secretariat to help identify and coordinate funding sources, screen proposed projects, approve projects, and provide some monitoring and evaluation. Project and program information and criteria are made known to potential applicants mainly per the requirements of the development partner funding sources.

⁶ Vanuatu 2030: The People's Plan, p. 6. The goal of “a strong and resilient nation in the face of climate change and disaster risks posed by natural and man-made hazards” is also a goal under the NSDP's environmental pillar.

There is an established process to analyze and approve projects. Project proposals are prepared by Government entities and submitted for review to the secretariat and then to the NAB's Project Screening Committee. The NAB approves the projects. Once approved, the projects or programs are implemented by the proposing entity. Coordination is with DSPPAC on project registration inclusive of financial commitments, duty and VAT exemptions, and the MEF. Coordination is with the MFEM regarding budgeting, accounting, payments and procurement. There may also be monitoring and evaluation reporting to the NAB secretariat per the requirements of the development partner.

AMP Implementation Role:

- ✓ Coordination role: liaison with climate change and disaster-related development partners by holding regular Government led sector coordination meetings with all stakeholders engaged.
- ✓ Communication role: work with Ministries, Provincial Governments, agencies and other stakeholders to access development partner programs.
- ✓ Project screening role: screen and approve project proposal submissions.
- ✓ Monitoring role: collect information on project implementation and facilitate monitoring and evaluation.
- ✓ Technical support role: coordination with DSPPAC on planning, project and program registration, duty and VAT exemptions, and monitoring and evaluation.
- ✓ Finance role: coordination with MFEM on financial management, as necessary.

6. Provincial Governments

Provincial governments are stakeholders in Vanuatu's development process especially given decentralization efforts. Provincial governments have served as partners and implementers, usually in cooperation with a Ministry or agency. Their inputs in term of planning are essential so that impacts are at the level to facilitate sustainable livelihoods and economic growth. Their role is also important for monitoring and evaluation since many indicators are related to the impact on different segments of the population.

AMP Implementation Role:

- ✓ Originate project proposals either on their own or with a Line Ministry or agency,
- ✓ Implement projects or programs at a local level,
- ✓ Hold coordination meetings at the provincial level for clustered projects such as for those related to climate change and disaster risk reduction,
- ✓ Work with NGOs at the local level, and
- ✓ Participate in monitoring and evaluation efforts either directly or through stakeholders.

C. The Role of NGOs

NGOs are key actors as well as stakeholders in Vanuatu's development.⁷ This role has been defined historically through the years of local and international NGO commitment. NGOs, being non government in nature, have provided development and support services that either Government does not provide or complements what is provided to the benefit of the people of Vanuatu, especially at the local level and in times of intense need, such as in response to natural disasters.

It is recognized that the development assistance provided by NGOs is in accordance with relevant national and sector plans as well as regulations and policies. There are regulations regarding NGO registration and behavior per the Policy for the Regulation of Non Government Organizations prepared and administered by the Ministry of Internal Affairs (MIA).

The NGO Policy provides guidance regarding the: 1) registration, establishment and functions of NGOs; 2) management of NGO presence and local engagement; and 3) process for visa applications.

NGOs must first register with VANGO, the association of NGOs in Vanuatu. After completing that registration process, the NGOs must register with the MIA. The information required includes:

1. Name of NGO
2. Address in Vanuatu
3. Other Address If Applicable
4. E-mail Contact Address
5. Web Site, if any
6. NGO Representative Name
7. NGO Representative Phone Number
8. Mission of NGO
9. Date Established
10. Examples of Project Activities
11. MOU with Ministry of ?
12. Number of Staff
13. Number of Ni-Vanuatu Staff
14. Annual Budget
15. Vanuatu Islands Where NGO Operates
16. VFSC Registration (most recent)
17. VANGO Membership Date
18. Is this first time registration with MIA?
19. If applying for renewal, describe any changes in NGO structure or operation.
20. Fees (per fee schedule)
21. In filing this application, the NGO and its representative hereby acknowledge their responsibility to abide by the rules and conditions of registration, including filing an annual report, abiding by all the laws of the Republic of Vanuatu, including those pertaining to immigration and employment (signed and dated).

The MIA has a roster of NGOs per the registration process. The ACNU will collaborate with the MIA's NGO Desk to work toward matching NGO capacities to where such expertise is needed, in collaboration with VANGO and the NGO partners. To help this process, NGOs will submit to the

⁷ The term NGO, per the NGO policy, refers to non government organizations, civil society organizations, community-based associations, faith based organizations, charitable organizations and not-for-profit organizations.

ACNU a list of project activities or interventions in terms of timing, cost, objectives and expected results (Attachment F). Such a list will help in planning and targeting assistance as well as in evaluation so that all development assistance information is captured.

The ACNU will ensure that NGOs are represented in consultations on key policy and implementation issues, specifically at the sector level, where NGO input would be useful for project and program formulation, implementation, monitoring, and evaluation. There will also be the ability to share information so as to ensure addressing priorities, preventing duplication of effort, and ensuring effective implementation. As with any development partner, the Government retains a fundamental duty to ensure that all such organizations, regardless of funding source, act in a manner that is transparent and accountable to Vanuatu's Government and citizens.

D. Development Assistance Decision Making Points and Planning

For decision making, there is a process in place that takes the inputs from the central agencies and places those inputs in front of decision makers to help with prioritization, approval and performance review. These entities include the DCO, Central Agency Committee (CAC), COM, and Ministerial Budget Committee (MBC).

The NPF fully describes the national planning framework that takes into account the NSDP, sector strategies, Ministry corporate and business and plans, the budget process, and the MEF. For aid management, there are several "decision points" that follow the annual budget process. These decision points help to provide feedback and approve development projects and programs as well as assure linkages to the Government's development interests.

Forms or templates accompany this process. They include the following:

- ✓ Government-Development Partner Memorandum of Understanding (Attachment A) An agreement that outlines the timing and scope of the cooperation being agreed to between the Government and the development partner.
- ✓ Government Agency-Development Partner Memorandum of Agreement (Attachment B) A Government-development partner agreement for a specific development program or project.
- ✓ Project/Program Application and Information for APMS (Attachment C) A form for a Ministry or agency to apply for a project or program with the information also inputted into the APMS also referred to as a New Project Profile.
- ✓ Project Completion Report (Attachment D) A form required for the closing of a project to inform the Government and development partner of project completion. The form should be submitted to the ACNU.
- ✓ VAT and Duty Exemption Guidelines and Letters (Attachment E) The letters and forms required for the VAT and duty exemptions. The requirements are per the Value Added Tax Act and the Customs Import Duty Act.
- ✓ NGO List of Project Activity or Interventions (Attachment F) Basic project or intervention information that can be recorded to help identify the full development

picture in Vanuatu as well as help identify where efforts are being made or are needed.

- ✓ Government-Development Partner Meeting Schedule (Attachment G) A format to help identify a series of annual meetings between Government and development partners at the senior level and working level, and with NGOs.

The following is an outline of the Government project approval process, referred to as New Project Profiles in the NPF:

1. Project and programs are first discussed at the technical level between Government and development partners and possibly other stakeholders including those from civil society. These discussions involve the central agencies described above- the DSPPAC units, MFEM and MoFAICET (as appropriate) as well as the counterpart Line Ministry or agency. While these projects or programs may be standalone, they may also be integrated into Ministry corporate and business plans and a sector or thematic strategy. The responsible Ministry or agency prepares the New Project Profile, performs internal screening and then forwards the proposal to DSPPAC.
2. The screening of the project or program is done by DSPPAC. The proposal is received at the ACNU where it is given a registration number and proposal information is entered into the APMS. The ACNU will forward it to the appropriate Sector Analyst in the Policy Unit. There could be a further exchange of information between the Sector Analyst, development partner and Line Ministry representative to get the proposal to the approval stage.
3. The CAC consisting of DSPPAC, MFEM and MoFAICET, may review the proposal and the development partner program. The CAC, either formally or informally, may consult on other development issues such as new development partner interests (projects or programs) or other issues being confronted regarding planning, implementing or monitoring development assistance.
4. Screened project and program proposals are sent to the DCO. The DCO reviews alignment of the proposal with Government policies including the NSDP, corporate plans, and business plans.
5. The DCO-approved projects that are of a certain size and/or use Government funding are then sent to the COM (over VT100 million). The COM reviews them in terms of the proposal being in the context of the Government's priorities, development partner and Government financing obligations, and other factors pertaining to the interests of the COM.
6. If approved by the COM, the MBC reviews in terms of financial costs, obligations and management.
7. If the program or project is part of the budget process, the project or program is approved by Parliament.
8. An MOU, or such other agreement, should be signed with the development partner to ensure the commitment. An MOU is needed for duty and VAT exemptions.

The NPF highlights the importance of Ministry and agency corporate and business plans as the cornerstones for planning short, medium and long term Government activities that are in alignment with the NSDP. To avoid fragmentation and a complicated planning process, the alignment of development initiatives within the framework of the NSDP should be placed within the frameworks of the corporate and business plans. Such integration would result in a more coherent system that would benefit all stakeholders and would lead to addressing priorities and more accurate measurement of results.

Such alignment requires that development programs and projects be fully integrated into corporate and business plans. Even if there are stand alone sector or thematic strategies, roadmaps or plans, efforts should be made to integrate the activities into the corporate and business plans. The performance of the Ministry or agency is measured according to the corporate and business plans as should the development interventions.

- **Corporate Plan** reflects the NSDP. The priorities detailed in the Corporate Plans (including indicators) for each Ministry are updated annually; and
- **Business Plan** should be aligned with the Corporate Plan, is the annual work plan for each Department or agency that is in the portfolio of a Ministry.⁸

The NPF provides guidance on how corporate and business plans are to be prepared to elaborate on, and align with, each of the NSDP policy objectives.

The NPF envisions that the corporate plans will establish the values, mission, vision, resource allocations and objectives of each Ministry. The corporate plan is also expected to outline the main strategies for achieving the objectives that the Ministry assumes responsibility for from the NSDP. The plans must also include measures that the Ministry is going to use to monitor performance.

The corporate plans should be informed by the NSDP goals and objectives and also by any other strategic planning documents which are relevant to those areas being planned, including any sector plans or policies that are in place. Any multi year development projects or programs that fits into the strategic role and vision should also inform the corporate plans. Corporate plans are medium term plans (3 year rolling plans) and establish the most significant areas of effort that will deliver the outcomes expected by the Government and the community over this time period.

The Ministries are expected to use the corporate plan to develop annual operational business plans. Business plans provide the mechanism that Ministries use to allocate funding to fulfill the specified objectives, including development projects and programs. Business plans also allocate human and other resources to the plan's activities. The business plan operationalizes the first year of the corporate plan. At this level, activities for each strategy are detailed with units/officers responsible, verifiable performance indicators and timelines.

Business plans should be developed alongside budget submissions to ensure that submissions are realistic and that the budget can be spent to put into action and achieve the objectives specified in the corporate plan.

As mentioned in the AMP, the Government prefers budget support funding as the favored aid modality. Using the national planning and budget process helps to integrate the funds, and thus

⁸ National Planning Framework, Government of the Republic of Vanuatu, July 2018, p. 2.

the development intervention, into an operational framework that allows day-to-day implementation as well as the periodic reporting according to the MEF. A second preferred modality is the provision of development assistance to medium term sector or thematic strategies and plans (including SWAps). Funding that is provided to NGOs for implementation should also be included in the business plan.

For development partner initiatives that do not fit either of the preferred modalities, the development partner should state the reasons of why those modalities cannot be used. The development partner should also indicate how the financing would be reported so the finance information can be recorded by the ACNU and the MFEM. If there are perceived weaknesses not to use the preferred modalities, the development partner should articulate such weaknesses in writing. The preferred response would be to work with the counterparts to identify the weaknesses and address them in a collaborative manner.

The Government spends significant amounts of time and resources dealing with development partner meetings and missions throughout the year. Development partners are conscious of this time commitment. Periodically, there are time constraints of Government officials that may prevent full attention to meetings or lack of preparation. Development partners agree to ensure that their program planning, management and monitoring visits are carefully coordinated with the Government, seek at all times to meet the timing requirements of the Government and respect a decision by the Government to place a moratorium on missions during the period of budget preparation. Mission clearance should be obtained from the MFEM, ACNU and NAB for the respective development partners that are under their respective coordination jurisdiction.

IV. Commitments and Processes

A. Overview

The Government is building a framework of institutions, people and processes, as outlined above, to show Government leadership and management of the development process. Vanuatu's development partners are generally aware of these efforts and recognize the Government's interest in this leadership role. The effort will take cooperation in terms of building the organizational and human resource capacity at the central and line ministries and agencies as well as cooperation in implementing a development strategy that is effective and results-oriented that meets the Government's and development partners' objectives.

The cooperation will take a combination of external and domestic resources that maximize the use of national systems and processes, promotes effective capacity building, focuses attention on the achievement of Government priorities as identified in the NSDP, and are monitored per the MEF.

The following are a set of commitments by the Government and development partners, per international and regional agreements to improve development cooperation. These commitments include those of the Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (2008), the Busan Global Partnership for Effective Development (2011) and the regional Pacific Island Forum Compact for Effective Development Cooperation (2009).

B. Ownership, Alignment, Harmonization and Simplification

Commitment of Government of the Republic of Vanuatu

Government will take a stronger leadership of its own development policies and will engage with its Parliament, local authorities and citizens in shaping these policies and in the design and implementation of associated programs and projects. Government and development partners will work to establish and strengthen program and/or sector based approaches rather than a project-based approach. Government will strengthen its institutional capacity with support from its development partners.

- The Government will follow and use as its development framework the NSDP (2016-30), MEF and associated Ministry corporate and business plans.
- The Government will consult with development partners according to a schedule of annual Government-development partner meetings and a Government-NGO meeting. The meetings will discuss all forms of assistance, proposed programs, status of development strategies and development and/or implementation issues. The aim would be to improve development effectiveness.
- The Government will negotiate the design of development initiatives with individual or coalitions of development partners in an open and transparent manner to ensure that the initiatives are fully aligned with the development aspirations of the Government, focus on results, and build and sustain local capacity.
- The Government will emphasize sector wide or thematic approaches that coordinate development partner inputs and works with the Government counterparts and/or other stakeholders in a coordinated manner.
- The Government will implement the reforms outlined in Public Finance Management Reform Roadmap (2017-21) including a medium term budget framework inclusive of development partner funding on and off budget.
- The Government will maintain an open dialogue with all development partners, including state-owned enterprises, NGOs, faith-based organizations, philanthropic organizations, academia and the private sector to ensure a comprehensive approach to development effectiveness.
- The Government will ensure that it has the statistical and information management capacity to record aid flows and to ensure that the funding support of all development partners' is recorded in its budget documents.
- The Government will strengthen institutions, systems and processes and build its human resource capacity, and development partners will use the country systems for development assistance supported programs in support of activities managed by the public sector. The Government and development partners will jointly assess the quality of country systems and procedures in a country-led process using mutually agreed diagnostic tools.
- The Government will ensure that external development finance needs provided through loans or credits are at the lowest cost and have affordable repayment obligations. The

Government will apply the policy conditions of the Medium Term Debt Strategy to maintain sustainable financial exposure and reduce fiscal risks. The Government will prioritize the mobilization of grants rather than loans and credits. This will be verified through a fully transparent process to assist both Government and development partners to be fully aware of the Government's debt burden (commitments and liabilities) and debt strategy.

Commitment of Development Partners

Development partners will respect the Government's leadership and contribute to further strengthening its capacity to exercise it. Development partners will align with the Government's strategies and priorities. Development partners increasingly use strengthened country systems and procedures. And, development partners implement arrangements and simplified procedures as identified in the Paris declaration, Accra Agenda for Action and the Busan Partnership commitments.

- Development partners will base their development policy dialogue with the Government on the NSDP's poverty reduction and growth agenda and related national and sector plans and in doing so, undertake to respect the Government's development cooperation policies and procedures, follow the Government's approval processes for all development assistance, and acknowledge the central coordinating and monitoring role of DSPPAC.
- Development partners will support all efforts of the Government to strengthen their national systems and, where possible, promote the use of budget support that is implemented and reported upon by the Government. If a development partner opts to use a delivery mechanism outside the country system, the partner will detail the rationale and will indicate how it will work with the Government to better align its support in the future. Development partners will cooperate to provide information, as necessary, to inform the medium term budget framework.
- Development partners will ensure that their support is directly in line with the priorities of the NSDP and related sector, corporate and business plans and at all times undertake detailed planning and design that reflects the country context, the implications of the interventions on the relevant Ministry workloads, and the impact on existing and future recurrent budgets with respect to operations and maintenance.
- Development partners agree to collaborate and coordinate amongst each other and with Government and other stakeholders to plan, implement and monitor sector or thematic programmatic approaches.
- Development partners agree to ensure that their missions and program management and monitoring visits are carefully coordinated with the Government, seek at all times to meet the timing requirements of the Government and respect a decision by the Government to place a moratorium on missions during the period of budget preparations. Mission clearance should be obtained from the MFEM and the ACNU for the respective development partners that fall under their respective coordination jurisdiction.
- Development partners will be aware of the Medium Term Debt Strategy and the Government's (including state-owned entities, as applicable) debt obligations over the medium term, especially when considering a loan or credit or mixed grant/loan modality. Development partners will be aware of fiscal exposure and risks and provide the Government sufficient information to make such decisions and remain within strategy

parameters.

C. Transparency, Accountability and Predictability

The Government and its development partners are accountable for effective development cooperation and subsequent development results.

Commitment of Government of the Republic of Vanuatu

- The Government will strengthen its mechanisms for collecting and sharing information in an effort to maximize transparency and accountability for the benefit of all citizens as well as for development partners.
- The Government, through DSPPAC and the annual budget process, will continue to collect development assistance information from Ministries and all national stakeholders in an effort to improve coordination and availability of information. The information collected by DSPPAC will be verified with development partners before publication.
- The Government undertakes to pursue regular consultations with all development partners to ensure a full understanding of its development priorities, while encouraging development partners to provide information on their longer-term intentions with respect to support.
- The Government will apply the necessary audit requirements to development partner contributions made through the Government's financial management information system.

Commitment of Development Partners

- Development partners, as part of the Government's budget process, will share annually information on their programs and where feasible conclude multi-year agreements with the Government to enhance the accounting, planning and predictability of development assistance.
- Development partners, as necessary, will provide information inputs to the MEF in collaboration with program and project implementers.
- Development partners will collaborate with the ACNU to provide information inputs for the APMS and work with the ACNU to verify the accuracy of information.
- Technical assistance for project management and implementation for such efforts as infrastructure development and maintenance or other large projects or development partner investments (including international/regional financial institution grants and/or loans) implemented by private sector organizations (such as consulting, engineering, construction, architectural firms) include the necessary assurances and commitments in contracts to adhere to the applicable policies, laws and regulations.

D. Managing for Results

The Government and its development partners manage resources and improve decision making for results.

Commitment of Government of the Republic of Vanuatu

- The Government will continue to develop instruments for measuring and managing development results, including the ongoing implementation of the MEF and the resulting ADR and Six Month Reports, reports generated from the APMS, and results of the annual budget process including the medium term budget framework.
- The Government will continue to strengthen monitoring and evaluation capacities and development partners will support the implementation of a results-based delivery framework and accountability mechanism.
- The Government and development partners will periodically conduct joint reviews on progress in realization of commitments on aid effectiveness and achievement of development results.
- The Government and development partners will support efforts to broaden participation of legislative, provincial and local Government officials, civil society, private sector and media in discussions of the country's development agenda, program and project design and implementation, and results

Commitment of Development Partners

- Development partners in supporting the design of programs and projects will ensure the expected results are aligned to the national priorities and that the means of measurement of indicators are, as far as possible, those used in the NSDP, MEF and medium term budget framework so that they can be understood by the relevant counterpart agency and can be jointly monitored through national systems.

E. Inclusive Partnerships

Promote inclusive and effective partnerships with all relevant stakeholders towards the achievement of national development outcomes that include a harmonized approach to crosscutting issues such as environment, gender equality, youth, climate change, culture, and integration of disabled persons.

Commitment of Government of the Republic of Vanuatu

- In line with Section III.C, above, guidelines have been developed to ensure a clear understanding of how Government Ministries and agencies will work together to strengthen cross-sector implementation and engagement with development partners.
- The Government undertakes to include all relevant stakeholders, including NGOs and the private sector, in the design and delivery of activities for achievement of the national priorities as identified in the NSDP.
- The Government will, at all times, look for opportunities for a sector or multi sector approach (where applicable) to development and alignment with the policies and principles of relevant line ministries and agencies.
- The Government undertakes to develop a unified reporting template for all NGOs to reduce the burden of reporting and promote a better sharing of information among all

development partners.

Commitment of Development Partners

- Development partners will be transparent in supporting initiatives of the Government and in working with other development partners, always ensuring that the Government leads these arrangements to maximize national ownership, efficiency and ensure partners with a comparative advantage are included.
- Development partners will cooperate and coordinate with Government and multi development partners to have more sector or thematic-oriented strategies.
- Development partners in recognizing both the importance of a multi-sector approach to development and the coordination role of DSPPAC, undertake to ensure that in designing programs and projects, resources are provided for the effective involvement of all relevant Government stakeholders.

V. AMP Implementation and Monitoring

The AMP will be implemented mainly by the DSPPAC's ACNU in cooperation with other central Ministries as well as line Ministries and agencies.

The AMP and its Implementation Strategy are living documents built around the systems and processes that the Government has put in place or is developing. Given the cyclical nature of development assistance and integration with the annual budget cycle and, eventually, with a medium term budget framework, ongoing monitoring and evaluation is required to help alignment, integration and the management with effective results.

Much of the success of the development of the AMP depends on the success of the implementation of the following:

1. Alignment of development initiatives with the NSDP,
2. Measurement of NSDP performance using the MEF and reported in the ADR and Six Month Report,
3. Inputting, verifying and reporting information from the APMS on a continual basis,
4. Use of the NPF and any refinements,
5. Improvements in public financial management per the PFM Roadmap and the integration of development assistance, to the extent applicable, in a medium term budget framework,
6. Use of national budget and finance systems and processes, and
7. Results of annual and sector or thematic meetings with donors.

The implementation of these documents and processes, and their quality, will be reviewed annually. Both the Government and development partners should review the status of the implementation strategy once annually. The Government's internal review should be presented at the annual Government-Development Partner meeting and discussed to find ways to improve effectiveness and results.

Attachment A: Government-Development Partner Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING (TEMPLATE)

BETWEEN

THE GOVERNMENT OF xxxxxxxxxxxx
Or Name of Entity
(Country Name or Other Entity Name)

AND

THE GOVERNMENT OF THE REPUBLIC OF VANUATU

ON

DEVELOPMENT ASSISTANCE PROGRAMME AND DEVELOPMENT

The Government of xxxxxxxxxxxx (or other entity name) and the Government of the Republic of Vanuatu

(Hereinafter referred to as the “Parties”)

In the Spirit of Friendly relations already existing between the two Countries and peoples;

Desiring to develop stronger economic and development cooperation between the two Countries (or Government of Vanuatu and the entity) in areas of mutual interest which aims to promote social and economic development including improving the living standards of the people of Vanuatu;

Reaffirming their commitment to the Charter of the UN and to the principles of solidarity between the nations;

Upholding the principles of good governance;

Acknowledging the adverse impacts of climate change towards sustainable development and the need to promote greater global responsibility towards those most vulnerable;

Pursuant to the prevailing laws and regulations of their respective countries (or of Vanuatu if with an entity) as well as the principles of international law;

Have reached the following understanding:

**ARTICLE I
OBJECTIVE**

- (1) The main objective of this Memorandum of Understanding (MOU) is to provide a framework for deepening, expanding and preserving development cooperation in areas of mutual interest and common objective. The objective is also aiming at maintaining and enhancing peace, security and stability and further strengthening peace-oriented values in each other's dealings.
- (2) The specific objective of this program: state specific program objective.
- (3) Nothing in this MOU shall affect in any way the existing rights and obligations of either Party under international law.

ARTICLE II PROGRAM OR PROJECT FRAMEWORK

- A) Name of program:
- B) General Description of Program or Project: Provide general description and then specific identify: 1) activities; 2) linkages to NSDP- be specific; and 3) expected results.
- C) Government Agencies and/or other Stakeholders Involved:
- D) Financial Cost: Total and by year: Identify type of assistance: grant, loan (identify terms), aid in kind, etc. Breakdown amounts to be provided by development partner and funds to be provided by Government, if any.

ARTICLE III PARTNERSHIPS

In pursuing the objectives of this MOU, the Parties may benefit from cooperation mechanisms with other countries, international organizations and regional agencies.

ARTICLE IV IMPLEMENTATION

- (1) The projects of this development cooperation shall be implemented through Agreements in compliance to the established national process.
- (2) The executing and coordinating institutions and the input necessary to the implementation of projects mentioned in this Article II shall be established through Agreements to develop projects under this MOU. The Parties may require the assistance and contribution of public and private sector institutions, as well as non-governmental organizations of both countries, in accordance with their specific Agreements.
- (3) The Parties shall, jointly or separately contribute to implement projects approved by the Parties, as well as seek necessary financing from international organizations, funds, regional and international programs and other donors, in accordance with their national legislations and established national processes.

(4) Implementation of Programs is dependent upon the availability of funds.

**ARTICLE V
EVALUATION MEETINGS**

- (1) Meetings between representatives from the Parties shall occur in order to deal with issues related to the program or project, such as:
- (a) Evaluation and establishment of common priority areas suitable for the implementation of the project or program;
 - (b) Identification of mechanisms and procedures to be adopted by both Parties;
 - (c) Evaluation and approval of Work Plans;
 - (d) Assessment, approval and implementation of programs, projects and activities; and
 - (e) Evaluation of results of the execution of the program or projects implemented under the terms of this MOU;
- (2) The Parties will agree upon a schedule of meetings and the venue and date of the meetings.

**ARTICLE VI
CONFIDENTIALITY**

Each Party shall guarantee that the documents, information and other data obtained in the course of the implementation of this MOU shall be strictly confidential unless authorized in writing by the other party.

**ARTICLE VII
ASSISTANCE TO PERSONNEL**

Each Party shall provide, the necessary logistical support related to their accommodation, facilities of transportation, access to the information required to carry out their specific tasks, as well as other facilities to be defined on Agreements, for the personnel to be sent by one of the Parties, under the terms of this MOU in accordance with the respective legislations of both Parties.

**ARTICLE VIII
ENTRY INTO FORCE**

This Memorandum of Understanding shall enter into force on the date of its signature.

**ARTICLE IX
TERM OF THE MOU**

The present MOU is valid for a period of five (5) years (this can vary) and shall be renewed automatically for successive periods of equal duration, unless one of the Parties informs the other, through diplomatic channels, of its decision to terminate it, in accordance with Article X of this MOU.

**ARTICLE X
TERMINATION OF THE MOU**

- (1) Either Party may, at any time, notify the other, through diplomatic channels, of its decision to terminate this MOU. Termination shall be effective six (6) months after the date of the notification. In case of termination of this MOU, the Parties shall decide whether the activities under execution should be continued or not, including the triangular cooperation with a third party.
- (2) This MOU may be amended with the consent of both Parties. Amendments shall enter into force according to the procedures mentioned in paragraph 1 of this Article.

**ARTICLE XI
DISPUTE RESOLUTION**

Any dispute relating to the interpretation or implementation of this MOU shall be solved amicably by direct negotiation between the Parties, through diplomatic channels.

Done at,.....on 2017 (year goes here) which corresponds to the th day of , in duplicate, in English all texts being equally authentic.

.....
Signature

.....
Signature

.....
Name

.....
Name

The Government of xxxxxxxx
Or Sponsoring Entity

The Government of the Republic of Vanuatu

Attachment B: Government Agency-Development Partner Memorandum of Agreement (for a specific program or project)

Memorandum of Agreement (MOA) between [Government Agency] and [Donor/Development Partner] for [Program or Project]

1. **Name of Program or Project:** name of program or project that identifies what is being agreed
2. **Government Agencies Involved:** Identify government agencies and other stakeholders involved (executing and implementing agencies if known). Identify contact person (if known).
3. **General Description** – Description of program or project. If a program identify the discrete project interventions.
4. **Relationship to NSDP:** In relation to NSDP and/or other sector or thematic strategy identify:
 - a. NSDP Pillar, Goals and Policy Objectives
 - b. Indicators (per Policy Objective), Targets and Baseline Indicator
 - c. Expected Results
5. **Responsibility of the Development/Donor Partner-** Background, work plans monitoring and evaluation framework. What is development partner responsible for and what is government/stakeholder responsible for?
6. **Responsibility of the Government Agency** – access to information, resources required- manpower, financial, office space, etc.
7. **Duration of the Agreement** – specific start and end dates; identification of timing of key milestones
8. **Financial Cost** – Total cost and breakdown (grant, loan, aid in kind, etc.), by year, by development partner and government or other stakeholder(s)
9. **Entitlements of both** – Statement for duty and VAT concession. If known, identify areas Duty/VAT concessions (statement language should be agreed to with Tax/Customs Department)
10. **Termination of Agreement** – terms that warrant a termination of this Agreement
11. **Settlement of Differences** – how differences can be resolved
12. **Amendments to Agreement** – what kind of circumstances allow for an Amendment to occur, including time start/end date adjustments. Note: start end dates are important since they set the timeframe for VAT and Customs exemptions.
13. **Signature** of [high-level] representatives of Government Agency and Development Partner (**both, stamped and dated**)

Attachment C: Project/Program Application and Information for Aid Project Management System

DSPPAC File No:

Activity Code:

GIP No:

Date Entered into Database:

DSPPAC staff will fill in the above. Notes on how to complete the Project Profile form are attached as “Guidelines for Completing Project Profile Forms”. These guidelines are numbered according to the numbered sections on this form.

1. Project Title:

2. Ministry:

(Provide the name of the Ministry the project will be implemented under).

3. Department Sponsoring the Project:

(Provide the name of the department sponsoring the project)

4. Agency Implementing the Project:

(Provide the name of the implementing Agency if any).

5. Main Government Contact for Project:

Name:
Address:
Telephone Number:
E-mail:

6. Commencement & Duration:

(Provide the expected commencement date and duration of the project).

7. Project Budget:

(Provide an estimated cost summary of the Project).

	Complete the table below in Vatu					
	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total
Donor - Loans:						
- Grants						
Aid-in-Kind						

Government Costs #						
Other Loans/Credits						
Other e.g. Community						
Total						

Additional government costs due to project, not costs already approved in the recurrent budget

8. Location:

(Provide the location of the project)

9. Number of People Affected (Directly & Indirectly; type of people, e.g. youth, farmers, teachers, nurses, etc.- those targeted):

(Explain how many people will be affected directly or indirectly).

10. Purpose and Objectives:

(Explain the purpose and objectives of the project).

11. Project Benefits:

(Explain how the project will benefit the intended beneficiaries).

12. Project Description:

(Describe the content of the project)

13) How the Project's fit with Sponsoring Department/Ministries program:

(How does it relate to any sector or other government-accepted plan? What Corporate and Business Plan components does the project respond to? What NSDP Pillar, Goal and Policy Objective does the project respond to?)

14. Project Implementation & Management Plan

(Provide Implementation Plans for the project).

15. Project Monitoring & Evaluation

(Explain how the project will meet its objectives and outcomes and how it will be monitored, and make sure the cost is included in the budget. Please align with the NSDP Monitoring and Evaluation Framework to include: relationship to the NSDP Pillar, Goal, and Policy Objective and identify, for each Policy Objective, the indicator(s), 2030 target and baseline.)

16. Other Background Information:

- a) **Technical feasibility:**
(Explain the technical feasibility of the project after project funding).
- b) **Financial viability:**
(Explain how the project will be financially viable after project funding).
- c) **Project sustainability:**
(Explain how the project will be sustained after project funding).
- d) **Detailed plans/locality maps (where constructions are involved):**
(Provide designs and locality plans)
- e) **Assessment of any benefit in the project to women and vulnerable groups:**
(Specify any benefits of the project to women and vulnerable groups).
- f) **Environmental Impact Assessment:**
(Provide any environmental impact the project might have on the population or the natural environment)
- g) **Social Impact Assessment**
(Provide any social impact the project might have on the population.)

17. Level of Discussions with Donors

(Provide information below on discussions held with donors).

1. Donor support:	<p>1. Have discussions taken place with any donors? (circle one)</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, which donors?</p> <p>Name of donor contact(s)</p> <p>Has a donor expressed an interest in funding the project?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, from which donor program?</p>
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18. Vanuatu Government Funding Source:

(Specifically future government recurrent cost implications)

19. Future Maintenance Requirement:

(Specifically future government recurrent cost implications)

20. Additional Staff Required:
(e.g. counterparts)

21. Proposed TA Positions:
(TOR must be included for all T/A positions.)

22. Project Budget - Provide a summary of the major items to be included in the project budget below:

DONOR COSTS:

The following items will be paid from the donor's contribution to the project through a **Grant** and will cost (in Vatu):

Items	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total
Project Monitoring						

The following items will be supplied by the donor as **Aid in Kind**, e.g. equipment, T/A, building works, vehicles, etc. and are estimated to cost (in Vatu):

Items	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total

The following items will be supplied by the donor as **Loan** (estimate cost in vatu):

Items	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total

VANUATU GOVERNMENT COSTS:

The following items will be paid for by the Vanuatu Government (and are additional to the approved recurrent budget) and will cost in thousands of Vatu:

Items	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total

Director of Sponsoring Government Department: I certify that I have checked the project profile, and any other supporting information for screening this project. I am satisfied that this project proposal is ready for presentation to DSPPAC for approval.

Name & Signature of Director of Sponsoring Department:

<i>Name</i>	<i>Signature</i>	<i>Date</i>
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Director General’s Certification: *I certify that I have checked the project profile, and any other supporting information for screening this project. I am satisfied that this project proposal is ready for presentation to DSPPAC for approval. I understand that no Government funding will be released for the project until the project has been approved by the appropriate government authorities, any additional government contribution has been appropriated, the approved donor funding has been released and a detailed project income and expenditure form has been submitted.*

Name & Signature of Director General:

<i>Name</i>	<i>Signature</i>	<i>Date</i>
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Sectoral Analyst’s Certification – Approval/Decline: *(delete as applicable)*

1. *I certify that I have checked the project profile, and any other supporting information for screening this project. I am satisfied that this project proposal is ready for referral to the appropriate authorities.*
2. *The project has been declined and a review of the project is attached.*

<i>Name</i>	<i>Signature</i>	<i>Date</i>
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Attachment D: Project Completion Report

Explanation: The purpose of this report is to indicate to the Vanuatu Government and to the donor how the project was implemented and what the results that the project achieved are. This document serves to justify to the donor how the money has been used and how it participated to the achievement of the objective indicated in the project profile.

The budget information section is essential and should be filled carefully. All expenses are to be accompanied by justifying documents (invoices, completed LPO's) adding up to the money spent.

Correct and complete filling of the completion report is IMPERATIVE if you are expecting additional funding from donors.

Completion report must indicate progress and changes in regards to the initial Project Profile. If the space is not sufficient, use more blank paper. Attach all documents, pictures or reports showing the achievements of the project.

Project Title:	Project Number:
Executing Department:	Source of Fund(s):
<u>Contact Person:</u>	<u>Amount Received in Vatu:</u>
	<u>Date of Funds Availability:</u>
	<u>Budget Line:</u>
	<u>Budget Requested in Vatu:</u>

Brief Description of Project as indicated in the original project profile:

Objective of the Project as indicated in the project profile:

Activities effectively implemented and Results obtained (describe with numbers and quantities if possible)?

Was the Objective Achieved?

In your opinion, are the results sustainable and what are the future activities foreseen or needed.

Expenditures (fill in the table precisely)

Item	Agreed Budget (Vatu)	Actual Expenditure (Vatu)
Salaries and /or allowances		
Equipment / Materials		
Travel		
Accommodation		
Works		
Others (specify)		
TOTAL:		

* All expenditure must be accompanied by a copy of the original justifying documents.

Establish at The

By (full name and function).....

Signature and Department Stamps:

FOR DEPARTMENT OF STRATEGIC POLICY PLANNING & AID COORDINATION USE ONLY:

Completion Date: _____	Date Completion Report Received: _____
Database Update: _____	Remaining Balance: _____
Date Forwarded to Donor: _____	
Signature of Senior Analyst: _____	Date: _____
Signature of Director: _____	Date: _____

Attachment E: VAT and Duty Exemption Guidelines

The letters and forms required for the VAT and duty exemptions. The requirements are per the Value Added Tax Act and the Customs Import Duty Act. DSPPAC, particularly the ACNU, works with the Department of Customs and Inland Revenue to process the applications.

REPUBLIC OF VANUATU

DEPARTMENT OF STRATEGIC POLICY
PLANNING & AID COORDINATION
Prime Minister's Office,
Private Mail Bag 9088
Telephone No: (678) 23150 / 23152
Fax No: (678) 25481



REPUBLIQUE DE VANUATU

DIRECTION DE LA PLANIFICATION
DES POLITIQUES STRATÉGIQUES, DE
LA COORDINATION DES AIDES
Bureau du Premier Ministre
Sac Postal reserve 9088
Téléphone (678) 23150 / 23152
Télécopie (678) 25481

Guidelines for Requests made for Duty Exemptions, Value-Added Tax (VAT) Zero-Rating Approval Certificates, & Application to Expend Development Funds (“Green Form”) to the Aid Coordination & Negotiation Unit (ACNU), Department of Strategic Aid, Policy Planning & Aid Coordination (DSPPAC)

This is to inform all Ministries that as of 1 September 2018, all Government agencies wishing to put forward Duty Exemption, VAT Zero-rating Approval Certificate requests & Applications to Expend Development Funds to the ACNU for processing, will need to hand these in between the hours of **8am – 12pm (midday) at Reception**. This is to allow Officers to complete these requests in the afternoon. All requests will be disseminated to relevant authorities (Government Agencies) 24 hours after receipt of the requests.

It is important to note that the DSPPAC **only processes Duty Exemptions and VAT Zero-rating Approval Certificates for those projects that:**

- **Have been approved by the Council of Ministers**
- **Have been allocated a Government Investment Program (GIP) Code**

Any other organizations that wish to apply for these concessions must approach the Customs Department directly.

PLEASE TAKE NOTE OF THE FOLLOWING GUIDELINES WHEN SUBMITTING YOUR REQUESTS

DUTY EXEMPTIONS

The Duty Exemption letters issued by DSPPAC will be addressed, and delivered by DSPPAC to the clearing agent. A copy will be sent via email to the Government agency managing the project and the Department of Customs.

For **Duty Exemptions**, the following documents and details are mandatory:

Document(s)	Details
1. Request letter from the Government agency managing the project	Letter must include: <ul style="list-style-type: none"> • Air Waybill (AWB) / Bill of Lading (BOL) Number • Invoice number • Business name of the Clearing agent
2. Request letter from the project contractors	<ul style="list-style-type: none"> • Request must be addressed to the Government agency managing the project
3. Invoice from supplier	<ul style="list-style-type: none"> • Addressed to the project contractor
4. Packing List	<ul style="list-style-type: none"> • Ensuring items packed match those listed in the invoice
5. Copy of the Air Way bill / Bill of Lading	<ul style="list-style-type: none"> • Ensuring AWB / BoL is for the shipment <u>arriving in Vanuatu</u>

Refer to [annex 1](#) for a sample letter.

VAT Zero Rating Approval Certificate

Please note that Vat Zero Rating Approval Certificate (VZRAC) are only valid until the **31st December of every year.**

VZRAC request letters are issued by DSPPAC and addressed to the Director of the Department of Customs. Copies will be sent to the relevant Government agency. Once DSPPAC issues the letter, **it is the responsibility of the Government agency to follow up with the Customs/VAT offices for the issuance of their certificate.**

1) RENEWAL

For a renewal of a VZRAC, the following documents and details are mandatory:

Document(s)	Details
1. Request letter from Government agency managing the project	<p>The Letter must:</p> <ul style="list-style-type: none"> • Be addressed to the A/Director of DSPPAC • Copy Head of ACNU (Willie Luen) <p>Letter must include:</p> <ul style="list-style-type: none"> • Include project code • Name of project Manager • Project duration / timeframe - please justify any delays in implementation, particularly if you are requesting a renewal of VZRAC that extends beyond the project timeframe stated in the GIP form, provided to DSPPAC, and the MoU. • Previous year's VZRAC number
2. Memorandum of Understanding related to the project	<ul style="list-style-type: none"> • Must be dated & signed by both the Donor and the Government agency managing the project • Clear timeframe for the MoU (ensuring it covers the project timeframe). • Must incl. clause clearly stating that the project will be eligible to Duty & VAT concessions / exemptions
3. Ledger / breakdown of expenses from previous period of VZRAC	<ul style="list-style-type: none"> • Showing expenditures of the project, using the previous year's VZRAC.

Refer to [annex 2](#) for a sample letter.

2) NEW

For a new VZRAC, the following documents and details are mandatory:

Document(s)	Details
-------------	---------

1. Request letter from Government Agency managing the project	<p>The Letter must:</p> <ul style="list-style-type: none"> • Be addressed to the A/Director of DSPPAC • Copy Head of ACNU (Willie Luen) <p>Letter must include:</p> <ul style="list-style-type: none"> • Include project code • Name of Project Manager • Project duration / timeframe – please justify any delays in implementation, particularly if you are requesting a new VZRAC that extends beyond the project timeframe stated in the GIP form, provided to DSPPAC, and the MoU.
2. Memorandum of Understanding related to the project	<ul style="list-style-type: none"> • Must be dated & signed by the donor and the Government agency managing the project. • Clear timeframe for the Memorandum of Understanding/Agreement (MoU/MoA) – ensuring it covers the project timeframe. • Must incl. clause clearly stating that the project will be eligible to Duty & VAT concessions / exemptions.
3. Copy of the DSPPAC APPROVED GIP form	<ul style="list-style-type: none"> • Ensuring the timeframe is the same as the one stated in the letter of request

Refer to [annex 3](#) for a sample letter.

Applications to Expend Development Funds

For **Application to Expend Development Funds** (otherwise known as "Green Form"), the following documents and details are mandatory:

Document(s)	Details
1. A completed form	Please note that: TOTAL Funding by Donor represents the tranche for which the form is submitted for TOTAL Project Cost represents the total value of the project
2. Remittance advice	Donor verifying the transfer of funds has been made to the Development Account

Annex 1 – Sample letter for Duty Exemption

[Ministry Letterhead]

[Date]

A/Director
DSPPAC
Prime Minister's Office
Port Vila, Vanuatu

Attention: Willie Luen, Head of ACNU

Dear Sir,

Request for Duty Exemption for [goods] under the [project name] project [project code]

We write to request for Duty Exemption for [goods] under the [project name].

Enclosed are copies of the [Bill of Lading or Air Waybill number], the commercial invoice and the packing list for your reference.

This request is made following a contract agreement signed on [date of contract] between the Government of Vanuatu represented by the [Government agency] and the [company contracted for implementation] by which it is provided under [Part or Clause number] that [e.g. duties and taxes will be exempted].

We kindly request your office to facilitate the Duty Exemption clearance with the details below:

- [Description of goods]
- [BOL/AWB Number] & [Invoice Number]
- [Business name of the Clearing Agent]

Thank you for your assistance and should you require additional information, please contact [relevant person].

Yours sincerely,

[Name of Head of Government Agency Managing the Project]
[Title of Head of Government Agency Managing the Project – e.g. Director]
[Government Agency Managing the Project]

Attachments:

1. Letter from [project contractor]
2. Invoice & packing list
3. Bill of Lading or Air Waybill

Annex 2 – Sample Letter for renewal of VAT Zero-Rating Approval Certificate

[Ministry Letterhead]

[Date]

A/Director
DSPPAC
Prime Minister's Office
Port Vila, Vanuatu

Attention: Willie Luen, Head of ACNU

Dear Sir,

Request for a RENEWED VAT Zero-Rating Approval Certificate for the [project name] project [project code]

We kindly seek your assistance to facilitate with the Department of Customs and Inland Revenue to issue us with a renewed VAT Zero-rating Approval Certificate for the [name of project and code]. The VZRA certificate will enable the project's effective delivery of its outputs.

The details of the project are as follows:

- Project code
- Project Manager
- Project Duration

[state reasons for any delays in implementation and changes in dates of project duration]

Please find attached, documents relevant to this request:

- A copy of the MoU between the [donor agency] and the [Government agency]
- Acquittals from the last period of the previous VZRA Certificate [previous VZRAC number]

Thank you for your assistance and should you require additional information, please contact [relevant person].

Yours sincerely

[Name of Head of Government Agency Managing the Project]

[Title of Head of Government Agency Managing the Project – e.g. Director]

[Government Agency Managing the Project]

Attachments:

1. MoU between [donor agency] and [Government agency].
2. Acquittals from the previous VZRA Certificate period

Annex 3 – Sample Letter for new VAT Zero-Rating Approval Certificate

[Ministry Letterhead]

[Date]

A/Director
DSPPAC
Prime Minister's Office
Port Vila, Vanuatu

Attention: Willie Luen, Head of ACNU

Dear Sir,

Request for NEW VAT Zero-Rating Approval Certificate for the [project name] project [project code]

We kindly seek your assistance to facilitate with the Department of Customs and Inland Revenue to issue us with a new VAT Zero-rating Approval Certificate for the [name of project and code]. The VZRA certificate will enable the project's effective delivery of its outputs.

The details of the project are as follows:

- Project code
- Project Manager
- Project Duration

[state reasons for any delays in implementation and changes in dates of project duration]

Please find attached, documents relevant to this request:

- A copy of the MoU between the [donor agency] and the [Government agency]
- A copy of the approved GIP form

Thank you for your assistance and should you require additional information, please contact [relevant person].

Yours sincerely

[Name of Head of Government Agency Managing the Project]
[Title of Head of Government Agency Managing the Project – e.g. Director]
[Government Agency Managing the Project]

Attachments:

1. MoU between [donor agency] and [Government agency].
2. Copy of the approved GIP form

Attachment G: Meeting Schedule

The following table presents a set of meetings between Government and development partners. Detailed data to complete the table should be discussed to identify timing and quarterly topics to be addressed. The dates are to be determined (TBD). The schedule should be prepared annually by the ACNU with the consultation of other government bodies and the development partner community.

Subject	Description	Timing	Date
Annual Government-Development Partner Conference	Involves senior Government officials including the Prime Minister, other Ministers, Ambassadors, High Commissioners and representatives of international and regional organizations to discuss Vanuatu's development priorities, status of ongoing efforts and any issues confronted. Development partners identify their development support interests, status of their efforts, and any issues confronted. Government identifies its priorities and results of development assistance investments to date.	Annually	TBD
Quarterly Thematic Meetings			
Theme/Issue 1	A series of Government-development partner meetings involving working level representatives of the Government's central agencies and relevant Ministries and agencies, and development partner counterparts resident in-country or based in the region or outside of region. These would be working level meetings that would discuss specific sectors or thematic areas, implementation challenges and other issues, identification of priorities, and evaluation feedback. Government and development partners would identify the schedule based on budget priorities for the year or the interest to address specific themes or sectors. For sector or thematic meetings, a lead Line Ministry or agency will coordinate with the ACNU to organize the meeting.	Quarterly	1 st Qtr TBD
Theme/Issue 2		Quarterly	2 nd Qtr TBD
Theme/Issue 3		Quarterly	3 rd Qtr TBD
Theme/Issue 4		Quarterly	4 th Qtr TBD
Annual Government-NGO Meeting	Annual meeting for Government-NGOs to meet to discuss development priorities, NGO activity and address any issues	Annually	TBD