

**The Vanuatu Comprehensive Reform Program Summit
Luganville, Santo
Monday 11 October to Tuesday 12 October 2004**

National CRP Summit Communiqué

1. The sixth National CRP Summit was held in Luganville, Santo, on 11-12 October 2004. The participants at the Summit included the Honourable Speaker of Parliament, Josias Moli; Honourable Prime Minister, Rialuth Serge Vohor; Honourable Deputy Prime Minister, Ham Lini; Honourable Ministers; Presidents of the Provinces; First Political Advisors; Director-Generals; Directors; Business Communities; Private Sectors; Non-Government Organisations; Representatives of the Diplomatic Corps; Women's Representatives, Chiefs' Representatives; Youth Representatives and Church Representatives.
2. The Summit was chaired by the Minister of the Comprehensive Reform Program, Honourable Marcelino Pipite, with the President of the Sanma Province and the Mayor of Luganville, Paul Hakwa as co-chairpersons.
3. Minister Pipite gave an overview of the progress made so far in the implementation of the Reform Program over the past seven years. Minister Pipite, in his address, highlighted the following points:
 - Much positive progress has been made in the reform of governance institutions, legal sectors, incorporation of Government companies, good fiscal management and macro economic stability, improvement of public services, strengthening of Government institutions, and improvement of the social sector institutions such as education and health.
 - There has also been a lot of failures in the endeavour to achieve the objectives of the Reform Programs such as the reduction in Government revenue, low volume of export, increase in the volume of imports, increased government expenditure and discrepancies in the level of education and employment opportunities, between the English-speaking and the French-speaking communities.
 - The Summit also noted the Minister's proposal to review the reform program approach, improve government revenue, review contract agreement with incorporated companies, review trade agreements made between Vanuatu and other countries, ensure that the code-sharing agreement made between Air Vanuatu and Qantas is reviewed so as to utilize 100% of its seating capacity,

promote the growth of the tourism sector in all Provinces; and review the education policy to bridge the existing gap between the two education systems of the country.

See full details of Minister's speech in **Annex A**.

4. The Prime Minister, Rialuth Serge Vohor, in his official opening address, underlined the Government's and the country's principle objectives for the next 25 years and highlighted the following strategic directions:
 - Consider possible amendments to the Constitution to provide each citizen with equal opportunities to participate in economic activities and to prevent political instability which is unfavourable for economic prosperity, as our people have already suffered enough from this over the past 24 years.
 - The Government should undertake to lead the way in establishing a healthy working relationship with the Presidents of the Provinces, to implement their priorities.
 - The National Summit should adopt a national vision to set up credit facilities to support priority sectors such as Agriculture and Tourism.
 - Create a firmer base for economic development which will benefit the people. The Government and interested stakeholders must be committed to promoting rural economic development in the rural areas as stated in reform initiatives such as REDI, PAA, Provincial outcome and Business Forum Matrix.
 - Review the current taxation structure of the economy to ensure that it does not exploit Ni-Vanuatu; establish an open market economy which creates fair competition in business and not monopolies, which serve the interests of only a few people; implement rural infrastructure in the outer islands to enable people in rural areas to operate businesses.
 - It is important to maintain the focus of the Provincial Retreat, which deals with issues specific to the Provinces; the Business Forum focuses on how to improve the economy and Ni-Vanuatu business development; and the CRP Summit has set up a policy framework for the future direction of the country based on the objectives of the Provincial Retreat and Business Forum.
 - The Government will continue to seek economic cooperation with other Asian Countries for short-term assistance.
 - The Council of Ministers (COM) must take a firm and consistent stand in facilitating the implementation of the priority development programs of Vanuatu. It is also important that the

Parliament and Government adopt strict and effective regulations to prevent corruption within the public service and private sector.

- The Government recognises the importance of good governance and now works together with the Opposition to set the direction for the country; ensure that the Judiciary and legal sectors remain independent and effective; and to ensure that the Police Force is more responsive and supportive with regard to the needs of the communities.
- Social Sectors such as Education and Health remain as priority areas for Vanuatu, and the Government in collaboration with the development partners, must continue to invest in the country's human resources. (See details of Prime Minister's address in **Annex B**)

5. A Provincial Retreat was held prior to the CRP Summit, in Sanma (after initial plans to hold the Retreat in Torba failed) on Tuesday 5 October 2004. A Business Forum was then held on 4-9 October, 2004 in Luganville, which gathered business communities, Provinces, NGOs and the Government, to consider ways in which to improve economic development and improve the standard of living for the people of Vanuatu, especially for those living in the rural area.
6. The Summit considered and endorsed the Provincial Retreat resolutions, among which there were five policy guidelines that had been approved at the Retreat. 1) establish credit facilities for each Province; ii) amend the Decentralization Act and Provincial Act to enable Provinces to make direct trade and loan negotiations with foreign countries; iii) supply materials and tools for works, to the Provinces; iv) install electricity and telecommunication in every Province and allow Provinces to manage their own utilities; v) promote rural infrastructure in all Provinces. See details of Resolutions in **Annex C** of the Communiqué.
7. The National Summit also endorsed the resolutions of the varying business sectors that were discussed and approved by the Business Forum. These resolutions are attached in Annex D of the Communiqué.
8. The National CRP Summit is a national policy consultative framework, which involves the participation of representatives of all areas of civil society in Vanuatu and the Government, to analyse the progress made so far in the implementation of the reform policy program, and to decide on a strategic policy direction to promote economic growth and improve the standard of living for people throughout Vanuatu.
9. The Summit deliberated on the following fundamental principles: a) promote and broaden good governance reform; b) extend public sector reform to include Parliament and the legal sector; c) extend public sector reform to include the judiciary; d) promote economic growth; e) implement

- social reform to ensure equal distribution and sustainability in the benefits of CRP; f) improve economic and social condition at the village level.
10. The Summit received the reports from the different sectors and adopted these resolutions.

Good Governance Reform

11. The Summit recognises the importance of governance reform in promoting socio-economic and political development in Vanuatu. The Government must ensure that these governance institutions endeavour to create an environment that is compatible and conducive to the recovery of the country's economic growth.

The Executive Branch of the Government

12. The Summit recognises that in order to ensure the effectiveness of the Government's executive branch, the Council of Ministers must be updated every three months, on the implementation progress of the CRP Summit, Business Forum and Provincial Retreat.

Strategies and Consultation

13. The Summit recognises the need to review the meeting arrangements of the Business Forum, Provincial Retreat and CRP Summit so that they meet every two years and ensure that these meetings are held prior to the GIP process and Ministerial Budget Committee meeting.
14. The Summit recognises that in order to acquire the views of people in the rural areas, the hosting of the Provincial Retreat, Business Forum and CRP Summit, must be taken to every Province.
15. The Summit also recognises the importance of the REDI National TAG and Provincial Frameworks for consultation and the importance of making these frameworks effective.

Effective and Responsive Public Service

16. The Summit recognises the need for Director-Generals to sign a Performance Agreement with the Public Service Commission in order to ensure effective performance by the Public Service.

Ombudsman

17. The Summit also notes the important role of the Ombudsman's Office in the country, and efforts are currently being made to review its legal framework so that it can work more effectively and independently.

Legal Sectors

18. The Summit also recognises the importance of the Legal Sector and recognises the need to strengthen its capacity; ensure that these bodies defend the national interest of Vanuatu at all times; and localise all positions within the legal sector, and provide initiative for them to carry out their work effectively.

Judiciary

19. Establish trust and confidence in the Judiciary and ensure that its judgements are made in accordance with the principles of natural justice, fairness, and the rule of law, and that it remains independent at all times.

Parliament

20. The Summit recognises the need to strengthen the work of Parliament in terms of its legal framework, committee system, training for MPs, and to support the Office of the Leader of Opposition.

Economic Sector Reform

Agriculture

21. The Summit notes that agriculture is a priority sector for the purpose of promoting economic growth and improving the standard of living for the people of Vanuatu. These sectors include Forestry, Livestock and Quarantine, and Fisheries. The Summit also recognises the need for the Government to allocate a budget provision for the purpose of running the Agriculture College after its completion.

22. The Summit recognises the need to move away from primary production into secondary production such as the manufacturing and services industry. The Summit also realises that the Government must supply farming tools and material to increase production; and equipment for value-added processing so as to increase economic activities in the rural areas.

Credit Facilities

23. The Summit also recognises the need to establish credit facilities in every Province and to ensure that these are accessible to ni-Vanuatu so as to increase their participation in economic activities. It also recognises the need to consider the possibility of re-establishing the Development Bank, to bridge the gap between subsistence economy and cash economy.

24. The Summit notes the importance of strengthening the existing institutions such as the VNPF, NBV, and other such institutions that support Ni-Vanuatu in business activities.

Fiscal and Monetary Framework

25. The Summit noted that since the commencement of the Reform Programs, Government expenditure has continued to increase while there has been a significant decrease in its revenue. We need to review the systems we have created such as trade agreements, contracts made with statutory companies, a major source of Government revenue, in order to ensure that government revenue remains stable at all times.

Tourism

26. Tourism is an important economic sector for Vanuatu and many ideas about expanding the growth of this sector came from the Provincial Retreat, Business Forum and the current CRP Summit. The Summit recognises the need to promote Tourism at the Provincial level and provide training in every Province. It is also important that the VTO and the department responsible continue to promote tourism on both the local and international market.

Trade, Commerce, Industry and Ni-Vanuatu Business Development

27. The Summit recognises the importance of Trade in promoting the country's economic growth and therefore stresses the importance of creating internal market mechanisms to promote local trade before moving into the international market.

28. The Summit also recognises that Vanuatu is part of the international community and must play an active part in many regional and international agreements such as the PACER, WTO and EPA.

Lands

29. The Summit notes that Land is an important basis for development. However, there are many issues to sort out such as the need to declare Provincial headquarters, schools, hospitals, airports, wharfs and other potential areas, as public land. The Summit also recognises the need to register customary lands to promote development in the provinces.

Infrastructure and Public Utilities

30. The Summit recognises that infrastructure and utilities are critical means for promoting development in the country and particularly in the Provinces. Rural infrastructure (roads, jetties, wharfs, airports, ports, and utilities such as electricity, telecommunications and water) have become top priority for the MCA in 2004.

Social Sector Reform

Health

31. The Summit notes the major work carried out by the Ministry of Health and recognises the need to improve existing health facilities around the country; control population growth; provide health awareness programs on prevention; ensure that there is a sufficient supply of vaccine in all health centres and dispensaries around Vanuatu.

Education

32. The Summit acknowledges the major reform and good work that has been carried out by the Ministry of Education since the commencement of the reform program, in providing national access to basic education up to Year 8 in 2006.
33. The Summit also notes that the Government needs to bridge the existing gap between the two education systems in the country. It also recognises the need to provide scholarships that correspond to the country's priority needs and to ensure that there is a fair distribution of scholarships among all Provinces. The Government must set up a standard school fee structure to be used in every school.
34. The Summit recognises the need to have a local Year 13 certificate for French-speaking schools that will qualify "Francophones" for entry into Francophone Universities.

Internal Affairs

Police

35. The Summit recognises that the Police Force plays a very important role in maintaining security in the country and that the Police Force should be responsive and supportive with regard to community needs.

Decentralization and Service Delivery

36. The Summit notes that much work has already been carried out on decentralization and that there is a need to ensure that DRC recommendations are implemented so as to improve service delivery at the Provincial level, especially in facilitating the implementation of the REDI program.
37. The Summit underlines the urgent need to complete the legislation of chiefs.
38. The Summit emphasises the need to improve Vanuatu's electoral system.

Foreign Affairs

39. The Summit recognises the importance of the Foreign Affairs' role in maintaining good relationships between Vanuatu and other countries and international organisations, and with regard to international trade.
40. The Summit supports the idea of establishing a law to govern the work of Foreign Affairs, particularly with regard to appointing a government officer to Vanuatu's diplomatic missions.