

**Vanuatu Compact Closure Celebrations – Efate Ring Road**  
**12<sup>th</sup> April 2011**  
**Presentation by Ambassador Teddy Taylor, U.S. Ambassador for**  
**Vanuatu, PNG, and the Solomon Islands**

1. Prime Minister, the Honorable Sato **Kilman**
2. Deputy Prime Minister, Honorable Ham **Lini**
3. Minister of Finance, Honorable Moana **Carcasses**
4. Honorable Ministers
5. His Excellency, New Zealand High Commissioner Bill **Dobbie**
6. His Excellency, Australian High Commissioner, Jeff **Roach**
7. Distinguished Members of the Diplomatic Corps
8. President of SHEFA Province, Lami **Sope**
9. Secretary-General SHEFA Province, Michael **Kalworai**
10. Frances **Reid** and Chris **Cookson** from the U.S. Millennium Challenge Corporation
11. Honorable Council of Chiefs
12. Special guests, men, women and children of Eton and from all around Efate

## Begin Remarks

- It is a great pleasure to be back in the beautiful country of Vanuatu and the island of Efate to celebrate the end of the compact journey and the beginning of many easier journeys for all of you who use the Efate Ring Road to earn money, access services, and maintain links with family and friends.
- This road is built on a strong partnership which started between our two countries in WW11 when together we built the beginning sections of this road as part of our joint defense of the South Pacific. Mature partnership has been critical to the success of the Vanuatu Millennium Challenge Compact. Vanuatu selected this great road project as a key to the economic growth of the whole nation and to improve access to services for the rural villages spread along this road and all the connecting feeder roads.
- Besides those acknowledged in my preface, I would like to give special thanks to the Vanuatu government for its commitment and leadership. This commitment from the top has never wavered regardless of changes to government and coalition groups.
- I would also like to express my strong appreciation to the provincial government, the chiefs, the mama's associations

and the villagers who worked on the roads and are now dedicated to their maintenance.

- Finally, a big round of applause to the MCA Vanuatu and its extended team across government and to the contractors who built this fine road.

#### Begin remarks

- It is customary for American officials to begin by discussing our partnership with Vanuatu in the context of World War II. And like you, we are indeed very proud of that partnership. The people of Vanuatu and the United States worked and fought together successfully with our other friends and allies.
- We also got to know each other personally along the way. We liked what we saw; many Americans came back after the War to revisit friends here and on other islands, to get married, to enjoy your culture and your friendliness.
- Our friendship with Vanuatu has indeed grown and developed.
- Since establishing diplomatic relations in 1986, prominent American programs here include Peace Corps (1989), International Military Education and Training (IMET), International Voluntary Leadership Program (IVLP), and now Fulbright and Humphrey scholarships as well, all of them signs of our continuing friendship.

- We recently provided US\$100,000 in cyclone relief funds through the French Vanuatu Red Cross.
- We are providing US\$100,000 to support the Vanuatu Youth Challenge to mentor young women and men.
- We are also providing \$15,000 in funding for Reef Watch to protect Vanuatu's pristine environment and remain committed to working with the government and people of Vanuatu to assist you mitigate the effects of and adapt to climate change.

### Discussing the Road Project

- We are here today to mark the completion of an important monument to America's belief in the potential of Vanuatu and its people, and thus to the enduring nature of our friendship: the completion of the five-year, US\$65.69 million Vanuatu Millennium Challenge Corporation Compact.
- We also value the US\$9million from New Zealand.
- We value our close relationships with other donor nations and look forward to working closely with them together.
- This will also happen when our Pacific Partnership vessels visit Santo from April 27-May 8 to help construct clinics and schools while providing other facilities that will greatly benefit the people of Santo.
- But more about the success of this specific project.

- This road is built on a strong partnership which started between our two countries in WW11 when together we built sections of the Efate Ring Road as part of our joint defense of the South Pacific.
- Mature partnership has been critical to the success of the Vanuatu Millennium Challenge Compact.
- Vanuatu selected this great road project as a key to the economic growth of the whole nation and to improve access to services for the rural villages spread along this road and all the connecting feeder roads.
- USD65.69 million has been provided to upgrade and seal the Santo East Coast Road and the Efate Ring Road. This is a big investment.
- The Millennium Challenge Corporation was set up to select countries which are firmly heading down the road to grow the economy and alleviate poverty.
- I am pleased to see that the goal and objectives of this compact have been delivered on time and on budget by the Government and people of Vanuatu, and the contractors and officers who have done the work.

## Benefits

- Some of the results and the economic and social benefits of this project are:

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- The Millennium Challenge Corporation was set up to select countries which are firmly heading down the road to grow the economy and alleviate poverty.
- Some of the results and the economic and social benefits of this project are as follows:
- During the June 2008 to September 2010 construction period, the roads contractor Downer EDI Works and sub-contractors such as Flametree hired and trained one hundred and sixty-seven (167) ni-Vanuatu full time workers.
- The beneficiary income gain attributable to the Vanuatu Transport Infrastructure Project is equivalent to USD \$73.8 million over the 20 year life of investment.
- It is projected that over the next 20 years, the Efate Ring Road will directly benefit an estimated 16,564 people within a five-kilometer catchment area of either side of the road.
- These figures are based on surveys and projections conducted by your National Statistics Office on behalf of MCA-Vanuatu. Of course, we all recognize that many more beneficiaries exist outside this five kilometer area.
- In September 2010 traffic counts were conducted and show the Efate Ring Road has exceeded the end of compact targeted increase in daily traffic by 117%.

- Surveys to validate the total number of new businesses which have been established along the road are still underway. But it was a pleasure to pass several of them today.
- I am particularly impressed with the leadership of the SHEFA Provincial Council in working with the villages, the Mamas Associations and the youth along the Efate Ring Road to establish new roadside markets. I wish you well in this home-grown venture.
- Community road maintenance contracts represent a potential average annual increase in household income equal to USD 280 for the 5,931 beneficiary households within the MCC-funded roads catchment areas; equivalent to 2,506 households in Efate and 3,425 households in Santo.
- During my time as the U.S. Ambassador to Vanuatu, I have often heard the stories of how long and uncomfortable the journey between Vila and villages along this road used to be, and how expensive it was to maintain vehicles.
- Preliminary economic analyses of the both the Efate Ring Road and the Santo East Coast Road estimate that sealed road improvements will generate an estimated USD 5.6 million savings in vehicle operating costs in year 1.
- This constitutes very significant savings to road users and enables each of you to invest more time and money in growing the economy and in helping your families.

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- Ultimately, we have increased Vanuatu's sealed roads from 256 kilometers to more than 400 kilometers. Completion of the roads means easier access for goods to get to market and for people to get to services such as health and education.

### Empowering Women

- US Embassy Port Moresby's No. 1 Goal is empowering women. No country can develop without the full participation of its



girls/women. This message was clearly stated again when Secretary Clinton visited Papua New Guinea last November.

- Why do we feel that it is so important to empower women? And how will this road project assist in that effort? I want to stress here though that it will not just be women and girls who benefit but I certainly want to highlight how this is going to be a major bonus to women and families in particular.
- The road will give women access to markets and that means economic empowerment.
- The road will give women access to schools and that means empowerment when it comes to education and employment.
- The road will give women access to health facilities means healthier women and babies.
- All of this will be delivered by the completion of this road.
- In addition, new hotels and developments along the upgraded road will provide jobs and economic growth.
- Despite economic hard times internationally, foreign tourism has shown a sharp increase in your beautiful islands and this road will enable tourists to see more of your beautiful country.
- On a personal note, I love your beef. And the thought that this road might mean that I get more opportunities to sit down to a good Vanuatu beef dinner is what has me walking on air.
- This project has demonstrated how well America and Vanuatu can work together and what we can achieve when we build on our long friendship.

- This road is only the beginning. Here's to a long and lasting friendship.... That naturally includes a lot of beef!