

**MINISTRY OF AGRICULTURE,
QUARANTINE, FORESTRY &
FISHERIES (MAQFF)**

CORPORATE PLAN – 2007 - 2009

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MINISTRY OF AGRICULTURE, QUARANTINE, FORESTRY AND FISHERIES

REVISED CORPORATE PLAN¹

1. VISION

That the nation's agriculture, livestock, forestry and aquatic resources are sustainable and managed efficiently and that these resources make a significant contribution to economic growth and the well-being of the people of Vanuatu

2. MISSION

To develop, manage and protect the nation's agriculture, livestock, forests and aquatic resources to enhance the socio-economic opportunities for Ni-Vanuatu

3. VALUES

The values that underpin all the work of the Ministry are:

- Service delivery
- Teamwork
- Commitment
- Reliability
- Accountability
- Integrity
- Positive attitude
- Performance
- Professionalism

4. INTRODUCTION

Roles and Responsibilities

The Ministry of Agriculture, Quarantine, Forestry and Fisheries (MAQFF) is mandated to manage resources that are vital to the well-being of Vanuatu people and the economy. The structure of the Ministry is shown in Attachment 1. Government is mindful that where there are no sustainable management practices, resources are overexploited, and much to the disadvantage of local communities and the environment. This is witnessed the world over and is becoming evident with some resources in the islands of Vanuatu. Consequently, over the next three years the Ministry will ensure that, through informed development, management practices and conservation of resources, Ni-Vanuatu will increase their gain from the use of

¹ This Corporate Plan is a revised version of the Ministry's Corporate Plan 2006 – 2008. All Corporate Plans have been revised to cater for the requirement by the Council of Ministers for medium-term development programs to accompany the Priorities and Action Agenda 2006 – 2015 (PAA). The development programs included in the Corporate Plan will be those taken forward into the Government Investment Program (GIP).

resources and take advantage of new opportunities, such as in local business and international trade. Furthermore, there are competing interests in the utilization of resources from all sectors. The MAQFF is charged with the task of ensuring that the interests of Government, Ni-Vanuatu, private sector and stakeholders are taken into consideration.

Departmental Roles and Responsibilities

MAQFF, as shown in Attachment 1, comprises four Departments. The core functions of these Departments are as follows.

Department of Agriculture and Rural Development

- Provide support and technical advice for improving food production
- Facilitate opportunities for processing and export of local food products
- Assist farmers and communities to improve farming systems and ensure food security
- Provide policy analysis and advice
- Undertake applied agriculture research.

Department of Livestock and Quarantine

- Provide effective border services and protect Vanuatu from exotic animal and plant pests and diseases and pathogens
- Increase livestock production of all livestock species in Vanuatu
- Provide veterinary services for Vanuatu's livestock industry
- Undertake inspection of meat and maintain the existing health status of livestock
- Facilitate market access for agriculture, livestock, forestry and fisheries products.

Department of Forestry

- Encourage resource owners and users to manage forests in a sustainable manner
- Enforce compliance to the instruments of forest management by all operators
- Promote the expansion of forest resources by reforestation and applied research
- Facilitate investment in value-adding and processing of forest products
- Encourage Ni-Vanuatu involvement in forestry businesses, including the facilitation of market access.

Department of Fisheries

- Provide technical advice to fishing communities and facilitate implementation of community-based fisheries development programs.
- Undertake stock assessments of fisheries resources to determine formulation of appropriate management and conservation measures.
- Conduct research on aquatic species with potential for aquaculture development.
- Develop appropriate and enforceable compliance measures to enhance sustainable management and conservation of highly migratory fish stocks within Vanuatu waters.
- Encourage effective participation of Ni-Vanuatu in the development of commercial fishing industries.

Corporate Services

The Ministry and its Departments are supported by a Corporate Services Unit. The Unit provides executive and support services, human resources management and financial management functions.

5. OVERVIEW

The Setting²

Vanuatu remains an agriculture-based economy with copra, cocoa, kava and cattle dominating the sector. Agriculture, livestock, forestry and fisheries account for around 15 percent of total GDP and for the bulk of merchandise exports. Real GDP per capita in the nation is lower than in the early 1980s, due largely to the lack of significant long-term growth in agriculture and fisheries. Since 2003, however, agriculture sector has grown at an annual rate of 3.3 percent, compared to 2.8 percent growth for the economy and an average population growth rate of 2.6 percent per annum.

Vanuatu is an island nation with a relatively small land area and population. Only one-third of the total cultivable land is presently farmed. Transport services, both inter-island and intra-island, are a major constraint to marketing, increasing productivity and the volume of production. Despite some success, development of commercialisation of smallholder agriculture has been slow.

The domestic market for unprocessed agricultural products, while important, is limited. Productivity, particularly in the traditional crops sector, is generally low. There is however great potential for processed products from native species in Vanuatu and abroad. The export of high value specialty commodities, particularly those that are organically grown, represents some potential as well. In order to increase market access for these commodities, however, the volume of production needs to be increased. The challenge in agriculture is to increase production and productivity, and improve marketing systems and market access for both traditional food crops and high value specialty commodities. Vanuatu must also protect its environment from harmful exotic pests and diseases, and be able to demonstrate that products for export comply with stringent overseas market requirements.

Fisheries development and management presents some particular challenges. Reef fisheries appear to be over-exploited in some areas, notably in the vicinity of urban areas in Efate and Santo, but are generally under-exploited around the outer islands. The deep-water snapper resource has the potential for some further exploitation but there appear to be definite limits. The Fisheries Department collects over MVT100 as government revenue annually, however due to unfair allocation of annual expenditure budgets, the Department is faced with limited financial and human resources to allow effective monitoring of the operation of tuna long liners in Vanuatu's Exclusive Economic Zone (EEZ). Further, temperate water temperatures,

² The information presented here is drawn mainly from the PAA.

means that only albacore tuna appears to be the dominant tuna species that frequent the area. Skipjack, yellow-fin and big-eye tuna are present but in small numbers. Improvements in catching, handling and marketing systems, and commercialisation of the domestic tuna fishing industry are needed.

The soils and climate of Vanuatu are conducive to timber production. The challenges for this sector include replanting of trees at a rate at least equal to the volume being harvested, to foster utilisation of additional species, and to develop additional value-added processing. Developing a sustainable forestry sector will depend on attracting investors for developing larger commercial timber plantations, although the generally small land areas available restricts such investments. A parallel opportunity for development may lie in organising and empowering mobile sawmill operators to expand into value adding of wood products.

Infrastructure and Services

Government has some infrastructure and service facilities at its disposal. The Vanuatu Abattoir Limited (VAL) Pacific on Efate, is the leading facility serving the population of Port Vila, and in export processing for high quality markets. One of the efforts to date is in improving the capacity of the VAL Pacific to meet international market requirements of the European Community (EC). Also noteworthy on Efate is the Vanuatu Livestock Development (VLD), which could assist in the production of small livestock.

The Vanuatu Agriculture Research and Technical Centre (VARTC) and Vanuatu Agriculture College (VAC) are two important infrastructures on Santo. The former conducts applied agriculture and livestock research. The VAC will begin operating in 2007 and will train people in agribusiness and agro-processing. It will be used as one of the leading infrastructures to equip the Ni-Vanuatu with the know-how to develop their resources. Metenesel Cocoa Estates Limited (MEL) on Malekula is a Government company that focuses on cocoa production, but is now looking at diversifying to include other crops and livestock.

There is no infrastructure particular to forestry, but reference should be made of the Industrial Forest Plantation (IFP) on Santo where some important researches are conducted. There are a number of nurseries in the provinces that supply thousands of seedlings to farmers annually. Current infrastructures and services for fisheries are limited to small scale fishing enterprises targeting deep bottom snappers. There is a boat yard in Santo that builds boats on request. In a recent development Government, through the VLD entered into an agreement with the China National Agricultural Development Group Corporation (CNDGC) to establish a fish processing facility on Efate, in an effort to develop the tuna industry of Vanuatu. This when operational will make Vanuatu a tuna processing and exporting country, and also increase returns from fish caught in the EEZ.

Current Development Programs

The value of current and ongoing activities is shown in Table 1. A more complete list of those activities is provided in Attachment 2, which is drawn from listings in the Government Investment Program (GIP) provided by the Department of Finance.

Table 1: Recent, Ongoing and Approved Development Activities

Program/ Activity	External Funding Source	Time Frame	Annual Amount of Funding (Million VUV)						Totals
			2004	2005	2006	2007	2008	2009	
Recent and Ongoing			63.6	233.8	803				1,100.4
<i>Sub-Totals</i>			63.6	233.8	803				1,100.4
New Funded Programs						0	0	0	
<i>Sub-Totals</i>						0	0	0	0
Proposed Activities Approved by MBC				14.5	56.4	6.8			
<i>Sub-Totals</i>				14.5	56.4	6.8			77.7
Total Program			63.6	248.3	859.4	6.8			1,178.1

6. ISSUES, CHALLENGES AND CONSTRAINTS

Many of the key issues and constraints that affect the sectors are common to agriculture, livestock, forestry and fisheries. Policy directions have been set to address most of these and Government welcomes cooperation with other actors, including the private sector, development partners, non-state actors and international agencies.

There are supply side constraints in all sectors. Natural forest stocks for instance are declining due to commercial felling and clearing for agriculture and other purposes exceeding the rate of regeneration. A similar observation can be made of the fisheries resources, especially along the coastal communities, where harvest for domestic consumption and commercial gains have exerted much stress on stocks like reef fish, bech-de-mer, and trochus. In the livestock sector the need for increased cattle and other animals is evident, if Vanuatu is to be able to meet the increasing local demand with affordable products, and supply its international markets.

In terms of international trade, for a long time, only a handful of products were cleared for export. A major difficulty encountered by Vanuatu is the increasingly stringent international market requirements like sanitary and phytosanitary (SPS) measures. Vanuatu products must comply with these as a first step to accessing markets. For instance, Vanuatu needs traceability systems for its products. Further, it is anticipated that while resource production increases, there will also be the challenge of improving the capacity of responsible agencies, especially the LQD to facilitate exports. Currently the LQD does not have adequate personnel and financial resources to expand its services. There is also need for certain quarantine infrastructure.

Vanuatu faces the threat of pest and disease incursions every day, due to its international linkages by air and sea. It is now becoming difficult to maintain the quarantine cordon due to limited resources. Vanuatu lacks capacity in many respects, particularly in terms of human and financial resources. The MAQFF gets much less budget compared to the health and education sectors. The LQD struggles to provide adequate border quarantine and disease/pest surveillance measures. Furthermore, in many areas of its procedures and services, the LQD is finding it increasingly difficult to meet expected requirements due to funding constraints. It is difficult and expensive for the LQD to demonstrate equivalence in its capacity to overseas countries, such as in disease surveillance, animal health services, meat inspection, and quarantine services. The animal and plant health status of the country is very encouraging but there is a worry that if Government does not maintain the consistency in the engagement of competent personnel like veterinarians, importing countries may lose confidence in Vanuatu's capacity. Equivalence is not indefinite but subject to regular assessments. At present the only vets serving in Vanuatu are from abroad, and the country could lose out in the event that no experienced personnel are hired.

Currently, bulk of Vanuatu exports from these sectors are unprocessed or semi-processed making them highly susceptible to external price fluctuations. To the people, the economic importance of these products is limited to what is gained from their trade now. The rural communities generally have natural resources, particularly agricultural crops, fruits and nuts, and are growing more of these, as a result of ongoing Government initiatives to increase production. Farmers are however yet to benefit fully from these crops. Among other things, this is due to irregular supply associated with seasonality, perishability in the absence of community-based processing and vast distance between communities and urban markets, and a limited market for unprocessed goods. It is observed that as far as agro-processing is concerned the Vanuatu people are still unskilled, because hundreds of tons of produce are left to rot throughout the islands annually. The potential to engage people in agro-processing is nevertheless immense, if only people are trained in this area³, and the trade of their products is facilitated. In forestry small saw millers for example, have not gotten premium price for their timber products due to limited knowledge of timber processing techniques, so improved knowledge is necessary.

Another challenge is the disparity in socioeconomic opportunities between the rural majority and urban few. It is often said that Vanuatu has a predominantly service driven economy. But the bulk of the rural economy relies more on agriculture, livestock, forestry and fisheries than tourism or other activities. For a long time growth within the formal economy has been limited to the urban centres. The result is that we have rural communities, which are generally resource-rich, but suffer poverty of opportunity. The challenge is therefore to develop the capacity, and facilitate enabling factors like credit, to develop the resources of the majority of the population. This essentially calls for a development that focuses on using the natural resources, and based in the rural areas. The MAQFF is mindful of this challenge⁴. The rural population must be equipped with the necessary capacity.

³ Analysis obtained from Mr. Charles Long Wah, International Award Winning Expert on Agro-processing and Owner of Vanuatu Kava Store.

⁴ Numerous studies have alluded to this. See for example Bazeley, P. and Mullen, B. 2006. Vanuatu. Economic Opportunities Fact-Finding Mission. On behalf of AusAID and NZAID.

The high cost of doing business in Vanuatu affects primary production as it does other sectors. The sectors are constrained by often unreliable, and high costs of land, air and sea transport. A wide variety of taxes, policies and regulation, including high trade taxes and utilities have also seriously hindered development of the sectors. The difficulty of accessing credit retards the growth of smallholders, fishers and small entrepreneurs in agribusiness. This also makes it difficult to expand operations and move to value-added processing and increased productivity. Also problematic are inefficient and loss-making state farming and marketing bodies. Of particular concern is the Vanuatu Commodities Marketing Board (VCMB), which has become a bottleneck for the trade of commodities like kava, copra and cocoa. Finally there is the challenge of natural disasters. Cyclones, and to some extent droughts, can pose serious threats to agriculture production and food security.

7. POLICIES AND STRATEGIES

Sector Policies, Strategies and Indicators

The MAQFF has identified five major organizational policy objectives for the period 2007 to 2009, objectives that are consistent with the Ministry’s obligations under the Government’s Comprehensive Reform Program (CRP) and the Priorities and Action Agenda 2006 – 2015 (PAA). These policies or result areas are:

1. To facilitate and promote agricultural production through sustainable farming systems and agriculture businesses
2. To protect Vanuatu from exotic animal and plant pests, promote livestock production, and facilitate market access
3. To ensure the sustainable management of Vanuatu’s forest resources
4. To conserve, develop and manage the aquatic resources of Vanuatu
5. To build a productive and accountable Ministry.

Details of the strategies to be undertaken to facilitate the achievement of these policy objectives are outlined below.

Table 1. Strategies and indicators for the agriculture and rural development.

Corporate Goal	Strategy	Indicator of progress
<p>1. Increased Resource Production</p> <p>Increased volume and improved quality of agricultural, forestry, fishery and livestock resources for domestic consumption and export.</p>	<ul style="list-style-type: none"> • Increase cocoa plantings on main cocoa growing islands by 10 ha/annum • Increase production of pepper • Strengthen Producer Cooperatives 	<p>Raise and distribute 30,000 seedlings per annum</p> <p>Raise and distribute 10,000 seedlings per annum</p> <p>Cooperatives are successful in doing business</p>

	<ul style="list-style-type: none"> Embark on staff development Undertake an Agriculture Sector Policy development Review of agriculture extension and its linkages 	<p>Five undergraduate students undergo training</p> <p>Policy document produced</p> <p>Recommendations of the review are implemented</p>
<p>2. Market access and trade facilitation</p> <p>Enhanced sustainable returns from agriculture, forestry, fishery and livestock products traded domestically and exported.</p>	<ul style="list-style-type: none"> To gain “Fair Trade” certification for cocoa To develop chain studies (commodity pathways) for potential export crops 	<p>Cocoa Growers Association granted “Fair Trade” access</p> <p>Report on five (5) studies of crops with export potential are compiled</p>
<p>4. Agro-Processing and Value Adding</p> <p>Enhanced capacity in the trade of processed and high value agriculture, forestry, fishery and livestock products, and improved socioeconomic opportunities for communities.</p>	<ul style="list-style-type: none"> Develop strong commercial skills in food processing, packaging and marketing Secure basic equipment for 2 Cooperative processing facilities on Efate and Santo 	<p>Increase in volume of processed foods</p> <p>An increase in the number of traders</p> <p>Facilities established</p>

Table 2. Strategies and indicators for livestock and quarantine

Corporate Goal	Strategy	Indicator of progress
<p>1. Increased Resource Production</p> <p>Increased volume and improved quality of agricultural, forestry, fishery and livestock resources for domestic consumption and export.</p>	<ul style="list-style-type: none"> Improve cattle and small livestock production through effective use of farmer training, livestock genetic improvement, and extension programmes 	<p>Increases in livestock numbers</p>
<p>2. Biosecurity</p> <p>Vanuatu’s biodiversity, economy and health are protected from the impact of unwanted animals, plants, pests or pathogens.</p>	<ul style="list-style-type: none"> Prevent the entry of unwanted animals, plants, pests and pathogens through effective border control, import risk assessment, treatment and quarantine measures Identify and control unwanted pests and diseases within Vanuatu through effective disease and pest surveillance, control and response measures 	<p>The incidence of unwanted animals, plants, pests and pathogens exotic to Vanuatu</p> <p>Reductions in the prevalence and/or effect of unwanted animals, plants, pests pathogens</p> <p>Early detection of exotic incursions</p>
<p>3. Market access and trade facilitation</p> <p>Enhanced sustainable returns from</p>	<ul style="list-style-type: none"> Improve market access for Vanuatu beef exports to higher value markets by improving Vanuatu’s ability to meet SPS requirements 	<p>Increases in the number of export markets available, and the volumes and value of</p>

<p>agriculture, forestry, fishery and livestock products traded domestically and exported.</p>	<ul style="list-style-type: none"> • Improve market-supply linkages between small holder cattle farmers and the beef processing market • Improve domestic market options for rural small holder livestock farmers by establishing rural butchereries in rural areas • Develop and implement a marketing and branding strategy for Vanuatu beef exports • Improve market access for Vanuatu crops, fruits and vegetable exports to higher value markets by improving Vanuatu's ability to meet SPS requirements 	<p>beef exports</p> <p>Increase in the number of small holder cattle traded</p> <p>Increase in number of rural butchereries established</p> <p>Successful implementation of such a system</p> <p>Increases in the number of export markets available, and the volumes and value of crop and fruit exports</p>
<p>4. Agro-Processing and Value Adding</p> <p>Enhanced capacity in the trade of processed and high value agriculture, forestry, fishery and livestock products, and improved socioeconomic opportunities for communities.</p>	<ul style="list-style-type: none"> • Improve the value of Vanuatu beef and agricultural exports through the use of organic certification 	<p>Increases in the volume and value of organically certified exports</p>

Table 3. Strategies and indicators for forestry

Corporate Goal	Strategy	Indicator of progress
<p>1. Increased Resource Production</p> <p>Increased volume and improved quality of agricultural, forestry, fishery and livestock resources for domestic consumption and export.</p>	<p>Establish Nurseries throughout the country.</p> <p>Promote Agro-Forestry systems.</p> <p>Promote Non-timber forest products.</p> <p>Develop National Forest Herbarium.</p>	<p>Establish six nurseries and raise 200,000 seedlings annually.</p> <p>Establish 6 Demonstration of Agro-forestry systems in each province.</p> <p>Farmers to diversify their timber tree farms with other crops.</p> <p>A Unit under the Department of Forests under conservation Section.</p>

	<p>Conservation of Lowland rainforests.</p> <p>Review National Inventory.</p> <p>Development of National Forest Sector Plan.</p> <p>Update of GIS and Remote Sensing.</p> <p>Create Tree Farming Association.</p> <p>Establishment of Seed orchards of priority species.</p> <p>Further Technical Training for staff.</p>	<p>Zoning of lowland rainforests.</p> <p>Develop or update the FRIS and VANRIS.</p> <p>Plan produced</p> <p>Develop update maps and other related data for forest management.</p> <p>Network of farmers involved in tree farming.</p> <p>Sufficient supply of seeds for tree farming.</p> <p>Forest officers skilled in technical areas to advice farmers.</p>
<p>4. Agro-Processing and Value Adding</p> <p>Enhanced capacity in the trade of processed and high value agriculture, forestry, fishery and livestock products, and improved socioeconomic opportunities for communities.</p>	<p>Sandalwood products produced.</p> <p>Nangai products produced.</p> <p>Establishment of timber yard.</p> <p>Quality timber for exports.</p> <p>Standards for timber and non-timber products.</p> <p>Provide inspectors trainings (Sandalwood, Nangai, and timber).</p> <p>Promotion of properties of lesser use or known tree species of Vanuatu to trade.</p>	<p>Production of High value oil and other sandalwood products.</p> <p>Nangai nut products produced locally for export.</p> <p>Establishment of Timber yards in Vila and Santo.</p> <p>Regulate the quality of timber to be export.</p> <p>Improve quality of exported timbers.</p> <p>Number of trained individuals</p> <p>Utilization of the lesser known tree timber species of Vanuatu.</p>

Table 4. Strategies and indicators for fisheries

Corporate Goal	Strategy	Indicator of progress
<p>3. Increased Resource Production</p> <p>Increased volume and improved quality</p>	<ul style="list-style-type: none"> Facilitate management of tuna and development of domestic tuna fishing industry 	<p>Percentage increase in tuna harvested and exported and increase</p>

<p>of agricultural, forestry, fishery and livestock resources for domestic consumption and export.</p>	<ul style="list-style-type: none"> • Facilitate establishment of a fish landing facility. • Facilitate development of subsistence, semi-commercial and commercial aquaculture development in Vanuatu • Improve the assessment, management and conservation of aquatic resources • Improve fisheries compliance nationally and internationally 	<p>in locally based long-liners and increase in Ni-Vanuatu participation in the tuna industry.</p> <p>Landing facilities established and tuna exports increased</p> <p>Increase in number of aquaculture enterprises</p> <p>Assessment reports produced and increase in marine protected areas</p> <p>Percentage reduction in infringements.</p>
<p>1. Biosecurity</p> <p>Vanuatu’s biodiversity, economy and health are protected from the impact of unwanted animals, plants, pests or pathogens.</p>	<ul style="list-style-type: none"> • Establish control measures and protocols for trans-boundary movement of aquatic species and related products of interests to aquaculture • Formulate and manage in collaboration with appropriate authorities a framework for monitoring and control of disease or pests associated with imported and exported aquatic species and or fisheries products. • Develop measures for environmental assessments and controls for aquaculture developments 	<p>Measures and protocols finalized.</p> <p>Framework finalized.</p> <p>Measures developed</p>
<p>2. Market access and trade facilitation</p> <p>Enhanced sustainable returns from agriculture, forestry, fishery and livestock products traded domestically and exported.</p>	<ul style="list-style-type: none"> • Improve market supply & access for fishery and aquaculture products internationally. • Improve domestic market options for rural fishermen and aquaculture farmers through established associations. 	<p>Increase in the volume and value of export products</p> <p>Increase in number of projects and associations.</p>
<p>4. Agro-Processing and Value Adding</p> <p>Enhanced capacity in the trade of processed and high value agriculture, forestry, fishery and livestock products, and improved socioeconomic opportunities for communities.</p>	<ul style="list-style-type: none"> • Facilitate and improve ice making facilities in rural communities • Facilitate the establishment of fish processing and post-harvest facilities 	<p>Increase in fish production reaching main domestic markets with better quality</p> <p>Facilities established and operational</p>

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8. KEY PROGRAMS FOR THE MEDIUM TERM

Priority Programs

Development of the primary sector is one of the seven strategic priorities in the PAA. Private sector development is also one of the strategic priorities. Both of these priorities serve to emphasise the importance of development of these sectors, the predominant component of the primary sector and a potentially significant area for private sector activity and employment growth. The Ministry will develop and support initiatives proposed for implementation under the programs noted below.

Program 1: Increased Resource Production

The first program is increased resource production. This is necessary to address the low production associated with a small and declining natural resource base, and to enable and sustain international trade. In all the sectors, in order to increase the penetration of premium niche markets, the volume of production must be increased. This is a program for all Departments. An important aspect of this program is that the market will determine what is produced. While the MAQFF will support the production of all marketable products, the immediate emphases will be on those with potential for processing and for which markets exist or will be easily accessed. Increased production will enable Vanuatu to address its commitment to achieve the Millennium Development Goals (MDG), especially in the areas of eradicating poverty and hunger. Initiatives in food security will also part of this program.

The goal and objectives of the program are as follows.

Goal: Increased volume and improved quality of agricultural, forestry, fishery and livestock resources for domestic consumption and export.

Objectives:

1. Facilitate and implement programs of mass farming, including aquaculture and plantation establishment of indigenous and introduced species, and encourage relevant applied research in all sectors.
2. Increase the participation of Ni-Vanuatu in farming of marketable products through cooperation with resource owners, cooperatives and other community organizations, and facilitate access to necessary inputs like credit, training, equipment, information, improved breeds and genetics.
3. Train potential and existing farmers at the Vanuatu Agriculture College, emphasizing agribusiness and agro-processing as a catalyst for sustained production and trade.
4. Development of aquaculture and enhance sustainable management of Vanuatu's tuna and other fisheries resources

Program 2: Biosecurity

The second program is keeping Vanuatu as it is, free from major exotic pests and diseases of agricultural crops, forestry, livestock and fisheries. One of the main advantages that Vanuatu enjoys is its very fortunate disease and pest status, for both animals and plants. Vanuatu is able to use this disease free status as a means of adding value to its export products, differentiating its exports from those of other countries, and in gaining access to higher value overseas markets with strict disease/pest requirements for imports. Reasons for this include the exercise of vigilance, surveillance and security measures. If any animal or plant disease or pest with a significant effect were introduced into the country, it would lead to huge economic, environmental and health consequences for Vanuatu. Vanuatu could lose the advantage it currently enjoys, and possibly never be able to regain it. This is why protecting Vanuatu against these threats is considered critical in adding value to the economy. The LQD will be the major implementer of this program.

The goal and objectives of the program are as follows.

Goal: Vanuatu's biodiversity, economy and health are protected from the impact of unwanted animals, plants, pests or pathogens.

Objectives:

1. Enhance the capacity of the LQD to provide effective border services and protect Vanuatu through the provision of necessary resources.
2. Provide quarantine, veterinary and other services necessary to maintain the country's disease and pest free status.

Program 3: Market Access and Trade Facilitation

The third program is market access and trade facilitation. Government, through the MAQFF sees as crucial the need to ensure that trade facilitation happens to the extent that products, whether raw or processed reach markets in Vanuatu, and especially lucrative and niche international markets. Vanuatu must increase the trade of its products if it is to increase confidence in the primary sectors, boost sustainable economic growth and improve the wellbeing of its people. The flow of goods within Vanuatu and into points of export, and even imports need efficient facilitation. In a country where costs associated with economic activities is generally high, initiatives under this program will go a long way in facilitating the efforts of small farmers and the private sector. While international trade requirements pose challenges, globalization nevertheless presents opportunities for the upgrading of national standards, which is a precondition for exporting high quality products.

The LQD plays the vital role of trade facilitation through negotiations with overseas country authorities to demonstrate that Vanuatu can meet their requirements. Without farmers and

fishers being able to sell their products, other efforts in line sectors, whether it is in policy or increased production or any other initiative, will not be entirely successful. Years of experience have shown that people are keen to invest efforts in commercial production only if they are constantly rewarded through the sale of their goods. It has been observed for example that the increased production of kava and vanilla in the past years, were due to market opportunities and favourable prices. The subsequent closure of the European kava market affected exports. As a result of the LQD's work in the past 3-4 years a significant number of horticultural, agricultural and livestock products gained access to overseas export markets with direct positive results to farmers. This momentum must be enhanced and maintained in the long run.

The goal and objectives of the program are as follows.

Goal: Enhanced sustainable returns from agriculture, forestry, fishery and livestock products traded domestically and exported.

Objectives:

1. Facilitate the access of products to markets through improved quality and compliance with importing country SPS measures, including traceability, and conformity to the requirements of international trade agreements and standards-setting bodies.
2. Facilitate the establishment of groups including smallholders, cooperatives and fishers producing and trading same products and facilitate access of these to markets.
3. Facilitate the access of Vanuatu beef, fish and other products to the EU, Asia and other lucrative markets, making use of certification standards and bilateral trade negotiations.
4. Engage international assistance in the development of Vanuatu products and brands, and establishment of traceability systems, in line with international standards and market requirements.
5. Improve the capacity of the LQD and other Departments to deliver services through the provision of resources like laboratories, and training of personnel including veterinarians.

Program 4: Agro-processing and Value Adding

The fourth program is agro-processing and value adding. It is about turning raw materials into high value processed products. The program will increase the value and importance accorded to Vanuatu's products, facilitate the transfer of essential processing skills, and also improve the country's competitiveness. Expert analysis puts the value of agro-processing at approximately Vatu 10 billion annually. The markets of nangaie (*Canarium indicum*) and natavoa (*Terminalia catappa*) for example are Vatu 900 million and Vatu 100 million respectively⁵. There is therefore immense potential for the processing and value adding of agriculture, livestock, fisheries and forestry products. In agriculture the emphasis will be on the agro-processing of

⁵ Analysis obtained from Mr. Charles Long Wah, International Award Winning Expert on Agro-processing and Owner of Vanuatu Kava Store.

food crops, fruits and nuts. In terms of fisheries, the establishment of fish processing facilities capable of exports will be a major achievement.

Progress made so far in value adding and agro-processing point to the fact that Vanuatu has the potential of becoming an exporter of certain high quality products. Vanuatu can develop competitiveness in the processing of these products. In forestry for instance, the much success has been achieved in the value adding of sandalwood (*Santalum Austrocaledonicum*), owing to strong private sector commitment and Government policy to process locally, but there is room for further higher value processing. The Vanuatu Kava Store, the leading manufacturer of high value agriculture products is doing so well but the company is not able to meet the local demand for many of its products. Some high value products like nuts already have huge demand in Vanuatu, while exports are minimum due to limited supply from farmers.

Government will use the Vanuatu Agriculture College as a vicinity of excellence in the training of Ni-Vanuatu in agro-processing and agribusiness. Graduates and their communities will form the critical mass of small processors and entrepreneurs, and will be linked to major operators like the Vanuatu Kava Store, and ultimately exploit new markets. Processing and value adding at the village level will increase socioeconomic benefits and help address the poverty of opportunity in rural areas. It is well established that poverty is best addressed through broad-based economic growth in which the wider population is engaged, giving special attention to the plight of those who are less well off⁶. This program is also one of employment generation, and will assist Vanuatu to address the Millennium Development Goals (MDG), especially in the areas of eradicating poverty and hunger, promotion of gender equality and empowerment of women. It is anticipated that women will be greatly involved in agro-processing. Furthermore, because products will be given a shelf life at the community level, it means that the problem of perishability will be reduced. The linkage with the private sector, including major buyers like the Vanuatu Kava Store means semi-processed products can be purchased from the islands and further processed for the markets in urban areas and for export.

The goal and objectives of the program are as follows.

Goal: Enhanced capacity in the trade of processed and high value agriculture, forestry, fishery and livestock products, and improve socioeconomic opportunities for communities.

Objectives:

1. Facilitate foreign and Ni-Vanuatu private sector investment in agro-processing and value adding, and seek to develop comparative advantage in certain products.
2. Equip and develop an agro-processing component of the Vanuatu Agriculture College, and provide training in collaboration with the private sector.
3. Establish a network of trained individuals, including women and youth, producer organizations and cooperatives involved in agro-processing businesses and link them to major processors and markets.
4. Facilitate the development of fish processing facilities

⁶ Numerous studies have alluded to this. See for example Bazeley, P. and Mullen, B. 2006. Vanuatu. Economic Opportunities Fact-Finding Mission. On behalf of AusAID and NZAID.

Table 2: Priority Ranking of Proposed New Programs

Priority Ranking	Time Frame	Proposed annual budget for new programs (Vt million)				Totals	
		2006	2007	2008	2009		
Highest priority							
1. Increased Resource Production							
Recurrent Expenditure			13.7	13.7	13.7	41.1	
Domestic Development Expenditure			10	10	10	30	
External Funding		7	389.5	279.5	299.5	975.5	
Sub-total		7	413.2	303.2	323.2	1,046.6	
2. Biosecurity							
Recurrent Expenditure			10	10.3	10.3	30.6	
Domestic Development Expenditure			2	2	2	6	
External Funding		7.6	142.2	88.3	41.3	279.4	
Sub-total		7.6	154.2	100.6	53.6	316	
3. Market Access and Trade Facilitation							
Recurrent Expenditure			17.1	15.9	15.5	48.5	
Domestic Development Expenditure			3	3	3	9	
External Funding		34.5	177.5	108.1	43.7	363.8	
Sub-total		34.5	197.6	127	62.2	421.3	
4. Agro-processing and Value Adding							
Recurrent Expenditure			5	5	5	15	
Domestic Development Expenditure			10	10	10	30	
External Funding		1	182	138	134	455	
Sub-total		1	197	153	149	500	
Total Proposed Program			50.1	962	683.8	588	2,283.9

Inter-sectoral Linkages

A number of inter-sectoral linkages are important, with the most significant including: (i) links with other initiatives to develop the private sector, such as the development of an appropriate enabling environment; (ii) links to infrastructure development for the transport of agricultural commodities, for access to market and technical information, and for connections to markets; and (iii) links to training opportunities, such as those to be coordinated under the VAC and agencies like the Training and Scholarships Office. It should be emphasized that in all programs, but especially in both trade facilitation and agro-processing, the MAQFF's efforts will be complimented by the inputs of the Ministry of Tourism, Commerce and Industry and Ministry of Cooperative and Ni-Vanuatu Business Development. This linkage with other agencies is necessary. The Department of Trade for example will assist in trade negotiations.

The MAQFF also collaborates with the Chamber of Commerce and Industry (CCI) in the development of the sectors. In the future it is anticipated that the CCI will focus more on business development services for its members and assist Ni-Vanuatu grow in agribusinesses. Opportunities for cooperation with the tourism sector will also be explored to expand the trade in high value processed products, and supply of quality raw products to the industry. There will

be further dialogue with the goal of eliminating the VCMB restrictions on the trade of agriculture products. In all, the MAQFF will encourage private sector led growth in the sectors and also work with non-state actors. The MAQFF will also cooperate with the Ministry of Health and Ministry of Land on areas of common interest. Further, because of the risks posed by natural disasters the Ministry will also cooperate with other agencies in disaster risk reduction and management. A coordinating committee will be established to facilitate progress in these inter-sectoral linkages.

9. OVERALL DEVELOPMENT PROGRAMS

Recurrent Costs

MAQFF will incur costs associated with its four programs. Because it is not anticipated that the budget will be increased significantly in the short term, the Ministry is not in a position to commit more recurrent costs. These are shown in Table 2.

Medium-Term Expenditure Programs

The existing and proposed development program costs are summarised in Table 2 above. Four programs are proposed for the medium-term. The programs are based on the needs of the sectors. The MAQFF has been advancing these programs for many years. Only now are these identified under these four groups, and the need for greater private sector involvement reemphasized. The need to put emphases on these priorities has been articulated on many occasions, though under varying terminologies. Each of the programs fulfils most of the strategic and sectoral priorities noted in the PAA and other policy statements.

Elements of Uncertainty in the Programs

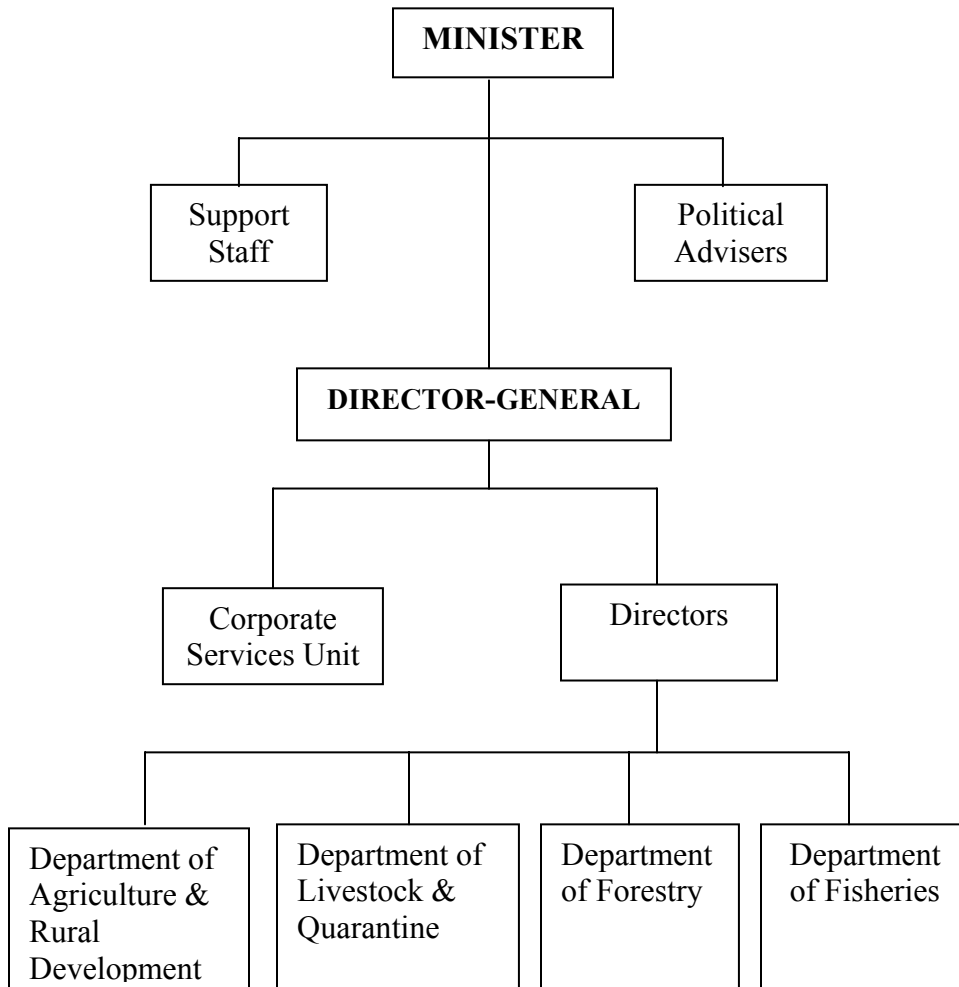
There are few uncertainties associated with the programs proposed. These are core programs that the MAQFF has always been involved in, under which subsequent policies and strategies can be tailored. Government, the Ni-Vanuatu communities and private sector share common aspirations to see these programs implemented. If there is uncertainty, this would largely be associated with the MAQFF not receiving the resources it needs to implement the programs. The MAQFF has the capacity to implement the programs but often lacks the necessary resources. Uncertainty in areas such as market and price is a worry but this should be addressed in the process of implementing the programs, especially market access and agro-processing. Natural disasters are a problem, but what is feared most is the introduction of pests and diseases. The biosecurity program seeks to address the risks associated with pests and diseases. The rising cost of utilities, particularly of fuel is a concern for industry. The MAQFF will support initiatives to reduce these costs.

Table 3: Development Expenditure Program-Current and Proposed

Ministry/Agency: Agriculture, Quarantine, Forestry and Fisheries							
	Time	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6

Activity		Frame	(Rev)	(Rev)	(Current)	(NBY)	(Fut2)	(Fut 3)
			2004	2005	2006	2007	2008	2009
Current programs								
All activities shown in GIP								
A.	Recurrent Expenditure							
B.	Domestic Development Expenditure							
C.	External Funding		63.6	233.8	803	0	0	0
Sub-Total			63.6	233.8	803	0	0	0
Programs approved by MBC (not funded)								
A.	Recurrent Expenditure							
B.	Domestic Development Expenditure							
C.	External Funding			14.5	56.4	6.8		
Sub-Total			0	14.5	56.4	6.8	0	0
Proposed Programs								
A.	Recurrent Expenditure					45.8	44.9	44.5
B.	Domestic Development Expenditure					25	25	25
C.	External Funding				50.1	962	683.8	588
Sub-Total			0	0	50.1	1,032.8	753.7	657.5
Total Current and Proposed programs			63.6	248.3	909.5	1,039.6	753.7	657.5

ATTACHMENT 1: CORPORATE STRUCTURE OF MAQFF



ATTACHMENT 2: CURRENT AND APPROVED DEVELOPMENT ACTIVITIES - MALQFF

Code	G=Grant L=Loan	Project Name	Donor	(VUV)						
				2004	2005	2006	2007	2008	2009	Total
MA Ministry of Agriculture, Quarantine, Forestry & Fisheries										
A. Expended/Committed funds.										
03N646	G=Grant	Vanuatu Agriculture College	China	13,100,254	1,361,021	-				14,461,275
05D446		Vanuatu Agriculture College Phase 2			203,000,000					203,000,000
04R947	G=Grant	Development of Sustainable Agric. In the Pacific	EU/SPC	27,400,000						27,400,000
06B347	G=Grant	Support to the Regional Prog.-Food Security in PIC	FAO			32,217,523				32,217,523
06D947	G=Grant	Agriculture Equipment Project (12 sets of Tractor)	China			693,069,000				693,069,000
06G347	G=Grant	Rice and Vegetable project	China			17,976,485				17,976,485
00R748	G=Grant	Community Based Fishing Project	FFA	576,342	- 48,485					527,857
03W848	G=Grant	Wallarano Fishing Project-Malekula	Aust	1,140,505	752,085					1,892,590
03N748	G=Grant	Green snail resource enhancement & management	FFA	1,510,885	1,555,483	209,113				3,275,481
04K748	G=Grant	Establishment of Torba & Penama Prov. Fish. Office	FFA	209,900	958,519	141,780				1,310,199
04H248	G=Grant	Fresh water Aquaculture development	SPC/FFA	3,263,492	1,388,134	1,801,406				6,453,032
04D448	G=Grant	FAD Project (China)	China	-	6,392,220	1,564,451				7,956,671
04U348	G=Grant	Aquarium Trade Management Plan-Stage 1	FFA	-	-	1,517,063				1,517,063
04M148	G=Grant	Efate coral reef monitoring project	Aust	1,189,667	159,220	-				1,348,887
05I248	G=Grant	Coral Reef Research-Monitoring	Aust	-	3,455,000	-				3,455,000
05N948	G=Grant	Luganville Fisheries Dept-Renovation	FFA	-	-	869,088				869,088
05M348	G=Grant	Fresh Water hatchery-Materials	FFA	-	-	789,828				789,828
06A648	G=Grant	Enforcement; Compliance & surveillance	FFA	-	-	2,238,326				2,238,326
06I248	G=Grant	Tafea Rural Fish market outlet	Aust	-	-	911,143				911,143
06L948	G=Grant	Vanuatu Fish Dept Compliance Div. Computers	FFA			2,216,800				2,216,800
05F848	G=Grant	Mataweli Fishing Project	FFA			-				-
01N149	G=Grant	Certificate of organic producers in Vanuatu	Aust	515,793	616,263	-				1,132,056
03N549	G=Grant	Persistent Organic Pollutants Enabling Activities	Aus/UN	9,579,344	8,328,857	4,783,478				22,691,679
03C149	G=Grant	Development of the National Biosafety Framework	UN	4,708,923	5,742,317	295,685				10,746,925
04H949	G=Grant	Upgrade of VQIS Animal Health Database	NZ	334,320	4,500	-				338,820

05C949	G=Grant	Control of BVC	Aust	-	-	7,117,631				7,117,631
06E349	G=Grant	Meat Inspector Training	NZ	-	-	474,000				474,000
06J249	G=Grant	Pasture & Livestock Extension materials project	NZ			7,000,000				7,000,000
05E349	G=Grant	Meat Residue Sampling Project	NZ/EU			17,794,260				17,794,260
		Sub-Total		63,529,425	233,665,134	792,987,060	-	-	-	1,090,181,619
Code	G=Grant L=Loan	Project Name	Donor	2004	2005	2006	2007	2008	2009	Total
MA	Ministry of Agriculture, Quarantine, Forestry & Fisheries									
	A. Expended/Committed funds.(Continued...)									
01O972	G=Grant	Industry Trainer Project	SPC	-	-	-				-
		Repair of Quarantine Incinerator & Treatment Centre	NZ			10,000,000				10,000,000
04U672	G=Grant	Sustainability Forest Strategic Plan Project	FAO	-	126,000	-				126,000
		Sub-Total		-	126,000	10,000,000	-	-	-	10,126,000
TOTAL (Expended/Committed funds)				63,529,425	233,791,134	802,987,060	-	-	-	1,100,307,619
B. Projects Approved by MBC.										
		Market Improvement Programme				10,850,000				10,850,000
07C948	G=Grant	Malampa Butchery & Fish Market Facility					6,840,047			6,840,047
05E849	G=Grant	Cattle Marketing Facility				12,740,000				12,740,000
05E949	G=Grant	Vanuatu Bovine Genetic Center				25,760,000				25,760,000
06E448	G=Grant	VAO Fisheries Project NW Malekula				3,918,978				3,918,978
05P348	G=Grant	Larasteo Cooperative Fishing project			1,327,146					1,327,146
05F948	G=Grant	ERAPO Freshwater Prawn/Tilapia fish Aquac. Proj.			2,008,000					2,008,000
05G372	G=Grant	Devel.of the Forestry Strategy to impl the National			1,976,000					1,976,000
		Project documents submitted								

05L548		Matah Keru Community Fishing Project			2,356,783					2,356,783
05D248		Quality Improvmt fish product to satisfy market stan			6,298,000					6,298,000
05Q849		Codex Committee on food import/export inspection			504,260					504,260
06I949		Management of water lettuce in Vanuatu				3,090,980				3,090,980
TOTAL (Approved Projects by MBC)					-	14,470,189	56,359,958	6,840,047		77,670,194
C. Proposed projects			In Million Vatu							
	Project Name	Donor	2004	2005	2006	2007	2008	2009	Total	
Increased Production										
	Cattle and small livestock production					10	10	10		30
	Reforestation through plantation & woodlot establishit					12	12	12		36
	Forest inventory					30	30	30		90
	Forest sector plan					30	30	30		90
	Agro-forestry rearch unit					20	10	5		35
	Update GIS and remote sensing					30	30	30		90
	Seed ochards for selected species					5	5	5		15
	Conservation of lowland rainforest					5	5	5		15
	Livestock genetic improvement					5	5	5		15
	Forestry staff training					5	5	5		15
	Cocoa plantings					4	4	4		12
	Pepper plantings					2	2	2		6
	Management of new farm cooperatives					10	10	10		30
	Agriculture staff training					18	18	18		54
	Agriculture sector policy				4	40				44
	Review extension services					25				25
	Crop development and conservation				3	11	14	12		40
	Strengthen information services					3.5	1.5	0.5		5.5
	Develop skills in agro-processing, packaging and marketing					104	68	96		268
	Seed production and supply facilities					20	20	20		60
Total (Increased Production)						7	389.5	279.5	299.5	975.5

Biosecurity								
Border inspection and treatment services at air and sea ports					74	44	24	142
Import risk assesment and quarantine measures					0.6	0.3	0.3	1.2
Animal and plant health and pest surveillance				1.6	45.6	28.5	4	79.7
Animal, plant and pest control and response measures				6	16	9.5	7	38.5
Fisheries biosecurity programs					6	6	6	18
Total (Biosecurity)					7.6	142.2	88.3	41.3
Market Access and Trade Facilitation								
Market access for Vanuatu beef through improved meat hygiene				16	70	12.5		98.5
Market access for Vanuatu beef through improved legisl. framework				2				2
Market linkages between smallholders, commerc. farms & export proces.				7.5	7	3	2	19.5
Market linkages through coordinated sales and transportation					27	3.5	3.5	34
Improve domestic market options through establishmt of rural butcheries				7	12	12	12	43
Improve domestic market food safety through train. & public awareness					4.2	1.5	1	6.7
Develop and implemt a marketing and branding strategy for beef exports					4.3	3.2		7.5
Develop and implement an industry based body with legislated role					0.3	3.2	1	4.5
Improve market acc. agricult prod. thrgh compliance with SPS measures					3	53	8	64
Develop new markets through fair trade certification for cocoa					2	2	2	6
Develop new markets through organic certification for cocoa				2	2.7	0.2	0.2	5.1
Develop chain studies for 5 potential export crops					5	5	5	15
Develop new markets through improved standards in kava exports					30			30
Fisheries market access and trade facilitation programs					10	9	9	28
Total (Market Access & Trade Facilitation)					34.5	177.5	108.1	43.7
Agro-processing and value adding								
Improve the value of beef thrgh a credible Van. organic certific system				1	4			5
Improve the value of agriculture exports through organic certification					4			4
Infrastructure and technical advisors for training-Vanuatu Agric. College					80	60	60	200
Develop commercial skills in food processing, packaging and marketing					4	8	4	16
Facilitate establishmt of facilities for cooperatives & groups in the islands					20			20

Implement timber grading standards					5	5	5	15
Processing of lesser used and known forest species and quality grading					19	19	19	57
Processing of sandalwood and <i>Canarium indicum</i>					15	15	15	45
Facilitate establishment of timber yards for small sawmillers					6	6	6	18
Train. Inspect. & quality control <i>Canarium indicum</i> , sandalwood & timber					5	5	5	15
Fish processing and post-harvest facilities					20	20	20	60
Total (Agro-processing and value adding)					1	182	138	455
TOTAL (Proposed Projects)					50.1	891.2	613.9	2073.7

ATTACHMENT 3: PROGRAM PROFILES

2007 to 2009

PROGRAM PROFILE: PROGRAM 1

DESP File No:		Activity Code:		GIP No:	
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DESP staff will fill in the above. Notes on how to complete the Program Profile form are attached as “Guidelines for Completing Program Profile Forms”. These guidelines are numbered according to the numbered sections on this form.

NAME OF PROGRAM: Increased Resource Production

1. PAA Priority(s) Supported by the Program

PAA Strategic priority(s) supported: No. 1: Private Sector Development and Employment Creation; No. 2: Macroeconomic stability and equitable growth; No. 4: Primary Sector Development; No. 7: Economic infrastructure and support services

Priority Objective(s) supported: (1) Lowering costs of doing business; (2) Improving access to rural financial services – saving and credit; (3) Facilitating long-term secure access to land; (4) Providing better support services to business; (5) Ensuring a conducive environment for increased commodity exports; (6) Promote equitable and sustainable economic growth through the implementation of PAA policies to improve basic services, infrastructure and the environment for private sector development; (7) Sustainably raise incomes from agriculture, fishing and forestry resources for domestic and export markets; (8) Improve and strengthen regulatory and sustainable management arrangements for the sector; (9) Involve all stakeholders in the development of sector strategies and their implementation; (10) Promote sound and sustainable environmental management practices; (11) Ensure sustainable management and conservation of Vanuatu’s biodiversity.

2. Background

Sector	Primary Sector – Agriculture, Livestock, Forestry, Fisheries
Program Name	Increased Resource Production
Ministry	Agriculture, Quarantine, Forestry and Fisheries
Department Responsible	Department of Agriculture and Rural Development, Livestock and Quarantine Department, Forestry Department, Fisheries Department
Priority Ranking by Ministry	1 (Highest priority)

3. Program Status

Have discussions taken place with any donors?(tick one)

Yes No

If yes, which donors?:

Name of donor contact(s):

Has a donor expressed an interest in funding the program?

Yes No

If yes, from which donor program?

4. Ministry Policy(s) Supported by the Program

1. To facilitate and promote agricultural production through sustainable farming systems and agriculture businesses
2. To protect Vanuatu from exotic animal and plant pests, promote livestock production, and facilitate market access
3. To ensure the sustainable management of Vanuatu's forest resources
4. To conserve, develop and manage the aquatic resources of Vanuatu
5. To build a productive and accountable Ministry.

5. Program Goals and Objectives

Goal: Increased volume and improved quality of agricultural, forestry, fishery and livestock resources for domestic consumption and export.

Objectives:

1. Facilitate and implement programs of mass farming, including plantation establishment of indigenous and introduced species, and encourage relevant applied research in all sectors.
2. Increase the participation of Ni-Vanuatu in farming of marketable products through cooperation resource owners, cooperatives and other community organizations, and facilitate access to necessary inputs like credit, training, equipment, information, improved breeds and genetics.
3. Train potential and existing farmers at the Vanuatu Agriculture College, emphasizing agribusiness and agro-processing as a catalyst for sustained production and trade.
4. Development of aquaculture and sustainable management of Vanuatu's tuna and other fisheries resources

6. Brief Description of Program and Program Components

This will be a long term program focusing on increasing natural resource production. This is necessary to address the low production associated with a small and declining natural resource base. In all the sectors, in order to increase the penetration of premium niche markets, the volume of production must be increased. In all sectors it can be observed that the utilization of resources far exceeds the rate at which they are being regenerated. On the one hand increased production is required to ensure that Vanuatu's resources are utilized in a sustainable manner, while on the other, the program would enable and sustain trade, especially exports. An important aspect of this program is that the market will determine what is produced. While the MAQFF will support the production of all marketable products, the immediate emphases will be on those with potential for processing and for which markets exist or will be easily accessed. Among these products are beef, kava, vanilla, cocoa *Santalum austrocaledonicum*, *Canarium indicum*, *Terminalia catappa*, and *Endospermum medullosum*. Aquaculture and capture fisheries, especially the development of the tuna industry will also be encouraged along this line. Increased production will enable Vanuatu address its commitment to achieve the Millennium Development Goals (MDG), especially in the areas of eradicating poverty and hunger. Initiatives in food security will also part of this program.

The program will involve the implementation of various components by all the Departments, with active participation of other Government agencies, farmers and private sector. The components include the following:

- Improve cattle and small livestock production through effective use of farmer training, livestock genetic improvement, and extension programmes
- Increase reforestation through plantation and woodlot establishment targeting priority timber and non-timber species, including fruits and nuts
- Conduct a forest inventory, develop a forest sector plan, update GIS and remote sensing, conserve lowland rain forests, and encourage agro-forestry and seek support to establish a national herbarium
- Conduct applied research to increase yield and improve quality of products in all sectors
- Based on market requirements, cooperate with the private sector, farmers and farm cooperatives to increased the culture of priority agriculture crops including cocoa, kava, spices like vanilla and pepper and fruits and nuts
- Promote production initiatives targeting food security and sustainable resource management
- Train existing and aspiring farmers at the Vanuatu Agriculture College and support the training of MAQFF staff
- Develop agriculture policy and review extension and strengthen information services
- Implementation of management plans relating to aquarium trade and tuna, and facilitate the establishment of necessary infrastructure for processing of capture fisheries

7. Program Benefits and Beneficiaries

The program will benefit the private sector and smallholders and will compliment initiatives already underway to increase production. Through this program Vanuatu's resource base will continue to expand so that commercial and food security needs are met. Harvesting of timber from plantation forests and woodlots for instance will be a major benefit for farmers and the economy. The pressure on natural stocks should be reduced. More importantly, the country will benefit from a steady supply of resources, especially those with market potential. Vanuatu will continue to strengthen its supply of products to cater for local and international markets. There will be increase in the volume and marketability of products. This program will benefit the majority of the population and will be a catalyst for increased trade and economic growth.

8. Timetable

Activity	Commencement Date	Completion Date
Increased Production		
Cattle and small livestock production	January 2007	Ongoing
Reforestation through plantation and woodlot establishment	January 2007	Ongoing
Forest inventory	January 2007	December 2009
Forest sector plan	January 2007	December 2008
Agro-forestry research unit	January 2007	December 2009
Update GIS and remote sensing	January 2007	December 2009
Seed orchards for selected species	January 2007	December 2008
Conservation of lowland rainforest	January 2007	Ongoing
Forestry staff training	January 2007	Ongoing
Cocoa plantings	January 2007	Ongoing
Pepper plantings	January 2007	Ongoing
Management of new farm cooperatives	January 2007	Ongoing
Agriculture staff training	January 2007	Ongoing
Agriculture sector policy	January 2007	December 2007
Review extension services	January 2007	December 2007
Crop development and conservation	January 2007	December 2009
Strengthen information services	January 2007	December 2008
Develop skills in agro-processing, packaging and marketing	January 2007	December 2009
Fisheries production programs	January 2007	Ongoing

9. Financial Information

9.1 Summary

Disbursement	Totals in Vt'000					Totals
	2006	2007	2008	2009	2010	
Recurrent Expenditure from Domestic Budget ²		13.7	13.7	13.7		41.1
Domestic Development Expenditure		10	10	10		30
Community contributions and other						
External Funding						
- Grants		389.5	279.5	299.5		968.5
- Loans						
- Aid-in-Kind						
Total External Funding		389.5	279.5	299.5		968.5
Total for Program		413.2	303.2	323.2		1,039.6

9.2 Program Cost Components

Disbursement	Totals in Vt'000					Totals
	2007	2008	2009	2010	2011	
Donor Funding (Grants/Loans)						
- International consultants						
- Local consultants						
- Goods and services						
- Equipment						
- Civil works						
- Other capital costs						
- Contingencies						
Domestic Budget Funding						
- International consultants						
- Local consultants						
- Goods and services						
- Equipment						
- Civil works						
- Other capital costs						
- Contingencies						
Total for Program						

9.3 External Funding Sources

Name of Donor/Agency	Totals in Vt'000					Total
	2007	2008	2009	2010	2011	
Total						

10 Monitoring Plan

10.1 Output Monitoring

Item or Activity	Output 1	Output 2	Output 3	Output 4	Output 5
Output (name)					
Performance Indicator(s)					
Data sources					
Method of data collection and analysis					
Frequency of data collection, analysis and reporting					
Who is responsible for data collection, analysis and reporting					
Who will use the monitoring results					

10.2 Outcome Monitoring

Item or Activity	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Outcome (name)					
Performance Indicator(s)					
Data sources					
Method of data collection and analysis					
Frequency of data collection, analysis and reporting					
Who is responsible for data collection, analysis and reporting					
Who will use the monitoring results					

10.3 Performance Indicators over Time

Indicator	2007	2008	2009	2010	2011
1.					
2.					
3.					
4.					
5.					

PROGRAM PROFILE: PROGRAM 2

DESP File No:		Activity Code:		GIP No:	
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DESP staff will fill in the above. Notes on how to complete the Program Profile form are attached as “Guidelines for Completing Program Profile Forms”. These guidelines are numbered according to the numbered sections on this form.

NAME OF PROGRAM: BIOSECURITY

1. PAA Priority(s) Supported by the Program

PAA Strategic priority(s) supported: No. 1: Private Sector Development and Employment Creation; No. 2: Macroeconomic stability and equitable growth; No. 4: Primary Sector Development; No. 7: Economic infrastructure and support services

Priority Objective(s) supported: (1) Lowering costs of doing business (2) Providing better support services to business; (3) Ensuring a conducive environment for increased commodity exports; (4) Promote equitable and sustainable economic growth through the implementation of PAA policies to improve basic services, infrastructure and the environment for private sector development; (5) Sustainably raise incomes from agriculture, fishing and forestry resources for domestic and export markets; (6) Improve and strengthen regulatory and sustainable management arrangements for the sector; (7) Involve all stakeholders in the development of sector strategies and their implementation; (8) Promote sound and sustainable environmental management practices; (9) Ensure sustainable management and conservation of Vanuatu’s biodiversity;

2. Background

Sector	Primary Sector – Agriculture, Quarantine, Livestock, Forestry, Fisheries
Program Name	Biosecurity
Ministry	Agriculture, Quarantine, Forestry and Fisheries
Department Responsible	Livestock and Quarantine Department and Fisheries Department
Priority Ranking by Ministry	1 (Highest priority)

3. Program Status

Have discussions taken place with any donors ?(tick one)

Yes No

If yes, which donors?:

Name of donor contact(s):

Has a donor expressed an interest in funding the program?

Yes No

If yes, from which donor program?

4. Ministry Policy(s) Supported by the Program

1. To facilitate and promote agricultural production through sustainable farming systems and agriculture businesses
2. To protect Vanuatu from exotic animal and plant pests, promote livestock production, and facilitate market access
3. To ensure the sustainable management of Vanuatu's forest resources
4. To conserve, develop and manage the aquatic resources of Vanuatu
5. To build a productive and accountable Ministry.

5. Program Goals and Objectives

Goal: Vanuatu's biodiversity, economy and health are protected from the impact of unwanted animals, plants, pests or pathogens.

Objectives:

1. Enhance the capacity of the LQD to provide effective border services and protect Vanuatu through the provision of necessary resources.
2. Provide quarantine, veterinary and other services necessary to maintain the country's disease and pest free status.

6. Brief Description of Program and Program Components

The second program is keeping Vanuatu as it is, free from major exotic pests and diseases of agricultural crops, forestry, livestock and fisheries. This will be a long term program. One of the main advantages that Vanuatu enjoys is its very fortunate disease and pest status, for both animals and plants. Vanuatu is able to use this disease free status as a means of adding value to its export products, differentiating its exports from those of other countries, and in gaining access to higher value overseas markets with strict disease/pest requirements for imports. Reasons for this include the exercise of vigilance, surveillance and security measures. If any animal or plant disease or pest with a significant effect were introduced into the country, it would lead to huge economic, environmental and health consequences for Vanuatu. Vanuatu could lose the advantage it currently enjoys, and possibly never be able to regain it. This is why protecting Vanuatu against these threats is considered critical in adding value to the economy.

This program will be implemented mostly by the LQD and will involve the following components:

- Prevent the entry of unwanted animals, plants, pests and pathogens through effective border control, import risk assessment, treatment and quarantine measures, including investment in necessary facilities
- Identify and control unwanted pests and diseases within Vanuatu through effective disease and pest surveillance, control, public awareness and response measures

7. Program Benefits and Beneficiaries

The program will add value to economy by ensuring that Vanuatu is protected and resources produced in the sectors are fit for consumption in Vanuatu and for export. Without an effective biosecurity program Vanuatu will be very susceptible to unwanted organisms, with potential to devastate the country's international trade. The private sector, smallholders and Vanuatu at large will benefit from this program. Through this program Vanuatu's exports can be boosted and commercial and food security needs met. The country will benefit from healthy products and a population free from severe pests and diseases.

8. Timetable

Activity	Commencement Date	Completion Date
Biosecurity		
Border inspection and treatment services at air and sea ports	January 2007	Ongoing
Import risk assessment and quarantine measures	January 2007	Ongoing
Animal and plant health and pest surveillance	January 2007	Ongoing
Animal, plant and pest control and response measures	January 2007	Ongoing
Fisheries biosecurity programs	January 2007	Ongoing

9. Financial Information

9.1 Summary

Disbursement	Totals in Vt'000					Totals
	2006	2007	2008	2009	2010	
Recurrent Expenditure from Domestic Budget ²		10	10.3	10.3		30.6
Domestic Development Expenditure		2	2	2		6
Community contributions and other						
External Funding						
- Grants		142.2	88.3	41.3		271.8
- Loans						
- Aid-in-Kind						
Total External Funding		142.2	88.3	41.3		271.8
Total for Program		154.2	100.6	53.6		308.4

9.2 Program Cost Components

Disbursement	Totals in Vt'000					Totals
	2007	2008	2009	2010	2011	
Donor Funding (Grants/Loans)						
- International consultants						
- Local consultants						
- Goods and services						
- Equipment						
- Civil works						
- Other capital costs						
- Contingencies						
Domestic Budget Funding						
- International consultants						
- Local consultants						
- Goods and services						
- Equipment						
- Civil works						
- Other capital costs						
- Contingencies						
Total for Program						

9.3 External Funding Sources

Name of Donor/Agency	Totals in Vt'000					Total
	2007	2008	2009	2010	2011	
Total						

10 Monitoring Plan

10.1 Output Monitoring

Item or Activity	Output 1	Output 2	Output 3	Output 4	Output 5
Output (name)					
Performance Indicator(s)					
Data sources					
Method of data collection and analysis					
Frequency of data collection, analysis and reporting					
Who is responsible for data collection, analysis and reporting					
Who will use the monitoring results					

10.2 Outcome Monitoring

Item or Activity	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Outcome (name)					
Performance Indicator(s)					
Data sources					
Method of data collection and analysis					
Frequency of data collection, analysis and reporting					
Who is responsible for data collection, analysis and reporting					
Who will use the monitoring results					

10.3 Performance Indicators over Time

Indicator	2007	2008	2009	2010	2011
1.					
2.					
3.					
4.					
5.					

PROGRAM PROFILE: PROGRAM 3

DESP File No:		Activity Code:		GIP No:	
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DESP staff will fill in the above. Notes on how to complete the Program Profile form are attached as “Guidelines for Completing Program Profile Forms”. These guidelines are numbered according to the numbered sections on this form.

NAME OF PROGRAM: Market Access and Trade Facilitation

1. PAA Priority(s) Supported by the Program

PAA Strategic priority(s) supported: No. 1: Private Sector Development and Employment Creation; No. 2: Macroeconomic stability and equitable growth; No. 4: Primary Sector Development; No. 7: Economic infrastructure and support services

Priority Objective(s) supported: (1) Providing better support services to business (2) Ensuring a conducive environment for increased commodity exports; (3) Promote equitable and sustainable economic growth through the implementation of PAA policies to improve basic services, infrastructure and the environment for private sector development; (4) Sustainably raise incomes from agriculture, fishing and forestry resources for domestic and export markets; (5) Improve and strengthen regulatory and sustainable management arrangements for the sector; (6) Involve all stakeholders in the development of sector strategies and their implementation.

2. Background

Sector	Primary Sector – Agriculture, Quarantine, Livestock, Forestry, Fisheries
Program Name	Market Access and Trade Facilitation
Ministry	Agriculture, Quarantine, Forestry and Fisheries
Department Responsible	Livestock and Quarantine Department; Department of Agriculture and Rural Development and Department of Fisheries
Priority Ranking by Ministry	1 (Highest priority)

3. Program Status

Have discussions taken place with any donors? (tick one)

Yes No

If yes, which donors?

Name of donor contact(s):

Has a donor expressed an interest in funding the program?

Yes No

If yes, from which donor program?

4. Ministry Policy(s) Supported by the Program

1. To facilitate and promote agricultural production through sustainable farming systems and agriculture businesses
2. To protect Vanuatu from exotic animal and plant pests, promote livestock production, and facilitate market access
3. To ensure the sustainable management of Vanuatu’s forest resources
4. To conserve, develop and manage the aquatic resources of Vanuatu
5. To build a productive and accountable Ministry.

5. Program Goals and Objectives

Goal: Enhanced sustainable returns from agriculture, forestry, fishery and livestock products traded domestically and exported.

Objectives:

1. Facilitate the access of products to markets through improved quality and compliance with importing country SPS measures, including traceability, and conformity to the requirements of international trade agreements and standards setting bodies.
2. Facilitate the establishment of groups including smallholders, cooperatives and fishers producing and trading same products and facilitate access of these to markets.
3. Facilitate the access of Vanuatu beef, fish and other products to the EU, Asia and other lucrative markets, making use of certification standards and bilateral trade negotiations.
4. Improve the capacity of the LQD and other Departments to deliver services through the provision of resources like laboratories, and training of personnel including veterinarians.

6. Brief Description of Program and Program Components

Vanuatu must increase the trade of its products if it is to increase confidence in the primary sectors, boost sustainable economic growth and improve the wellbeing of its people. The flow of goods within Vanuatu and into points of export, and even imports need efficient facilitation. Emphases will be on improving the capacity of Vanuatu to put its products in international markets. In a country where costs associated with economic activities is generally high, initiatives under this program will go a long way in facilitating the efforts of small farmers and the private sector. The Livestock and Quarantine Department (LQD) plays the vital role of trade facilitation through negotiations with overseas country authorities to demonstrate that Vanuatu can meet their requirements.

Without farmers, fishers and producer organizations being able to sell their products, other efforts in line sectors will not be entirely successful. Years of experience have shown that people are keen to invest efforts in commercial production only if they are constantly rewarded through the sale of their goods. As a result of the LQD's work in the past 3-4 years a significant number of horticultural, agricultural and livestock products gained access to overseas export markets with direct positive results to farmers. This momentum must be enhanced and maintained in the long run. While international trade requirements pose challenges, globalization nevertheless presents opportunities for the upgrading of national standards, which is a precondition for exporting high quality products.

The principal components of the program are reflected in the objectives listed above. The LQD will implement most of the initiatives under this program. Among the components are the following.

- Improve market access for Vanuatu beef exports to higher value markets by improving Vanuatu's ability to meet SPS requirements
- Improve market-supply linkages between small holder cattle farmers and the beef processing market
- Improve domestic market options for rural small holder livestock farmers by establishing butcheries in rural areas
- Develop and implement a marketing and branding strategy for Vanuatu beef exports
- Improve market access for Vanuatu crops, fruits and vegetable exports to higher value markets by improving Vanuatu's ability to meet SPS requirements
- Seek and negotiate new markets for agriculture products and utilize "fair trade" and organic certification and improve export standards for kava
- Develop chain studies (commodity pathways) for potential export crops

7. Program Benefits and Beneficiaries

The programs will benefit commercial producers and increase socioeconomic benefits for rural communities and small entrepreneurs. Through this program efforts will be made to improve the flow of goods within, out of and into the country. Through efforts in livestock for instance the smallholders will be able to sell their cattle to commercial operators and therefore access markets. The private sector will benefit from increased market access as a result of improved SPS standards. There will be increase in the volume and quality of products traded meaning a boost for the economy. This program will benefit the majority of the population and will be a catalyst for success in the productive sectors.

8. Timetable

Activity	Commencement Date	Completion Date
Market Access and Trade Facilitation		
Market access for Vanuatu beef through improved meat hygiene	January 2007	Ongoing
Market access for Vanuatu beef through improved legislative framework	January 2007	December 2007
Market linkages between smallholders, commercial farmers & export processors	January 2007	Ongoing
Market linkages through coordinated sales and transportation	January 2007	Ongoing
Improve domestic market options through establishment of rural butcheries	January 2007	December 2009
Improve domestic market food safety through training and public awareness	January 2007	December 2009
Develop and implement a marketing and branding strategy for beef exports	January 2007	December 2008
Develop and implement an industry based body with legislated role	January 2007	December 2007
Improve market acc for agriculture products through compliance with SPS measures	January 2007	Ongoing
Develop new markets through fair trade certification for cocoa	January 2007	December 2008
Develop new markets through organic certification for cocoa	January 2007	December 2008
Develop chain studies for 5 potential export crops	January 2007	December 2009
Develop new markets through improved standards in kava exports	January 2007	December 2008
Fisheries market access and trade facilitation programs	January 2007	December 2009

9. Financial Information

9.1 Summary

Disbursement	Totals in Vt'000					Totals
	2006	2007	2008	2009	2010	
Recurrent Expenditure from Domestic Budget ²		17.1	15.9	15.5		48.5
Domestic Development Expenditure		3	3	3		9
Community contributions and other						
External Funding						
- Grants		177.5	108.1	43.7		329.3
- Loans						
- Aid-in-Kind						
Total External Funding		177.5	108.1	43.7		329.3
Total for Program		197.6	127	62.2		386.8

9.2 Program Cost Components

Disbursement	Totals in Vt'000					Totals
	2007	2008	2009	2010	2011	
Donor Funding (Grants/Loans)						
- International consultants						
- Local consultants						
- Goods and services						
- Equipment						
- Civil works						
- Other capital costs						
- Contingencies						
Domestic Budget Funding						
- International consultants						
- Local consultants						
- Goods and services						
- Equipment						
- Civil works						
- Other capital costs						
- Contingencies						
Total for Program						

9.3 External Funding Sources

Name of Donor/Agency	Totals in Vt'000					Total
	2007	2008	2009	2010	2011	
Total						

10 Monitoring Plan

10.1 Output Monitoring

Item or Activity	Output 1	Output 2	Output 3	Output 4	Output 5
Output (name)					
Performance Indicator(s)					
Data sources					
Method of data collection and analysis					
Frequency of data collection, analysis and reporting					
Who is responsible for data collection, analysis and reporting					
Who will use the monitoring results					

10.2 Outcome Monitoring

Item or Activity	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Outcome (name)					
Performance Indicator(s)					
Data sources					
Method of data collection and analysis					
Frequency of data collection, analysis and reporting					
Who is responsible for data collection, analysis and reporting					
Who will use the monitoring results					

10.3 Performance Indicators over Time

Indicator	2007	2008	2009	2010	2011
1.					
2.					
3.					
4.					
5.					

PROGRAM PROFILE: PROGRAM 4

DESP File No:		Activity Code:		GIP No:	
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DESP staff will fill in the above. Notes on how to complete the Program Profile form are attached as “Guidelines for Completing Program Profile Forms”. These guidelines are numbered according to the numbered sections on this form.

NAME OF PROGRAM: Agro-processing and Value Adding

1. PAA Priority(s) Supported by the Program

PAA Strategic priority(s) supported: No. 1: Private Sector Development and Employment Creation; No. 2: Macroeconomic stability and equitable growth; No. 4: Primary Sector Development; No. 7: Economic infrastructure and support services

Priority Objective(s) supported: (1) Providing better support services to business (2) Ensuring a conducive environment for increased commodity exports; (3) Promote equitable and sustainable economic growth through the implementation of PAA policies to improve basic services, infrastructure and the environment for private sector development; (4) Sustainably raise incomes from agriculture, fishing and forestry resources for domestic and export markets; (5) Improve and strengthen regulatory and sustainable management arrangements for the sector; (6) Involve all stakeholders in the development of sector strategies and their implementation.

2. Background

Sector	Primary Sector – Agriculture, Quarantine, Livestock, Forestry, Fisheries
Program Name	Agro-processing and Value Adding
Ministry	Agriculture, Quarantine, Forestry and Fisheries
Department Responsible	Livestock and Quarantine Department; Department of Agriculture and Rural Development and Department of Fisheries
Priority Ranking by Ministry	2 (High priority)

3. Program Status

Have discussions taken place with any donors? (tick one)

Yes No

If yes, which donors?

Name of donor contact(s):

Has a donor expressed an interest in funding the program?

Yes No

If yes, from which donor program?

4. Ministry Policy(s) Supported by the Program

1. To facilitate and promote agricultural production through sustainable farming systems and agriculture businesses
2. To protect Vanuatu from exotic animal and plant pests, promote livestock production, and facilitate market access
3. To ensure the sustainable management of Vanuatu’s forest resources
4. To conserve, develop and manage the aquatic resources of Vanuatu
5. To build a productive and accountable Ministry.

5. Program Goals and Objectives

Goal: Enhanced capacity in the trade of processed and high value agriculture, forestry, fishery and livestock products, and improve socioeconomic opportunities for communities.

Objectives:

1. Facilitate foreign and Ni-Vanuatu private sector investment in agro-processing and value adding, and seek to develop comparative advantage in certain products.
2. Equip and develop an agro-processing component of the Vanuatu Agriculture College, and provide training in collaboration with the private sector.
3. Establish a network of trained individuals, including women and youth, and producer organizations involved in agro-processing business and link them to major processors and markets.
4. Facilitate the development of fish processing facilities

6. Brief Description of Program and Program Components

The agro-processing and value-adding program will increase the value of and importance accorded to Vanuatu's products, facilitate the transfer of essential processing skills, and also improve the country's competitiveness. The private sector will play a critical role in this program. Progress made so far in value adding and agro-processing point to the fact that Vanuatu has the potential of becoming an exporter of certain high quality products. Vanuatu can develop competitiveness in the processing of such products like kava, *Santalum austrocaledonicum*, *Canarium indicum* and *Terminalia catappa*. The Vanuatu Kava Store for example, the leading manufacturer of high value agriculture products is doing so well but the company is not able to meet the local demand for many of its products. Some high value products like nuts already have huge demand in Vanuatu, while exports are minimum due to limited supply from farmers. The MAQFF will utilize the existing pool of expertise and private sector backing to impart processing know-how to Ni-Vanuatu.

Apart from support for private sector investment under this program, Government will use the Vanuatu Agriculture College as a vicinity of excellence in the training of Ni-Vanuatu in agro-processing and agribusiness. Graduates and their communities will form the critical mass of small processors and entrepreneurs, and will be linked to major operators like the Vanuatu Kava Store, and ultimately exploit new market opportunities. Processing and value adding at the village level will increase socioeconomic benefits and help address the poverty of opportunity in rural areas. This program is also one of employment generation, promotion of gender equality and empowerment of women, and will therefore assist Vanuatu to address its commitment to achieve the MDG. It is anticipated that women will be greatly involved in agro-processing. Further, because products will be given a shelf life at the community level, it means that the problem of perishability will be reduced. The linkage with the private sector, including major buyers like the Vanuatu Kava Store also ensures that semi-processed products can be purchased from the islands, transported and further processed for the markets in urban areas and for export.

All Departments will be involved. The program components include the following:

- Improve the value of Vanuatu beef and agricultural exports through the use of organic certification
- Facilitate infrastructure support for the VAC to enable training in agro-processing and value adding, covering areas of food processing, packaging and marketing. A large component of this will involve Technical Advice (TA) from the private sector
- Facilitate establishment of processing facilities in islands involving individuals and groups like cooperatives and linkages to major processors and markets
- Implement timber grading standards and promote the processing of lesser used forest species, facilitate the establishment and use of timber yards for small saw millers and training of personnel
- Facilitate the establishment of fish processing and post-harvest facilities

7. Program Benefits and Beneficiaries

The programs will benefit commercial producers and increase socioeconomic benefits for rural communities and small entrepreneurs. Emphases will be on improving the capacity of Vanuatu to put its products in international markets. This will be made possible as a result of training many Ni-Vanuatu in processing and value adding and encouraging private sector investment. Vanuatu's competitiveness will improve and there will be an increase in the volume and quality of products traded. This program will benefit the majority of the population, including women and youth. In terms of fish processing, Vanuatu will become an exporter of tuna and other products, meaning that the country will no longer rely on access fees but also benefit from added value and established tuna industry.

8. Timetable

Activity	Commencement Date	Completion Date
Agro-processing and value adding		
Improve the value of beef through a credible Vanuatu organic certification system	January 2007	Ongoing
Improve the value of agriculture exports through organic certification	January 2007	Ongoing
Infrastructure & technical advisors for training at the Vanuatu Agriculture College	January 2007	Ongoing
Develop commercial skills in food processing, packaging and marketing	January 2007	Ongoing
Facilitate establishment of facilities for cooperatives and groups in the islands	January 2007	Ongoing
Implement timber grading standards	January 2007	Ongoing
Processing of lesser used and known forest species and quality grading	January 2007	Ongoing
Processing of sandalwood and <i>Canarium indicum</i>	January 2007	Ongoing
Establishment of timber yards for small saw millers	January 2007	Ongoing
Training in inspection & quality control for <i>Canarium indicum</i> , sandalwood & timber	January 2007	Ongoing
Establishment of fish processing and post-harvest facilities	January 2007	Ongoing

9. Financial Information

9.1 Summary

Disbursement	Totals in Vt'000					Totals
	2006	2007	2008	2009	2010	
Recurrent Expenditure from Domestic Budget ²		5	5	5		15
Domestic Development Expenditure		10	10	10		30
Community contributions and other						
External Funding						
- Grants		182	138	134		454
- Loans						
- Aid-in-Kind						
Total External Funding		182	138	134		454
Total for Program		197	153	149		499

9.2 Program Cost Components

Disbursement	Totals in Vt'000					Totals
	2007	2008	2009	2010	2011	
Donor Funding (Grants/Loans)						
- International consultants						
- Local consultants						
- Goods and services						
- Equipment						
- Civil works						
- Other capital costs						
- Contingencies						
Domestic Budget Funding						
- International consultants						
- Local consultants						
- Goods and services						
- Equipment						
- Civil works						
- Other capital costs						
- Contingencies						
Total for Program						

9.3 External Funding Sources

Name of Donor/Agency	Totals in Vt'000					Total
	2007	2008	2009	2010	2011	
Total						

10 Monitoring Plan

10.1 Output Monitoring

Item or Activity	Output 1	Output 2	Output 3	Output 4	Output 5
Output (name)					
Performance Indicator(s)					
Data sources					
Method of data collection and analysis					
Frequency of data collection, analysis and reporting					
Who is responsible for data collection, analysis and reporting					
Who will use the monitoring results					

10.2 Outcome Monitoring

Item or Activity	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Outcome (name)					
Performance Indicator(s)					
Data sources					
Method of data collection and analysis					
Frequency of data collection, analysis and reporting					
Who is responsible for data collection, analysis and reporting					
Who will use the monitoring results					

10.3 Performance Indicators over Time

Indicator	2007	2008	2009	2010	2011
1.					
2.					
3.					
4.					
5.					

