



THE WORLD BANK

Opportunities to Improve Social Services in Vanuatu

SUMMARY REPORT

Vanuatu is a relatively traditional Pacific island country. About 80 percent of its population is rural, and poor. The economic divide between the country's urban and rural populations is extreme. Like many other countries in the region, Vanuatu has high levels of public and private social service investment and, given this investment, is trying to obtain better outcomes and better performance from service providers. This summary report draws on a much longer study of Vanuatu that was completed by The World Bank in 2005.¹

Setting for Social Service Delivery in Vanuatu

Vanuatu is a Melanesian archipelago of 80 islands, 68 of which are inhabited. Spread over 1,300 kilometers, the country has a land area of 12,000 square kilometers and much rich volcanic soil. Vanuatu is considered to have a reasonable natural resource base for achieving sustainable human development. It is also, however, the most vulnerable Pacific island country to natural disasters, prone both to cyclones and earthquakes.

Its population of 210,000² is growing rapidly, at a rate of 2.7 percent annually.³ The cities of Port Vila and Luganville, which are growing even faster, represent 20 percent of Vanuatu's population and contribute 80 percent of the country's GDP. Those in rural areas, 80 percent of the population, contribute 20 percent of the GDP.⁴ Figure 1 shows the distribution of the urban and rural population by wealth quintiles.

For almost 100 years before becoming independent in 1980, Vanuatu was a plantation colony of Britain and France — the New Hebrides — which they administered jointly. Today, both English and French are official languages in a country with 80 indigenous languages and a widely spoken *lingua franca*, Bislama. Separate English- and French-speaking school systems are a legacy of colonialism.

Vanuatu has a democratically elected national Parliament, which selects the country's president. Additionally, traditional community governance structures remain relatively strong, with "kastom" and orders from the Chiefs generally adhered to. Within communities, the church is also a significant source of influence and authority. Almost a quarter of Vanuatu's students attend church-assisted schools.

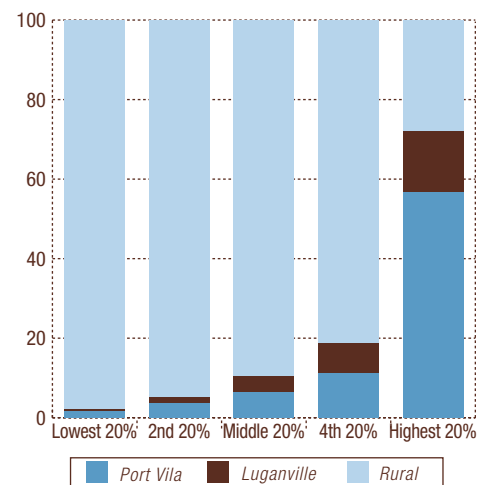
In 1997 the government, with the assistance of donors and lenders, introduced the Comprehensive Reform Program (CRP) to stimulate economic growth. Public sector reform and lowered expenditures have

been a feature of the CRP. Currently, GDP, which showed negative growth as recently as 2002, is positive, with growth estimated at 2.6 percent in 2005. However, even GDP growth and government efficiencies are offset by the need to increase services to keep up with Vanuatu's growing population.

Human Development Performance Issues and Opportunities

Vanuatu is on track to achieve three of five key human development-related Millennium Development Goals (MDGs) by 2015, those relating to the grade 5 survival rate, gender equity in primary education, and the under-5 mortality rate. However, Vanuatu is not on track to achieve goals relating to net enrollment in primary grades and the proportion of the population with access to safe water.⁵

Figure 1.
Urban-Rural
Distribution of
the Population
by Wealth
Quintile, 1999



Source: Census 1999.

PERFORMANCE IN THE EDUCATION SECTOR

Adult literacy is estimated to be only 33.5 percent,⁶ but this is changing, as Vanuatu's students continue to do fairly well on the standardized Pacific Island Literacy Levels (PILL) tests. However, like other countries in the region that are made up of dispersed, remote islands, the quality of education in rural areas and rural students' access to secondary school are highly inequitable. Enrollment, even in primary school, is uneven; a significant percent of rural students never attend school.

The former British-French "condominium" form of colonialism left Vanuatu with two parallel school systems — one where English is the language of instruction and one where French prevails. Some progress has been made in integrating the two language systems, but the country is still grappling with the second major legacy from colonial times, that of a steep educational pyramid. Access to secondary school is very limited, and to post-secondary education even more so.

Enrollments

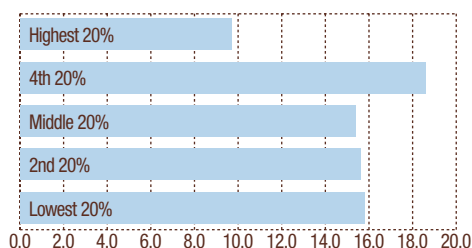
Vanuatu has increased its school enrollment numbers — in relation to its rapidly growing population — from fewer than 25,000 in 1979 to more than 49,000 in 2003. Enrolling this larger number of students has been a genuine achievement and deserves to be acknowledged. At the same time, however, the proportion of children ages 6–19 who attend school has increased from 58 percent to only 63 percent since 1967.⁷ The proportions for both primary and secondary school have been essentially flat, following a burst of good progress enrolling the 6–9 age group in the years immediately after independence.

Vanuatu still has a relatively large proportion of children ages 6–11 not attending primary school, about 16% according to the 1999 census and about the same in 2003 according to Ministry for Education statistics. Of these children out of school, 13 percent had never attended school, while 3 percent were dropouts. This is a substantial, persistent shortfall and, as might be expected, most of the children not attending primary school reside in rural areas. Figure 2 represents out-of-school primary-age children in terms of wealth quintiles (rather than by urban or rural residence).

Secondary school enrollment is a small percentage of primary enrollment and is limited by secondary school capacity. In 2003, there were 39,388 primary students and only 9,638 secondary students.⁸

Overall, Vanuatu's rapid population growth means that much of the country's educational effort has been consumed by coping with the increasing

Figure 2.
Out-of-School
Children
(ages 6–11)
by Wealth
Quintile, 1999



Source: Census 1999.

number of students rather than making inroads enrolling a higher proportion of each school-age group.

Academic Performance

The standardized PILL tests have been administered in a number of Pacific island countries since the 1990s. The discussion here draws on a report of 2002 scores.⁹

A key tool in the PILL tests is to calculate the proportion of students "at risk," or in need of substantial extra help. In the region, by grade 4, the highest achievement levels in English — as judged by the fewest students at risk and/or the highest mean scores — were found in three countries, one of which was Vanuatu. In the test for grade 6, Vanuatu (together with one other country) showed the fewest students at risk in English literacy. On the grade 6 numeracy test, the best results were shown by Vanuatu, together with two other countries.

Within Vanuatu, there is also evidence of improvement over time in student performance. In 1996, grade 4 students judged at risk totaled 21 percent for English and 17 percent for numeracy; by 2002, grade 4 students at risk in English and numeracy had dropped to 15.6 and 14.4 percent, respectively. The gains in literacy are attributed to the increased effort put into literacy programs over that period. The good overall literacy results are also a welcome endorsement of the national policy of starting instruction in English right from grade 1.¹⁰

Equity

Because of a shortage of secondary school spaces, access to education beyond primary school is severely restricted. Eligibility is determined by the grade 6 selection examination. About 85 percent of the limited supply of secondary places are filled by students from the wealthiest 20 percent of Vanuatu society.¹¹

Several factors contribute to produce this inequitable access to secondary education. First, the wealthiest families are overwhelmingly located in Port Vila and Luganville, where they have access to the best primary schools and the most extensive supply of secondary schools. Remoter areas are disadvantaged in the supply of teachers and teaching materials, rarely see an inspector, and have much less exposure to English language in the community.

Second, it is expensive to attend secondary school. For families in the four lower income quintiles, who are mostly all rural, the high fees and other expenses are clearly a disincentive to enroll their children. In addition, there are opportunity costs in connection with the schooling of older children, who are less available to help with farming and domestic work.

At the secondary level, the government finances 100 percent of teacher salaries and allowances in church-administered as well as government-administered schools. Additionally, government grants and subsidies contribute to all of these schools' operational costs — about 50 percent

on average. However, the grants and subsidies to individual schools vary and do not appear to be based on any consistent or equitable funding formula. Also, there is no evidence that secondary schools reduce their fees in response to the subsidies or that the subsidies are in any way targeted effectively to those who cannot afford fees.¹²

EDUCATION SECTOR OPPORTUNITIES

As noted, because up to 16 percent of school-age children fail to attend primary school, options must be explored to reach these children and keep them in school. Several other areas of opportunity also have the effect of providing more support to rural areas.

Transferring Secondary School Savings to Primary Enrollment

The absence of any programs to bring children into primary school and keep them there is perhaps the largest gap in all of Vanuatu's social services. If unit costs for secondary education could be cut, more money could be applied to improving the enrollment and outcomes for primary education, where the social returns are greater. For example, poor families might be offered cash incentives on the basis of children's attendance records; meals might be provided at schools with particularly low attendance; a transport allowance might be provided for students living far from school.

Even allowing for the economic inefficiencies of running small-scale schools in the Pacific, secondary school unit costs in Vanuatu are extraordinarily high, twice that of developing countries generally.¹³ Secondary fees average US\$472¹⁴ in a country where the per capita GDP is \$1349.¹⁵ In the 2005 education budget, 28 percent was allocated to secondary education, enrolling 20 percent of students, while 48 percent was allocated to the 80 percent of students who are in primary school.¹⁶

Teacher costs are the largest and most logical source of savings. Vanuatu has had a policy of employing all those who graduate from the Institute of Education. The country appears to have more secondary teachers than are needed, since the average teaching load is 15 hours per week.¹⁷ This is light by any standard and is all the more remarkable given secondary teachers' relatively high pay. Secondary teachers earn 4.5 times as much as the average income in Vanuatu (elementary teachers earn 2.9 times the average income, in line with teacher salaries in other developing Asian countries).¹⁸

Targeted Subsidies

As discussed, the size of grants and subsidies paid to secondary schools does not appear to be based on any consistent or equitable funding formula. Mission or church-administered schools, which are common in rural areas, educate about a quarter of Vanuatu's secondary students yet receive subsidies that are considerably lower than those of government-administered schools. One recommendation is to reduce the subsidies to government schools, so that they become equal to those of non-government

schools, and to use the resources saved to provide needs-based scholarships to poor children.

Community High Schools

Like Vanuatu, the neighboring Solomon Islands inherited a system of restrictive secondary school selection and very high secondary costs. Since the mid-1990s, there has been an explosive growth of community schools in Solomon Islands. These schools, sometimes called day junior secondary, are established and run by community groups and churches and assisted by government grants. This model might be considered in Vanuatu for opening access to secondary education.

Improved Teacher Performance

Poor school performance is more common among Vanuatu's rural than urban schools, and teacher performance is usually cited as a key factor. Teacher assignments are difficult in rural schools, where problems of poor housing and harsh living conditions are common. Additionally, it is more challenging in rural areas to support teacher professionalism with properly trained principals and head teachers, or with in-service training. Increasing teacher support and motivation in rural schools can help to limit the absenteeism, insubordination, excessive kava drinking, and other distractions from teaching duties that are attributed to poorly performing teachers.¹⁹

Increasing Transparency and Information

There is much that can and should be done to improve the flow of information and transparency in the education sector. One place to start is with test scores (for example, the results of the PILL tests taken by primary school children). These should be publicly available not only for the country as a whole but also for individual schools. There should also be transparency about the formulas used and other considerations involved in allocating grants and subsidies among schools. Also, instead of continuing to appoint staff to teaching and administrative positions in a nontransparent manner (which is conducive to rent-seeking), there should be open and fair competitions for any open positions.

Children with Special Education Needs

Vanuatu is one of the first countries in the Pacific to attempt to address special education needs. A Special Needs Officer has been appointed and placed in charge of a nascent program. A budget has yet to be established and no staff or teachers are trained in handling special education cases, but the Ministry for Education has signaled its recognition of the need to serve these students.

Non-formal Education

The government's limited resources are prioritized for formal education, leaving non-formal education to churches, communities, and other non-governmental organizations. Non-formal education is important especially to people in rural

areas, who can learn a mix of traditional and contemporary trade skills aimed at increasing employment opportunities. Increased support for these programs has the potential to serve a range of village-based needs. A significant effort has already been made to link community-based non-formal education programs and to create opportunities for networking, knowledge sharing, and increased training (see the discussion of NGO coordination on page 7).

PERFORMANCE IN THE HEALTH SECTOR

Health care is free to Vanuatu residents, with the exception of inpatient fees. Thus, rising population is a constant pressure on the health budget. Additionally, in response to the country's Comprehensive Reform Program, funding of the health budget has been reduced, with most effects falling on the delivery of public health and primary care services. Nevertheless, Vanuatu has experienced many gains in health outcomes. A focus for the future will be to see that health services are more uniformly distributed between urban and rural populations.

Health Outcomes

On a number of indicators of health, Vanuatu is performing well. Average life expectancy at birth in Vanuatu is comparable to that of Pacific island countries of similar income and has been increasing quite rapidly over time,²⁰ even though significant differences remain across provinces.²¹

In the period from 1979 to 1999, infant and maternal mortality declined significantly, although both are still well above the targets Vanuatu has set for itself. These improvements have been attributed to the success of public health programs, especially those targeted at maternal and child health. In the same period, Vanuatu's total fertility rate decreased slowly but is still high; as noted, the population growth rate is also high, at 2.7 percent annually.

Over the period 1991 to 2003, deaths caused by fetal and neonatal complications have declined dramatically and deaths from malaria and renal disease have declined significantly. Death rates from a number of respiratory diseases, malnutrition, and diarrhea are relatively constant but still significant.²² The incidence of non-communicable diseases, including hypertension and diabetes, is increasing, according to the Master Health Services Plan.

Most mortality and morbidity in Vanuatu are the result of diseases that are preventable or manageable by public health and primary care services. The government objective of having more health conditions treated locally, with fewer admissions to high-cost facilities, can be achieved; but it may require additional resources for public health and primary care services.

Equity of Access

Although Vanuatu has five hospitals, the country's two primary hospitals, located in Port Vila and Luganville, provide over 98 percent of their inpatient services to people from the provinces in which they are located, Shefa and Sanba. Additionally, once admitted, patients from Shefa and Sanma will

have from three to four times as much spent on their care than will patients from other provinces.

For those in rural areas, health care is provided at 25 health centers, 74 dispensaries, and the three smaller hospitals. All of these facilities are located in coastal areas; inland communities have difficult access to health care. While there is a policy for nurses to make regular visits to rural communities, this is hampered by the fact that nurses stationed at health centers or dispensaries do not have their own transportation and are often required to walk long distances, carrying with them heavy loads of medical supplies.

The rapidly increasing demand for high-cost hospital services is another equity concern, given disproportionate access to such services and the competing demands for resources to contain infectious diseases and maintain quality maternal and child health services. The 2004 health budget allocates 38.8 percent of its funds to hospital inpatient costs, 7.5 percent to health centers, and 7.5 percent to dispensaries.²³

Gaps in Coverage

With the exception of maternal health, women's health is an important area that has not received much attention to date. According to the World Health Organization (WHO), a high prevalence of sexually transmitted infections has always been suspected in Vanuatu, and data from health facilities surveyed by WHO confirm high prevalence and incidence rates of trichomonal vaginalis and chlamydia trachomatis.²⁴

Another gap in coverage is that of mental health, for which no funds are allocated. Disability issues have recently been placed under the Ministry for the Comprehensive Reform Program.

HEALTH SECTOR OPPORTUNITIES

Options that help increase resources for primary and preventive care, improve hospital efficiencies, and promote better management of the sector through better use of information are prime strategies for sustaining improvements in health outcomes in Vanuatu.

Increased Equity of Access

In a system that provides free or very low-cost health care to all members of the community, there appear to be no mechanisms to direct funds to particularly disadvantaged individuals or communities except to the extent that they have particular health problems that receive special funding through public health programs. The government is reportedly considering reviewing and possibly extending user fees and charges for health services. If such a policy is implemented, consideration should be given to policy options such as health cards exempting the poor and other vulnerable groups from having to pay higher fees.

Access to hospital care could also be made more equitable through a policy that would increase health centers and dispensaries in Shefa and Sanma so

that the hospitals there would be reserved for referrals from all provinces, and their use as a first resort for residents of Shefa and Sanma would be reduced.

Increased Funding of Primary Services Through Increased Hospital Efficiencies

Strengthening public health and primary care services at the expense of hospital services is almost the only health sector policy that is feasible for Vanuatu at this time. If primary care services are not strengthened there will be a resurgence of some of the “old” diseases, while the “new” diseases will not be picked up until they are well advanced and require high-cost treatment. Strengthening public health and primary care services at the expense of hospital services does not necessarily mean fewer hospital services than are provided at present. There appear to be efficiency improvements that can be made in the hospital sector that would release funds to primary care services without diminishing currently available hospital services.

Bed occupancy rates are often used as an indicator of hospital efficiency, although the level of staffing is often related to the number of beds available. The occupancy rates in 2003 were low to very low in all five hospitals in Vanuatu, ranging from 29 to 65 percent.²⁵ By reducing beds and staff in most of these hospitals, the same level of services could be provided at reduced total cost. Additionally, the variation in average cost per inpatient across the hospitals indicates room for reviewing operational costs at two of the hospitals.²⁶

Improved Use of Information

Vanuatu has more health needs than resources and has struggled to set priorities. Better data could be an important assist. For example, the Ministry for Health has several databases that contain budget information, expenditure information, personnel payments, and a range of service use information. Unfortunately, there is no link between budget information and information on the provision of services.

Additionally, such information as there is about service provision is highly unreliable. The National Health Information System (NHIS) is a computerized system for gathering, storing, and tabulating service information from all government hospitals, health centers, and dispensaries. Each facility is expected to make monthly reports, but only 37 percent of the monthly reports were received in 2002. In 2003, the rate was improved to 70 percent, but the reports were rife with obvious errors and incomplete information. One major hospital, for example, reported on outpatient visits in only three of the 12 reports.²⁷

Traditional medicine is commonly practiced in Vanuatu, although the extent to which it may be a primary or preferred source of health care is not known. This information, too, should be collected.

Increased Community Participation in Health

Families often band together to assist relatives to travel to distant health facilities in favor of local facilities that they consider less effective. Village

councils, which organize and support the 180 aid posts that operate throughout rural Vanuatu, could be enlisted to help strengthen services and increase community support for and use of these local health facilities.

SOCIAL PROTECTION PERFORMANCE

Disaster management is the one area of social protection in which the government is actively involved. Otherwise, Ni-Vanuatu rely mostly for social protection on families and kinship networks, on access to traditional family land holdings for subsistence farming, and on a broad array of community-based organizations (notably including churches) and NGOs. However, the coverage and effectiveness of these traditional forms of social protection are being slowly eroded by the fast-growing and increasingly urbanized population — with its attendant pressure on land — and by land ownership disputes.²⁸

Disaster Management

Vanuatu enacted national legislation in 2000 that provides for the preparation of national and provincial disaster plans and for a National Disaster Management Office. The framework and planning documents that have been prepared, based on international practice and advice, provide a sound institutional foundation. The National Disaster Management Office recommends when to declare a state of emergency, coordinates with other ministries and non-governmental organizations, and advises on the need for assistance to manage disaster response. Operationally linked to the United Nations Disaster Assessment Team in Fiji, the disaster office successfully coordinated the response to Cyclone Ivy in 2004, which affected about a quarter of the population. Relief efforts were well subscribed, although there has been a lack of follow-through on reconstruction of damaged infrastructure.

Urban Youth and the Unemployed

Vanuatu has no workfare or overseas employment outlet for the unemployed. While overall unemployment rates are very low compared to those in other Pacific island countries,²⁹ the restrictive definition of “unemployed” (to be actively seeking employment and to have worked zero hours during the reference period) makes it primarily an urban measure. Excluded are the many underemployed and subsistence workers in the rural areas, who work as part of family units engaged in agriculture.

Urban youth are unemployed at a rate between 14 to 16 percent, about twice that of the population as a whole (see Table 1).³⁰ The average number of new cash jobs created each year has been estimated at 500 to 1,000 — too few to employ the flow of youth into the two major cities.³¹ Many youth unable to find work return home, it is reported, and take up roles in the rural economy.

The Department of Labor, recently reorganized and re-established, is considering options that could create overseas job placements for unemployed youth, including temporary agricultural work in Fiji. Other new opportunities might be generated by the Vanuatu Maritime College, which currently

Table 1. Unemployment Rates by Age, Sex, and Urban-Rural Residence, 1999

	Population 15-64	Youth 15-24
Male	2.0	4.0
Female	1.2	2.1
Urban		
Port Vila	6.0	13.9
Luganville	7.4	15.6
Rural	0.6	1.1

Source: Census 1999.

provides training for seafarers already employed but not for entry-level seafarers. A well-targeted entry-level program would require a highly motivated and adequately funded effort, with government and donor support.

Youth and crime are less strongly linked in Vanuatu than in many other countries.³² In urban settlements, still-vibrant community institutions are able to influence youthful behavior. Additionally, observers note, youth problems seem to be cushioned by the possibility of return migration to rural agricultural areas.

The Elderly

Those aged 55 and above are about 8 percent of the population and are evenly distributed among household wealth quintiles. Almost two-thirds of the elderly are subsistence farmers, remaining productive and benefiting from family-based safety net arrangements. There is no government or donor-supported social assistance program for the elderly in Vanuatu, although those who have been formally employed are part of the compulsory Vanuatu National Provident Fund savings scheme.

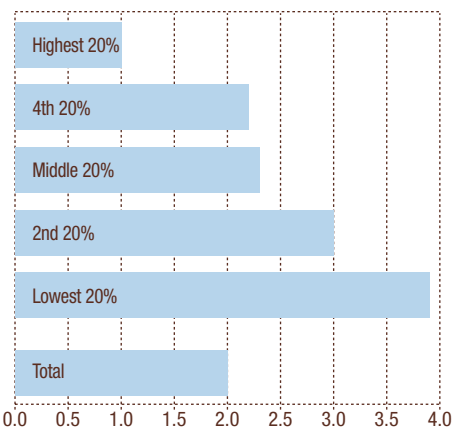
The Disabled

The disabled account for up to 2 percent of the population over age 15, depending on definitions and sources used.³³ Services to the disabled are mostly limited to those provided by NGOs, although in 2004, the Government issued its first National Disability Policy, and in the 2005 national budget there is for the first time in Vanuatu a modest line item for support to disability organizations and programs for persons with disabilities. Assistance to those with disabilities should be a government priority not because of the size of the target group but because of the high correlation of disability with family poverty (see figure 3) and the inherent limitations, technical and financial, within families to provide appropriate assistance to disabled family members.

Women

The status of women in Vanuatu society is widely regarded as low, especially in more traditional domains. Land inheritance, for example, is patrilineal. Fortunately, female educational attainment has been improving.

Figure 3. Households with Disabled Persons by Household Wealth Quintile, 1999



Source: Census 1999.

Female enrollment in primary and secondary school is equal to or better than the proportion of women in the population, although more men complete secondary school (20 percent) and more women have never been to school (15 percent).³⁴

Farmers and Agricultural Price Shocks

Vanuatu is one of the most open economies in the Pacific and relies heavily on agricultural exports, in addition to tourism, for its foreign exchange earnings. GDP and commodity export price changes are more tightly correlated in Vanuatu than in most other countries in the region.³⁵ For example, copra subsidies have been eliminated and prices are now entirely market determined.

The Landless

For many Ni-Vanuatu, hereditary land is very important as a safety net and as part of their identity. However, as the population grows, land becomes unavailable for an increasing number of people. Many families are already locked in land disputes. Also, the “illegitimate” children of the many young urban couples who do not officially marry are barred from owning hereditary land. In the future, the landless will almost certainly become a vulnerable group in Vanuatu.

A national land inventory, including an inventory of customary land ownership, is being planned³⁶ and will at least help address ownership conflicts.

SOCIAL PROTECTION OPPORTUNITIES

By improved targeting and increasing the collection and management of information about social protection needs and providers, Vanuatu can build on its largely successful approach to mixing public and private social protection services.

Targeting

The absence of established mechanisms for targeting assistance to those most in need is a problem in Vanuatu — and in most Pacific island

countries. Existing social protection programs rely heavily on characteristic targeting, such as female heads of household, unemployed youth, and the disabled. Many of the poor and vulnerable, however, do not share such characteristics. With few exceptions, Vanuatu's most severely at-risk households are scattered within the rural population and are probably not conveniently grouped into homogenous communities or identifiable by island of residence.

At present, the government is not organized to target assistance to such at-risk families. The most practical path may be through community institutions such as churches and primary schools, focused initially on families having difficulty keeping their children in school.³⁷

For improved geographic targeting, a poverty map, based on the 1999 census and the household wealth index, could be constructed at the village level and used to identify the very poorest communities, to which the Rural Economic Development Initiative (REDI, with its Parliament-mediated grants) and the larger Government Investment Program (GIP) projects could allocate a disproportionate amount of resources.

The REDI program, although in early stages of operationalization, has institutionalized participatory mechanisms for communities to make their own decisions on priority public investments. Decentralizing such decisions to families and communities has shown strong results in other countries in terms of facility maintenance, higher utilization, and better governance. The next line of application of this powerful technique in social protection might involve the tricky question of prioritizing infrastructure and private asset rehabilitation after a natural disaster. In poor rural communities, this takes the responsibility for such difficult choices away from far-removed provincial or central decision makers and places it locally, where the repercussions, positive and negative, will be felt and the benefits of one option over another more accurately assessed.

In addition to the REDI program, the GIP is a well-structured mechanism to introduce a nationwide process of review and resource allocation to larger projects within the public investment program. The GIP and its financial accounting through the Development Fund, to which donors channel their GIP resources, represent an impressive effort to improve public investment decision making and financial governance.

Public-Private Mix

Vanuatu has been successful in managing its social safety net in several important ways. Many Pacific island countries have fallen victim to poorly targeted and ineffective government-administered social assistance programs with high rates of leakage, perverse targeting to the rich, benefits that induce further dependence, and unsustainably large fiscal burdens. In Vanuatu, such problems do not exist because the public social assistance is limited in size and scope, with most social assistance lodged in private or NGO hands. Although this report argues that public involvement in social protection should be increased, this does not necessarily imply that social

protection services should be provided directly by the Vanuatu government. Rather than duplicating services already being provided, the government should explore ways of financing and otherwise supporting community and NGO services. Other appropriate and important roles for the government include overall policy making (including setting priorities), regulation, and evaluation (identifying what works and what does not, as well as which organizations make most effective use of public funds).

NGO Coordination

Non-governmental organizations clearly play a critical role in Vanuatu, filling gaps in the social safety net. A large number of donor programs work in these areas as well, either directly or indirectly by funding NGOs. Most of these NGOs are members of an umbrella organization, VANGO (Vanuatu Association of Non-Government Organizations). VANGO signed a memorandum of understanding with the government in 2004 that puts them in a greater partnership role. For example, the setting up of working groups within VANGO to develop systematic development plans for each sector is being done in collaboration with the government.

There is a strong demand for VANGO's services — from grassroots members up to the international level — since donors and international organizations prefer a central point of contact with Vanuatu's NGOs. At this point, there is a still quite a lot of duplication of services between NGOs because many NGOs, especially those based in local communities, do not have the opportunity to interact. VANGO is trying to facilitate networking and communication to avoid duplication of services.

Transparency and Data

VANGO is a good example of the need in Vanuatu to capture and organize data related to social services and outcomes. If the government is to construct a viable social protection strategy, it will need to do so with a better knowledge of NGO capacities and the potential to expand them.

Within the government itself, the 1997 Comprehensive Reform Program introduced the need for governmental and departmental accountability. Improved financial transparency and control have resulted. The establishment of an Audit Office and an Ombudsman Office have further strengthened accountability and transparency. What is still urgently needed for all three social sectors are up-to-date, nationally representative household surveys. While the census can be used effectively to analyze services and outcomes in relation to the wealth or income of household beneficiaries, income and expenditure surveys are the only reliable source of data for poverty, income, and expenditure analysis. It is urgent that the Statistics Office receive donor support to undertake such a survey.

Endnotes

¹ World Bank. (2005). *Republic of Vanuatu: Country case study*. Washington, DC: Author.

² World Bank World Development Indicators 2003.

³ Estimate from Census 1999, from WHO Country Health Information Profile 2004.

⁴ Asian Development Bank (2001). *Vanuatu economic report 2001: Economic performance and challenges ahead*. Manila: Author.

⁵ World Bank. (2004). *Current trends, future opportunities: Human development outcomes in the Pacific islands. Review of human development in the Pacific islands* (Paper No. 14). Washington, DC: Author.

⁶ World Bank World Development Indicators 2003.

⁷ Ministry for Education. (2003). *Annual report on primary and secondary school statistics 2003*. Port Vila. See also Asian Development Bank. (2002). *Vanuatu, economic performance and challenges ahead*. Manila: Author.

⁸ Gannicott, K. (2005). *Education in Vanuatu: Some preliminary analyses from the World Bank Human Development Review*. Washington, DC: World Bank.

⁹ Elley, W. (2004). *Trends in Pacific island education outcomes*. Washington, DC: World Bank.

¹⁰ Gannicott 2005 credits the use of English or French as the medium of instruction in grade 1 for at least some of Vanuatu's relatively favorable performance in literacy. However, there is considerable support within Vanuatu for limiting instruction to vernacular languages in preschool and grade one or two of primary. See several papers on this subject in K. Sanga et al. (Eds.) (2004). *Re-thinking Vanuatu education together*. Port Vila: Vanuatu Ministry for Education and Institute of Pacific Studies.

¹¹ Census 1999.

¹² Work in progress being carried out (and kindly made available) by Michael Harradine of the Vanuatu Ministry for Finance.

¹³ OECD World Education Indicators, 2003, Table 10.

¹⁴ Gannicott, K., & Suliman, E. (2004). *Education sector report: Vanuatu*. Washington, DC: World Bank.

¹⁵ World Bank 2004.

¹⁶ Gannicott 2005. Data made available by Ministry for Finance.

¹⁷ Gannicott & Suliman 2004.

¹⁸ Mingat, A. (1995). *Towards improving our understanding of the strategy of the high performing Asian economies in the education sector* (table 16). Manila: Asian Development Bank.

¹⁹ See, for example, the essays by Thierry Worwor, Fred Tari, and Ian Kalsuak in K. Sanga et al. (Eds.) (2004). *Re-thinking Vanuatu education together*, Port Vila: Vanuatu Ministry for Education and Institute of Pacific Studies.

²⁰ National Statistical Office 2004 data reported in Harvey, R. (2005). *Human development in the Pacific islands* (draft country/sector report). Washington, DC: World Bank.

²¹ Census 1999 data reported in Harvey 2005.

²² NHIS data reported in Harvey 2005.

²³ Vanuatu Ministry for Health Budget Papers, 2004, reported in Harvey 2005.

²⁴ WHO Regional Office for the Western Pacific. (2004). *Vanuatu country health information profile 2004*. Manila: Author.

²⁵ Harvey 2005.

²⁶ Ibid.

²⁷ Ibid.

²⁸ In urban areas, extended networks are usually based on kinship ties among individuals originating from the same island and/or village (since most urban residents are relatively recent inter-island migrants to Port Vila and Luganville). Various urban informal settlements around Port Vila and Luganville tend to be inhabited by migrants from the same island of origin. Sum, J. (2005). *Vanuatu qualitative country study: Pacific islands human development review*. Washington, DC: World Bank.

²⁹ Chamberlin, C. (2005). *Social protection report: Vanuatu: Pacific islands human development review* (draft). Washington, DC: World Bank.

³⁰ Census 1999 reported in Chamberlin 2005.

³¹ Data from the Vanuatu National Provident Fund Annual Report 2003 show that contributing members to the Fund have been static over the last few years, but this may not capture all cash job changes in the economy.

³² For example, Port Vila police statistics for 2003 show that the age groups most active in criminal activity are those over 31 years (42 percent of the total) and the 21–25 age group (26 percent).

³³ Antonia Piau-Lynch estimates from unpublished census lists that 2,749 adults are physically disabled, blind, or hearing impaired — about 1.5% of the adult population in 1999.

³⁴ Office of the Prime Minister and Department of Women's Affairs. (2004). *Combined initial, first and second report on the convention on the elimination of all forms of discrimination against women* (CEDAW Report). Port Vila: Author.

³⁵ Brown, R., Headey, D., & Leeves, G. (2004). *Macroeconomic volatility in the Pacific*. Brisbane: School of Economics, The University of Queensland.

³⁶ According to the *Vanuatu Daily Post*, March 1, 2005, the inventory is being planned under the National Technology Centre, to be run by the South Pacific Geoscience Commission (SOPAC), an inter-governmental regional organization, and funded by the European Union.

³⁷ Proxy means testing has been developed in some low- and middle-income countries to target social assistance. In Vanuatu, however, it would probably be more cost-effective to use existing community institutions to identify the poor and vulnerable.

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