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Chairlady of the 74th Session of ESCAP
Distinguished Presidents and Prime Ministers;
Honourable Ministers;
Executive Secretary of UNESCAP,
Distinguished Guests;
Ladies and Gentlemen;

A very good afternoon to you all.

It is indeed a great honour to address this Commission here today.

I bring you warmest greetings from the Government and the people of Vanuatu. At the outset please allow me to register my sincere gratitude for the warm hospitality and excellent arrangements accorded to me and my delegation by the Government of Thailand and ESCAP since our arrival in Bangkok.

Excellencies, ladies and gentlemen,

Vanuatu welcomes the theme for this year’s Commission session “Inequality in the era of the 2030 Agenda for sustainable development”. We are pleased to participate and deliberate in this Commission session on the key development issue of inequality in the era of the 2030 Agenda for Sustainable Development; and in particular to share our experience on how we have localised the SDGs by integrating them into our national planning frameworks, and how we are attempting to utilise the substantial contributions of our non-monetised “traditional economy” to ensure more inclusive and equitable growth.

Vanuatu comprises more than 80 islands with a total area of 12,300 square kilometres spread over 1,300 kilometres from north to south. The current population is estimated at 270,000 of which almost eighty percent still live in rural areas and satisfy most of their food and other livelihood requirements through traditional forms of land, sea and resource utilization (predominantly agricultural practices) on their ancestral territories.
Vanuatu shares common features of vulnerability with other SIDS. The common features include narrow resource base, isolation from main markets, lack of economies of scale, small domestic markets and vulnerability to adverse environmental disasters which lead to difficulties in integrating to the regional and global economy. Vanuatu has a very thin economic base which depends primarily on proceeds of tourism and agriculture, both very volatile and externally-dependent sectors. As such the formal economy of the country is very vulnerable to exogenous shocks which can also affect its integration into the agenda for sustainable development.

Vanuatu is particularly vulnerable to natural disasters. According to the Commonwealth Vulnerability Index, Vanuatu is ranked the world’s most vulnerable country, and the United Nations University’s Risk Index identifies us as the most at-risk country in the world from natural hazards. Geographically we are located along the so-called ‘Pacific ring of fire’ which places us at risk of volcanic eruptions, earthquakes, landslides and tsunamis. Currently we are in the process of evacuating and permanently resettling almost the entire population of one island, Ambae, due to ongoing heightened volcanic activity. Climate change has brought more frequent and more intense cyclones, and in 2015 Vanuatu was devastated by the category 5 Tropical Cyclone Pam, which cost us 64% of our GDP. Climate change has also meant more frequent heavy rainfall events, which cause severe flooding and landslides with massive damage to infrastructure and, conversely, more protracted and severe droughts associated with more intense El Nino events. Sea level rise has caused forced people and communities to relocate.

These natural phenomena have proven to be a real treat to sustainable development and can wipe out decades of development in a flash. We are endeavouring to climate-proof our livelihoods and societies, but to do so will cost more than 100% of our GDP. We cannot do so overnight and yet each day takes us closer to the next cyclone or drought: climate change is relentless for us.

It is not only unjust that we should pay the costs of loss and damage against a climate change we did not cause; Mme Chairlady, this very inequality is a force behind climate change. As long as those who profit from the production of greenhouse gasses are not those who suffer its most extreme consequences, climate change will accelerate. Soon the whole world will be affected, but soon it will be too late.

Mme Chairlady, the effective solution to this lies in the polluter-pays principle and the international solidarity envisaged by the 2013 Warsaw International Mechanism for Loss and Damage, later enshrined in the 2015 Paris Climate Agreement. There was much self-congratulation at Paris. But five years on from Warsaw and two and a half years on from Paris, nothing has been done internationally to implement mechanisms to raise the amount of finance needed to offset the losses and damage of climate change for the most vulnerable. The resources currently available are no match for the costs.

Resources to offset climate-related losses and damages need to be scaled up and the perpetrators, not the victims must pay. Serious consideration must be given to solutions like a Climate Damages Tax on fossil fuel extraction or consumption, a climate levy on those sectors that contribute the most to climate change and more impactful carbon pricing schemes. These mechanisms could raise the hundreds of billions of dollars a year that are necessary, could help
to reduce the production of greenhouse gasses and could be designed to respond more timely to immediate or slowly unfurling climate disasters.

Vanuatu is currently listed by UN as a Least Developed Country (LDC) despite its high per capita Gross National Product (GNP) due to its status as the world’s most vulnerable country, although the country is now entering a phase of moving towards graduation in 2020. Along with our fellow LDC’s in the Pacific region, we are advocating that there should be a special SIDS category for small island countries like Vanuatu that, although will graduate, still remain especially vulnerable to the changes in the world’s climate.

Excellencies, ladies and gentlemen,

Vanuatu has enjoyed positive GDP growth in the last 5 years on the back of favourable tourism, real estate and infrastructure development activities. The growth in the substantial non-monetised “traditional economy” has also continued to keep pace with population growth, ensuring the food and social security that underpins GDP growth in the monetised sector. The effect of the fuel and commodity price rises of 2007 and 2008 were marked on the formal economy, given that fuel and major imported food items make up a large share of the CPI basket. The effect of the 2008 global financial crisis was significantly less than in the major and more integrated economies, however, given the disproportionate reliance by the largely rural population on our strong traditional economy and the low level of their financial inclusion.

While Vanuatu’s formal economy in 2018 is expected to grow by 3.2%, poverty is a growing problem particularly in our urban areas, where people cannot access the benefits of the traditional economy. Gender inequality remains pervasive and is a key area where the Government needs to do much more work; across all groups, men have more access to and control of key political, economic, and knowledge resources than women. Vanuatu’s environmental quality is also rapidly deteriorating due to natural disasters and climate change.

Excellencies, ladies and gentlemen,

Vanuatu 2030: The People’s Plan is Vanuatu’s national sustainable development plan (VNSDP). The NSDP, as it is more commonly referred to, charts the country’s vision and overarching policy framework for achieving a Stable, Sustainable, Inclusive and Prosperous Vanuatu within the next fifteen years, and in doing so sets out the national priorities and context for the implementation of the global Sustainable Development Goals over the same period. The national vision and the framework for action outlined in this plan have been informed by the priorities voiced by our people, their communities and elected representatives, and the private sector and civil society over the course of a three-year consultation programme undertaken across the whole country.

Our national plan has three pillars: Social, Environment, and Economic, and 15 broad goals under these pillars around health and well-being, education, social inclusiveness and protection, macroeconomic and infrastructure growth, productive sector growth, private public partnerships, and environmental resilience. The three pillars are explicitly underpinned by a foundation which is our culture and traditions, or values; a distinctive way of looking at tackling inequality within our country by putting emphasis on traditional safeguards, forms of social organisation and livelihoods that have for centuries provided for social security and inclusiveness for our people as well as ecological integrity and environmental sustainability.
Vanuatu is taking very seriously the call of Agenda 2030 for countries to contextualise and bring the SDGs into a national landscape that is relevant and appropriate for their needs. Through clearly-identified policy areas that are also linked to annual national budgets, *Vanuatu 2030* was designed with the aim of localising and integrating the 122 SDG indicators and targets holistically within our own national 196 indicators. We are also localising the regional indicators developed as part of the Pacific Roadmap for Sustainable Development into our national plan. We are in the process of finalising our first annual report against our national plan and we have also developed a national indicators and SDGs database of indicators which will further assist with our first Voluntary UN Report, scheduled for 2019.

National and sub-national level statistics and the data collection of certain indicators continues to be a challenge for many Pacific Island States, so Vanuatu appreciates the support from agencies such as ESCAP and others who have provided assistance to the Government of Vanuatu with putting together a framework for collecting environmental statistics for economic environmental accounting through the Statistical Economic-Environmental Accounting System (SSEA), which enhances our national efforts to continue work around implementation of SDG 14 as it relates to life below the water and helps define effective interventions in this space which is the basis for our National Oceans Policy. Vanuatu has also integrated a set of unique *sui generis* indicators to capture what matters to quality of life beyond GDP and other monetary measures; elements that come out of the traditional economy that, unlike the cash economy, has supported the people of Vanuatu for thousands of years, is social in nature, and provides more sustainable and equitable livelihoods for all members.

However, in order for us to make inroads on all our 15 broad goals in *Vanuatu 2030*, we need to ensure that we have good data, and baseline data continues to be a challenge for us. In our efforts to ensure we are able to monitor and evaluate progress against our national plan and Agenda 2030, Vanuatu needs to conduct a National Baseline Survey. The Baseline Survey is critical in terms of getting the current information Vanuatu needs to meet national, regional and international reporting requirements. I am pleased to report, Mr Chairman, that we have now secured the funds necessary to undertake this Baseline Survey and it will commence in about two months’ time. Continued support to the Baseline Survey for the *Vanuatu 2030* Monitoring and Evaluation framework presents an opportunity to dialogue with my government on the indicators identified therein, and in the process, to strengthen the focus and relevance of this document. This is especially pertinent as together we proceed into a new development assistance framework with the Pacific UN system for another five-year period.

The NSDP is quite ambitious but our government is committed to its implementation and monitoring, and to reporting on its progress. As we are a SIDS, we will continue to work with our neighbours in the Pacific through existing regional mechanisms such as the Pacific Roadmap for Sustainable Development (PRSD) which was endorsed by Pacific Leaders in 2017 in Apia, Samoa. This and other regional mechanisms provide a platform for Pacific Island delegates to learn from multi-stakeholders how they are engaging and progressing with SDGs implementation and also to share their experiences and challenges from a SIDS perspective and foster support for their development priorities. The Pacific Roadmap also provides a pathway for a country such as ours, with a small population and limited capacity to report on the many other frameworks such as the SAMOA Pathway, Paris Agreement, Sendai Framework, Adis Ababa Action Agenda and the Global Partnerships for Development Effectiveness, to band together on common development issues.
Excellencies, ladies and gentlemen,

Sustainable development is ongoing and my Government acknowledges that we cannot afford to be too complacent with our achievements thus far. We recognise that our policies need to be constantly evolving, smart, highly responsive to our circumstances and affordable in the context of our limited financial resources as a small island developing state as well as an LDC.

We do acknowledge that we cannot work in isolation in our quest for sustainable development and can only achieve progress by forging partnerships with development partners and most importantly our very own citizens across every sector of society. So we need partnership and we need to be holistic in the solutions we embrace to address the issues of inequality in the implementation of the 2030 agenda for inclusive and sustainable development.

I wish to express our profound gratitude to our development partners for assisting in our quest for inclusive and sustainable development, but again I must emphasize that their effort to assist in this cause must always be aligned to our national vision, values, goals and policy objectives as articulated in the country's national sustainable development plan.

As we endeavour in this journey for sustainable development and in attaining the 2030 agenda, we look to the world for support because we believe that while we are a small island nation in the Pacific Ocean, we are also part of the global heritage and we all share a responsibility to help one another in our challenges to achieve common good.

Thank you for your kind attention.