



EUROPEAN UNION



Pacific Islands Association of
Non-governmental Organisations | Association Des Ongs
Desiles Du Pacifique

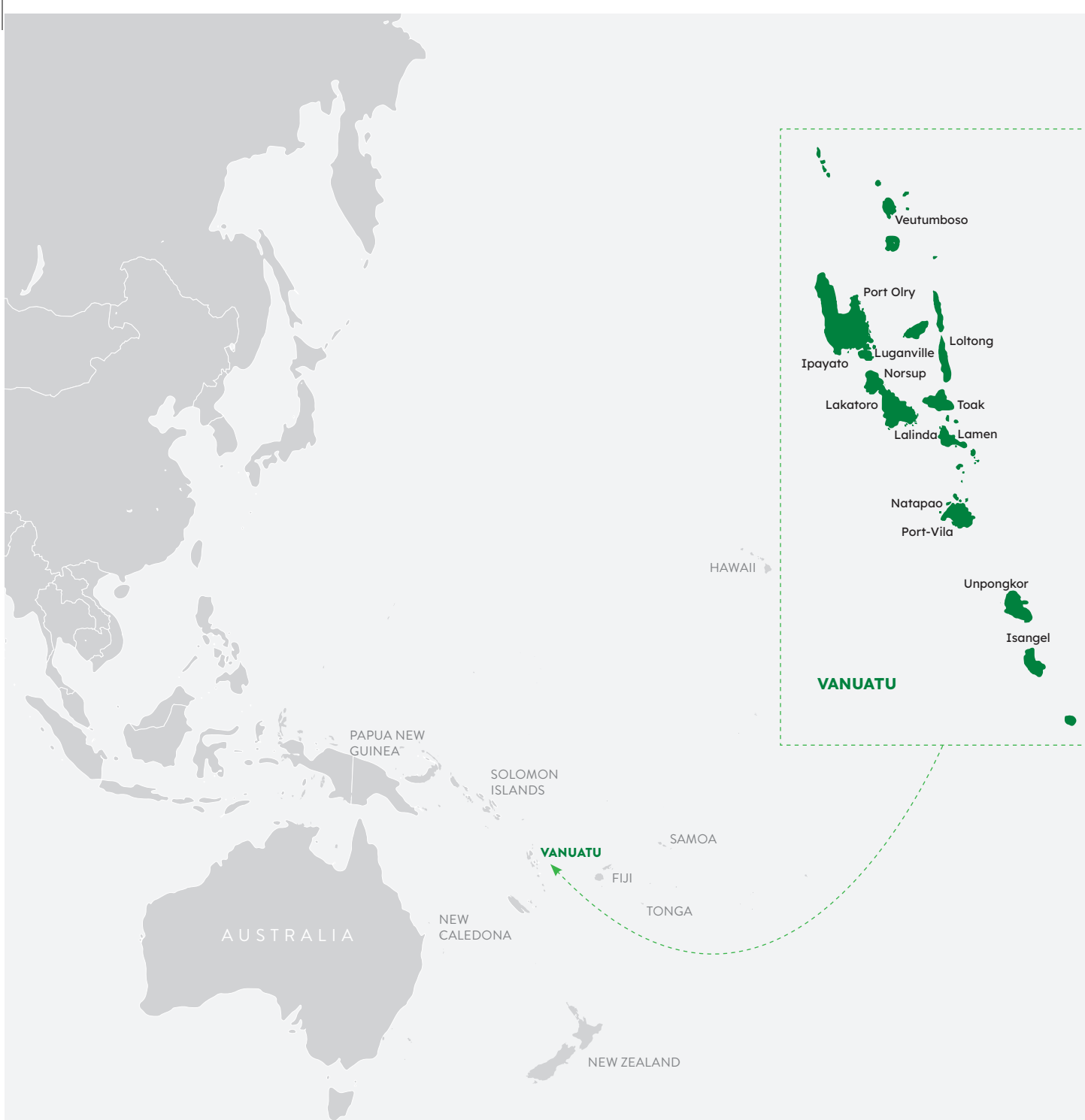


Citizens Budget Guide



VANUATU 2024

Disclaimer: The Citizen Budget Guide is not an official government publication but relies exclusively on public information released through the budget documents.



CONTENT

About the Citizens Budget Guide	4	Budget at a Glance	11
Government Priority Area	4	Top Five Ministerial Spending	12
Budget Cycle and Citizens Engagement	5	Ministerial Spotlight	13
Budget Calendar	9	Spending by Government Agency	16
2024 Budget Priorities	10	Debt	17
Priorities in Spending	11	Budget Terminology (Glossary)	17

About THE CITIZENS BUDGET GUIDE

Dear readers!

Welcome to the Citizens Budget Guide tailored for the people of Vanuatu. Our aim with this guide is to provide the residents of Vanuatu with easily accessible and comprehensible insights into the nation's financial landscape. We are dedicated to assisting the people of Vanuatu to gain a comprehensive understanding of how the budget setting process works and what the Governments current budgetary position and priorities are. Our goal is to empower every individual to actively engage in the budgetary process ensuring transparency, and supporting advocacy efforts to help influence the

Government's decisions. By equipping the citizens of Vanuatu with this knowledge, we are fostering a sense of accountability where the Government's policy decisions are concerned.

The Citizens Budget Guide was developed by the Vanuatu Association of Non-Governmental Organisations (VANGO) with the support of United Nations Development Programme (UNDP) and Pacific Islands Association of Non-Governmental Organisations (PIANGO) thanks to funding by the European Union.

GOVERNMENT PRIORITY AREA

The Vanuatu Government develops its annual budget within the framework set out by the 2016-2030 Peoples Plan¹.

SOCIETY PILLAR		ENVIRONMENT PILLAR		ECONOMY PILLAR	
SOC 1	Vibrant cultural identity	ENV 1	Food and Nutrition Security	ECO 1	Stable and Equitable Growth
SOC 2	Quality Education	ENV 2	Blue-Green Economic Growth	ECO 2	Improve Infrastructure
SOC 3	Quality Health Care	ENV 3	Climate and Disaster Resilience	ECO 3	Strengthen Rural Communities
SOC 4	Social Inclusion	ENV 4	Natural Resource Management	ECO 4	Create jobs and business opportunities
SOC 5	Security, Peace and Justice	ENV 5	Ecosystems and Biodiversity		
SOC 6	Strong and Effective Institutions				

¹ The Vanuatu People's Plan 2016-2030 may be accessed at: <https://www.gov.vu/images/publications/Vanuatu2030-EN-FINAL-sf.pdf>



To integrate this Plan into its budget processes, every year the Government develops policy statements that aid in budget allocation and adopts a particular focus on seven priority outcomes. For 2024, these outcomes are:



BUDGET CYCLE AND CITIZENS ENGAGEMENT

DATE	ACTIVITY	RESPONSIBLE AGENCIES	BUDGET TRANSPARENCY AND CIVIC ENGAGEMENT IN THE BUDGET PROCESS
1 PREPARATION PHASE YEAR 1			
FEBRUARY	Budget timetable development	Ministry of Finance and Economic Management (MFEM)	Publication of budget timetable in open resources
MACRO FRAMEWORK			
MARCH	Meeting to discuss policy priorities Macroeconomic Committee (MEC) 1 Meeting	Department of Strategic Policy, Planning & Aid Coordination Ministry of the Prime Minister & Department of Finance and Treasury (DSPPAC & DOFT) DOFT, Reserve Bank of Vanuatu (RBV), National Statistics Office (NSO)	Engagement of civic society in working committees within the budget process

DATE	ACTIVITY	RESPONSIBLE AGENCIES	BUDGET TRANSPARENCY AND CIVIC ENGAGEMENT IN THE BUDGET PROCESS
APRIL	<p>Consultation with line ministries re: Budget Policy Priorities</p> <p>Technical Development Cooperation Partnership Meeting</p>	DSPPAC	Engagement of civic society in consultation with line ministries regarding Budget Policy Priorities and Technical Development Cooperation Partnership Meeting
BUDGET PRIORITIES DEVELOPMENT			
MAY	<ul style="list-style-type: none"> • Compile budget policy priorities • Submit budget policy priorities • Submit budget policy priorities to COM for approval • Inform Ministries to start amending their programs, activities and narratives to reflect policy priorities <p>Closing Date for Supplementary Budget Submissions</p>	<p>DSPPAC</p> <p>DOFT & DSPPAC</p>	Publication of the budget policy priorities
SUPPLEMENTARY BUDGET AND BUDGET CEILINGS			
MAY	<p>Analysis of Supplementary Budget submissions</p> <p>Screening of Ministry Budget Ceilings</p> <p>Screening of Supplementary Budget Submissions</p>	<p>DOFT & DSPPAC</p> <p>Ministerial Budget Committee (MBC), DOFT & DSPPAC</p>	<p>Engagement of civic society in working committees within the budget process</p> <p>CSOs have the possibilities to send the recommendations to the budget to the Ministries</p>
EARLY JUNE	<p>Submit Ministry Ceilings for approval to Development Committee of Officials (DCO) and Council of Ministers (COM)</p> <p>Distribution of MBC approved ceilings to every Ministry and Department along with the Budget Guidelines are set at the Ministry level only</p>	DOFT	<p>Engagement of civic society in working committees within the budget process</p> <p>Publication of the budget ceilings</p>
JUNE	<p>Budget Policy Statement to be submitted to Minister and Director General (DG) of the Ministry of Finance and Economic Management (MFEM) followed by its publication</p> <p>Budget Policy Statement to be shared with Development Partners</p>	<p>DOFT & DSPPAC</p> <p>DSPPAC</p>	Publication of the statement
	<p>Internal consultations on Agencies respective budget ceilings</p> <p>MEC 2 meeting</p>	<p>Line Agencies</p> <p>DOFT, RBV, NSO</p>	Engagement of civic society in working committees within the budget process



DATE	ACTIVITY	RESPONSIBLE AGENCIES	BUDGET TRANSPARENCY AND CIVIC ENGAGEMENT IN THE BUDGET PROCESS
JULY-AUGUST	Publish Half Year Economic and Fiscal Update	DOFT	
BUDGET SUBMISSIONS			
AUGUST	Submit budget submissions to DOFT	Ministers, DGs & Finance Officers	
	Donor Round Table Meeting Review budget submissions and NPP's for MBC briefs and presentations	DSPPAC DOFT & DSPPAC	Engagement of civic society in working meetings within the budget process
BUDGET MEETINGS			
SEPTEMBER	Presentation of budget and NPP briefs Presentation of Ministry budgets to MBC	DOFT & DSPPAC Line Agencies	Engagement of civic society in working committees within the budget process
2. BUDGET APPROVAL PHASE			
SEPTEMBER	Draft final budget papers sent to DCO for information Final Budget forwarded to COM	DOFT	
OCTOBER	Preparation of Appropriation Bill	State Law Office (SLO)	
	Appropriation Bill distributed to MP's	Clerk of Parliament & DOFT	Publication of the Appropriation Bill
	MEC 3 Meeting Donor Round Table Meeting	DOFT, RBV, NSO DSPPAC	Engagement of civic society in working committees within the budget process
NOVEMBER	Distribution of Budget Books to MP's Budget tabled at the Parliament	Clerk of Parliament & DOFT	
3 BUDGET EXECUTION PHASE YEAR 2			
JANUARY-DECEMBER OF THE FINANCIAL YEAR	Minister responsible for finance approves the programs and activities of Ministers/ agencies for the purposes of appropriating amounts for those programs and activities in a financial year.	Ministry of Finance and Economic Management	
	At any time in a financial year, the Government may introduce into the Parliament a Bill for an Act that authorizes amounts to be issued from the Public Fund and applied to programs and activities of agencies in that financial year.	Government	Publication of the Bill and public discussion of it

DATE	ACTIVITY	RESPONSIBLE AGENCIES	BUDGET TRANSPARENCY AND CIVIC ENGAGEMENT IN THE BUDGET PROCESS
JANUARY-DECEMBER OF THE FINANCIAL YEAR	The head of agencies/ministers must manage the affairs of the agency in a way that promotes the efficient use of the public resources and money; ensure that the financial management of the resources achieve the objectives and outputs approved for each of the programs administered	Agencies/Ministers	Publication of the reports by Agencies/Ministers Engagement of civic society in working committees within the budget process
	Each minister/agency shall ensure that all estimates of receipts and expenditure provided from entities are fully consistent with the Government's budget policy statement	Agencies/Ministers	
	Procurements by authorized institutions Internal control, accounting for and reporting on actual expenditure and service delivery	Agencies/Ministers	
30TH APRIL	Q1 Expenditure Report	DOFT	Publication of the report
NOT EARLIER THAN THE 1ST DAY OF JULY OR LATER THAN THE 31ST DAY OF JULY IN EACH FINANCIAL YEAR	The Minister of finance publishes a report containing an economic and fiscal update	Minister of finance	Publication of the report containing an economic and fiscal update
31ST JULY	Q2 Expenditure Report	DOFT	Publication of the report
30TH OCTOBER	Q3 Expenditure Report	DOFT	Publication of the report
4 AUDITING AND REPORTING PHASE YEAR 3			
AFTER THE END OF EACH FINANCIAL YEAR AND NOT LATER THAN 6 MONTHS AFTER THE END OF THAT FINANCIAL YEAR	The Director-General prepares a consolidated financial report of the Government for that financial year.	Director-General	Publication of the consolidated financial report



BUDGET CALENDAR



2024 BUDGET PRIORITIES

The 2024 budget is developed in alignment with the Vanuatu's People's Plan 2030. The core strategic policy priorities for are set out in the following seven (7) budget policy priority outcome:



INFRASTRUCTURE

Improved and Well-maintained resilient infrastructure and Recovery Needs

- » Rehabilitating and improving maintenance of high priority rural infrastructure
- » Improving airport infrastructure including Aids to Navigation (AToNs)
- » Expanding access, and reducing the costs of energy and telecommunication
- » Expanding access of clean and safe drinking water

Strengthen rural communities through a strong rural economy

- » Increase primary production and market access
 - » Strengthening of the food supply chains
 - » Improving the management of land
 - » Promoting a strong economic diversification
- » Increase Value-addition, infrastructure facilities, Agro-processing and Quality control
 - » Expanding the service sect
- » Establishment of model villages and communities
 - » Support Public Private Partnerships (PPP)



ECONOMIC DEVELOPMENT



HUMAN RESOURCE

Development and implementation of national human resource development plan

- » Review and implement the National Human Resources Skills Development Plan
- » Enhance implementation of Decentralization
- » Improve urban management
- » Strengthen human resource capacity of government
- » Enhance partnership with development partners, community-based organisations and non-governmental organisations
- » Strengthen public institutions at the head of the executive

Continued implementation of government reforms, essential services and commitments

- » Improving climate change adaptation and disaster risk management governance
- » Increasing equitable, accessible, safe and affordable water supply, sanitation and energy
- » Strengthening institutions and governance for effective service delivery and protection of our environment and natural resources
 - » Strengthening the enforcement of compliance



SERVICE DELIVERY



PRIORITIES IN SPENDING



INFRASTRUCTURE

50%

Improved and Well-maintained resilient infrastructure and Recovery Needs



HUMAN RESOURCE

10%

Development and implementation of national human resource development plan



ECONOMIC DEVELOPMENT

20%

Strengthen rural communities through a strong rural economy



SERVICE DELIVERY

20%

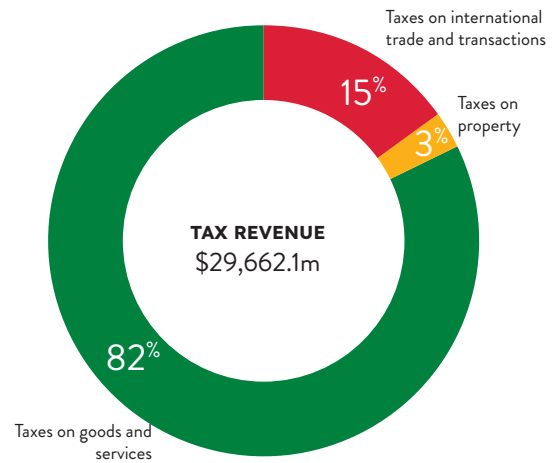
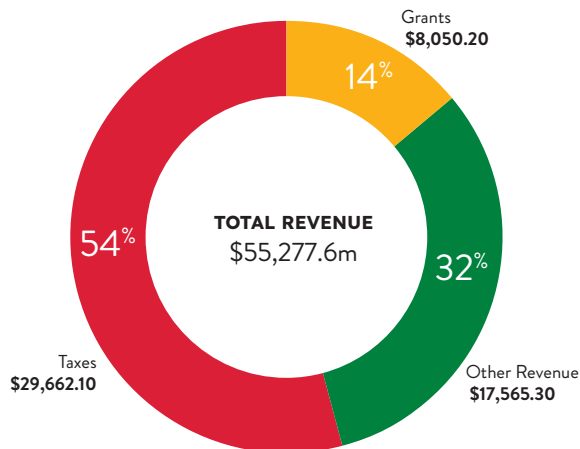
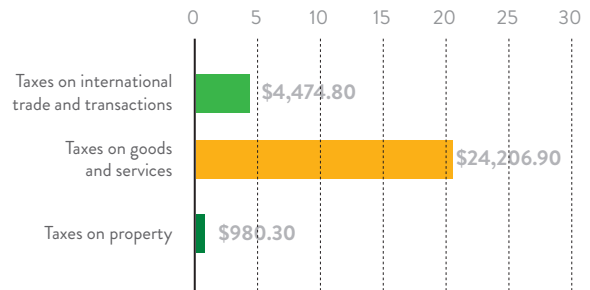
Continued implementation of government reforms, essential services and commitments

BUDGET AT A GLANCE

REVENUE

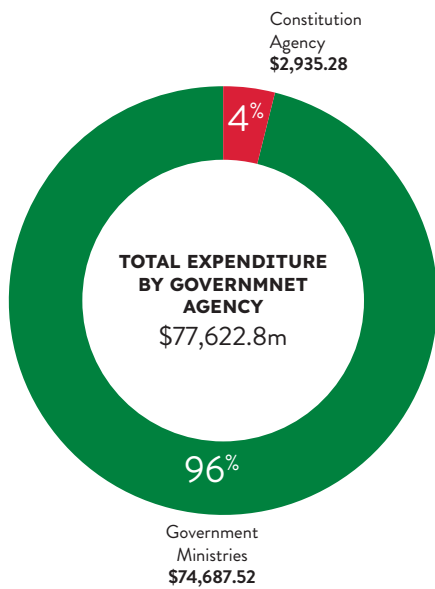
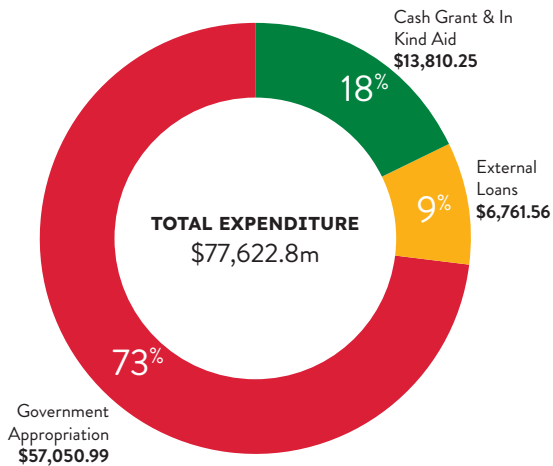
The Vanuatu Government is forecasting a increase in the total revenue of 10.1%, that is from a total revenue of VT50,186.9m in 2023 to VT55,277.6m in 2024. This is mainly attributed to increase in Government's revenue collection.

TAX REVENUE

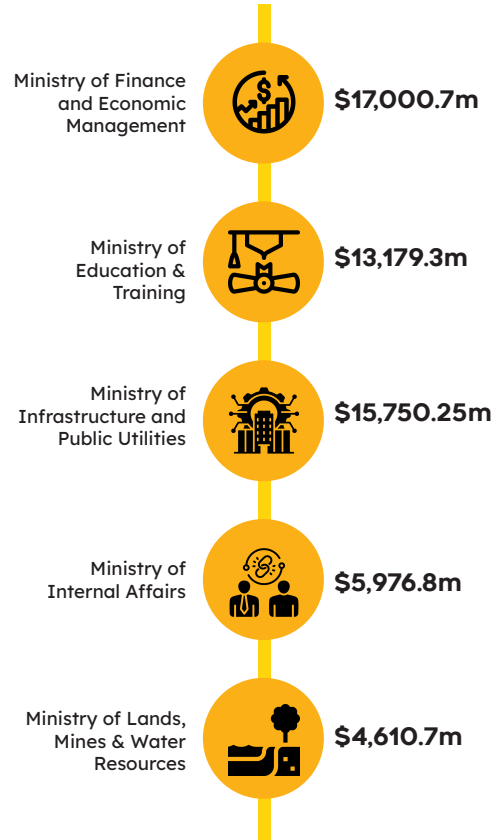


EXPENDITURE

For the 2024 budget year the Government of Vanuatu has forecasted a total expenditure of VT 77,623.0m. This will be financed through Government appropriations, Cash Grant & in-Kind Aid and External Loans as detailed below:



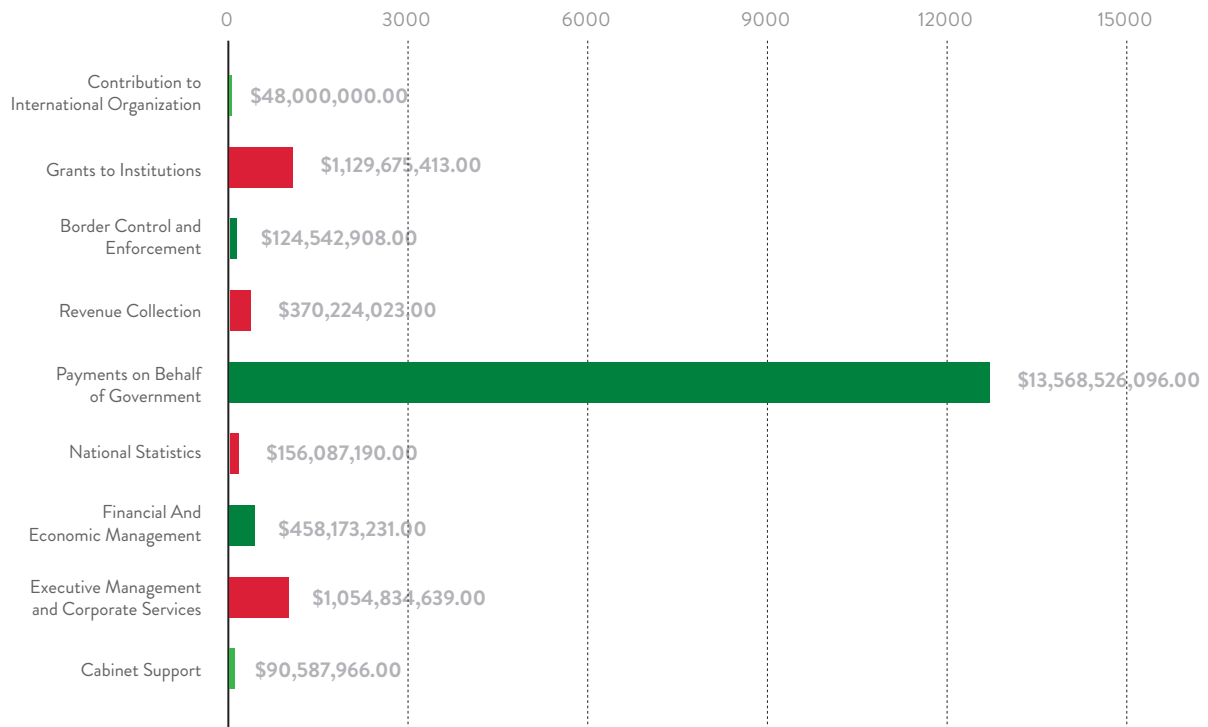
TOP FIVE MINISTERIAL SPENDING



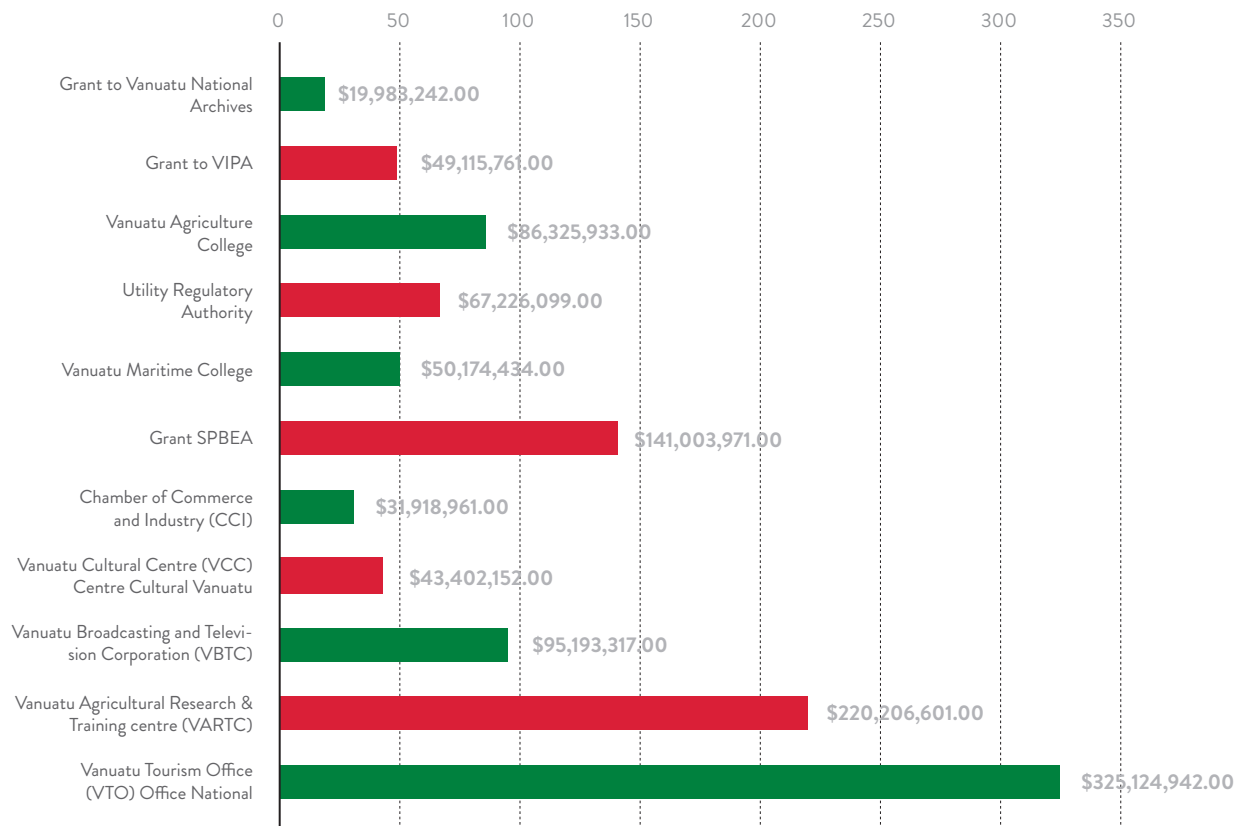


MINISTERIAL SPOTLIGHT

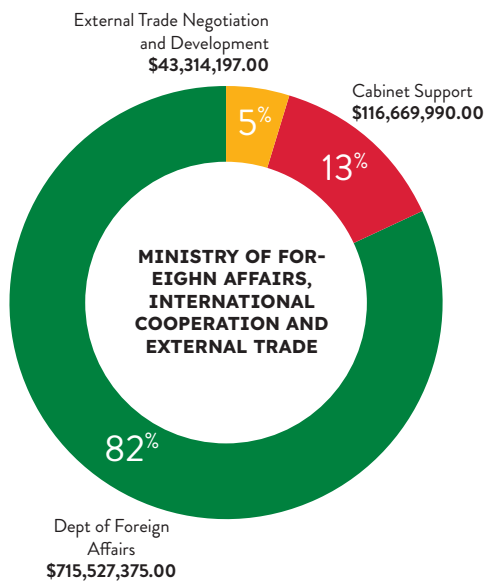
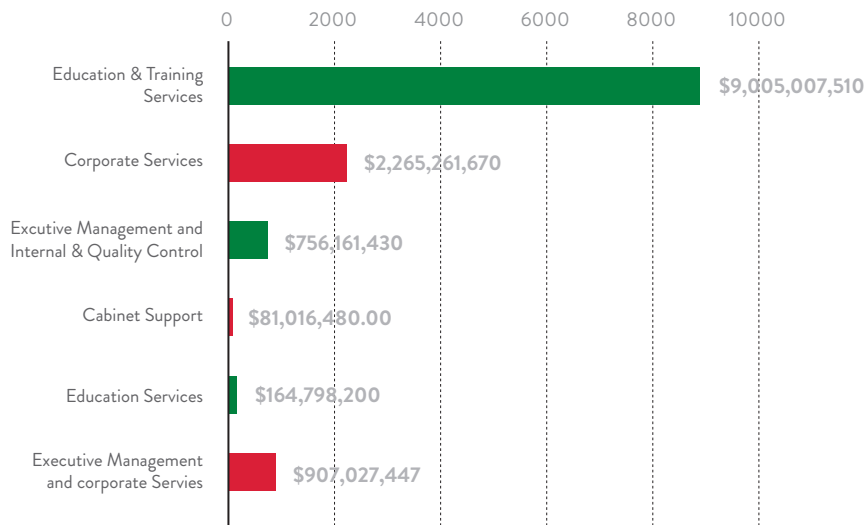
MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT



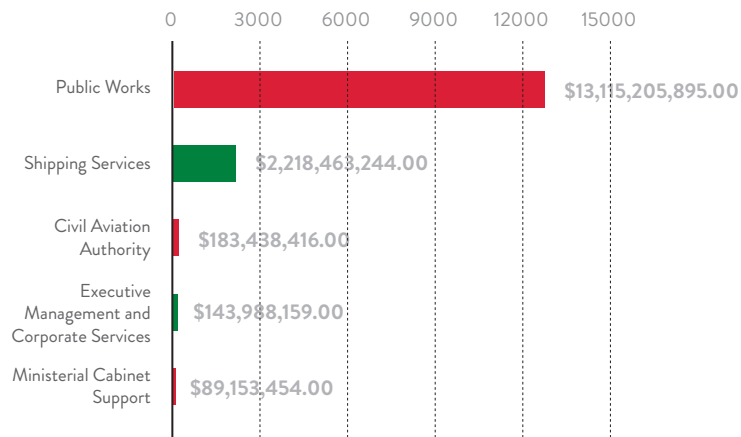
GRANTS TO INSTITUTION



MINISTRY OF EDUCATION AND TRAINING

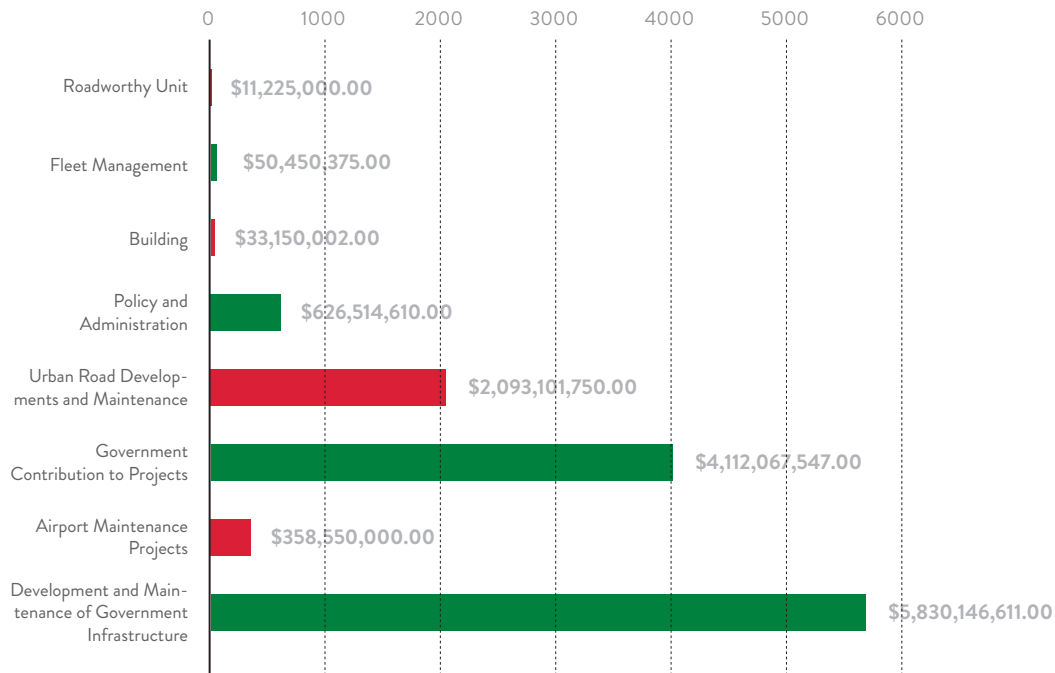


MINISTRY OF INFRASTRUCTURE AND PUBLIC UTILITIES

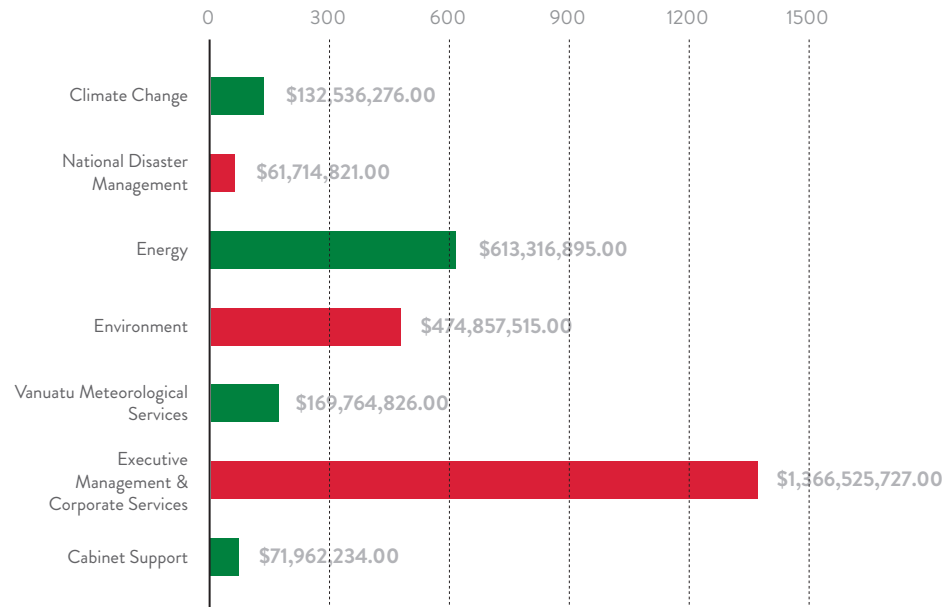




PUBLIC WORKS



MINISTRY OF CLIMATE CHANGE ADAPTION, GEOHAZARDS, METEOROLOGY AND ENERGY



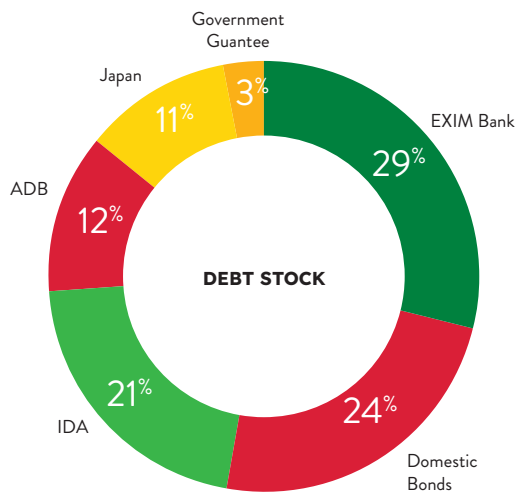
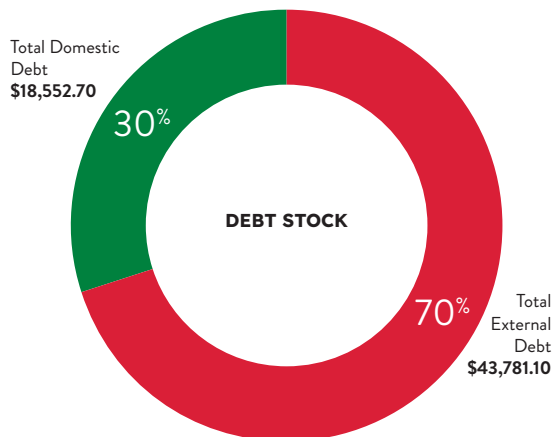
SPENDING BY GOVERNMENT AGENCY

Government Agency	Government Appropriation \$VT	Cash Grant & Aid in Kind \$VT	External Loans \$VT	Total Appropriation \$VT
Constitution Agency	-	-	-	-
President of Republic	\$154,541,840.00	\$ -	\$ -	\$154,541,840.00
Parliament	\$1,136,843,063.00	\$ -	\$ -	\$1,136,843,063.00
Judiciary	\$368,308,364.00	\$ -	\$ -	\$368,308,364.00
Malvatumauri Council of Chiefs	\$153,285,939.00	\$ -	\$ -	\$153,285,939.00
National Audit Office	\$93,563,636.00	\$ 1,754,133.00	\$ -	\$95,317,769.00
Office of Ombudsman	\$71,934,447.00	\$ -	\$ -	\$71,934,447.00
Public Prosecutor	\$150,524,002.00	\$ -	\$ -	\$150,524,002.00
Public Solicitor	\$88,658,235.00	\$ -	\$ -	\$88,658,235.00
Public Service Commission	\$367,539,544.00	\$ 60,300,000.00	\$ -	\$427,839,544.00
Judicial Services Commission	\$1,914,514.00	\$ -	\$ -	\$1,914,514.00
State Law Office	\$242,307,590.00	\$ -	\$ -	\$242,307,590.00
Citizens Office	\$43,808,891.00	\$ -	\$ -	\$43,808,891.00
Constitution Agency Total	\$2,873,230,065.00	\$62,054,133.00	\$-	\$2,935,284,198.00
Government Ministries	-	-	-	-
Prime Ministers Ministry	\$2,093,652,100.00	\$881,413,659.00	\$ -	\$2,975,065,759.00
Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity	\$2,187,786,437.00	\$226,746,056.00	\$ -	\$2,414,532,493.00
Ministry of Tourism, Trade, Commerce and Ni- Vanuatu Business	\$1,347,135,882.00	\$222,482,520.00	\$ -	\$1,569,618,402.00
Ministry of Education & Training	\$10,415,767,357.00	\$2,763,505,380.00	\$ -	\$13,179,272,737.00
Ministry of Finance and Economic Management	\$16,922,081,682.00	\$78,569,784.00	\$ -	\$17,000,651,466.00
Ministry of Foreign Affairs, International Cooperation and External Trade	\$796,475,159.00	\$79,036,403.00	\$ -	\$875,511,562.00
Ministry of Health	\$4,374,221,227.00	\$1,069,010,674.00	\$ -	\$5,443,231,901.00
Ministry of Infrastructure and Public Utilities	\$7,504,530,807.00	\$2,624,153,996.00	\$5,621,564,365.00	\$15,750,249,168.00
Ministry of Internal Affairs	\$4,099,515,478.00	\$1,877,257,024.00	\$ -	\$5,976,772,502.00
Ministry of Lands, Mines & Water Resources	\$2,101,473,625.00	\$1,369,258,981.00	\$1,140,000,000.00	\$4,610,732,606.00
Ministry of Justice and Social Welfare	\$832,342,253.00	\$713,636,310.00	\$ -	\$1,545,978,563.00
Ministry of Youth Development and Sports	\$418,028,969.00	\$37,200,000.00	\$ -	\$455,228,969.00
Ministry of Climate Change Adaptation, Geohazards, Meteorology and Energy	\$1,084,752,099.00	\$1,805,926,195.00	\$ -	\$2,890,678,294.00
Government Ministries Total	\$54,177,763,075.00	\$13,748,196,982.00	\$6,761,564,365.00	\$74,687,524,422.00
Total Expenditure	\$57,050,993,140.00	\$13,810,251,115.00	\$6,761,564,365.00	\$77,622,808,620.00



DEBT

The total public debt for Vanuatu is VT62,333.8m, this consist of external debt of VT\$43,781.1m or 70% and domestic debt of VT\$18,552.7m or 30%.



BUDGET TERMINOLOGY (GLOSSARY)

Budget - government's financial plan for a year developed by the government presenting its anticipated sources of financing (revenues, borrowings, or cash drawdown) and proposed expenditures.

Revenues - the total amount of money that the Government receives for its activities from both domestic and external sources.

Tax revenue - revenue from compulsory, non-refundable, and non-exchange-related Contributions collected by the State; the total amount of money that the government receives from taxation.

Non-tax revenue - income earned by the government from sources other than taxes (e.g. income from monopolies and holdings, financial investments, repayment of loans, penalties, etc.).

Grants - financial assistance given to Government by development partners and does not have to be paid back.

Budget deficit - a situation where government revenues are lower than its expenses GDP - the monetary value of all the finished goods and services produced within a country's borders in a specific period.

Inflation - the rate at which the general level of prices for goods and services is rising.

Expenditure - all government consumption, investment, and transfer payments.

Domestic Debt - is the component of the total government debt in a country that is owed to lenders within the country.

External Debt - is the component of the total government debt in a country that is owed to foreign lenders.

Appropriation Bill - proposed law that authorizes the expenditure of government funds.



**CONTACT
INFORMATION**



VANUATU
ASSOCIATION OF
NON-GOVERNMENTAL
ORGANISATIONS
VANGO



PACIFIC ISLANDS
ASSOCIATION OF
NON-GOVERNMENTAL
ORGANISATIONS
PIANGO