



Check against Delivery



# The Republic of Vanuatu

Statement by

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*“Building Resilience to Natural Disaster and Economic Crises”*

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Mr. Chairman,  
Excellency Madam Executive Secretary  
Excellency Ministers  
Distinguished delegates  
Ladies and Gentlemen

It is indeed an honour for me to be here today for the sixty-ninth session of the United Nations Economic and Social Commission of Asia Pacific. Let me take this opportunity to thank the Executive Secretary of ESCAP and her staff for the excellent preparation for this meeting.

*Building resilience to natural disaster and economic crisis*

This year's theme - "building resilience to natural disasters and economic crises" reflects our regions vulnerability to natural disasters and economic shocks. The impact of economic shocks in small island countries such as Vanuatu has significant effect on private sector investment, and public sector investment in social services. Vanuatu is vulnerable to natural disasters due to its location in the "pacific rim of fire" and "cyclone belt", and as a result we experience constant threat of earthquakes, tsunamis, volcanic eruption and cyclones. These natural disasters also place a lot of strain on our fiscal resources, subsequently impacting our development gains as resources are diverted to rehabilitation, whenever disaster strikes.

Mr. Chairman, in recognition of the seriousness of climate change and the importance of disaster risk management, the Vanuatu Government has now established a new Ministry of Climate Change and Disaster Risk Management. This new ministry is to ensure proper coordination of activities relating to climate change and disaster risk management through prevention, preparedness and post disaster rehabilitation.

Whilst we develop measures to mitigate shocks our region needs to explore other financing options. Vanuatu currently participates in a pilot insurance program on pacific catastrophic risk insurance with four other countries in the pacific facilitated by the World Bank and financed by the Japanese Government. I take this opportunity to thank the Japanese government for the funding of this pilot initiative. This financing arrangement has been operating well in the Caribbean with positive outcomes; therefore our region needs to seriously consider this option. The purpose of this insurance is to rapidly mobilize funds when disaster strikes while waiting for further relief. This mechanism has its merits; therefore I encourage UNESCAP to explore this modality for the region and to encourage development partners to leverage resources to develop this mechanism.

Mr. Chairman, the UN has funding for various climate change facilities to deal with the impacts of climate change and natural disasters. Despite the availability of these funds, the process to access funding under these facilities is cumbersome and difficult for pacific island countries, due to lack of capacity by the countries to develop proposals to meet the requirements. I call on the UN to be creative in finding ways to simplify their requirements to enable countries to access these funds more easily. It is also essential that the UN harmonize its funding





requirements to facilitate synergies and complementarities within the various funding facilities to ease securing of funding for the same programs.

#### *Least Developed Country (LDC)*

Mr. Chairman, Vanuatu has put on a strong case to delay its graduation from LDC status when we first met the conditions for graduation due to our vulnerability to economic shocks and natural disaster. But we do know that graduation is imminent and it is a positive indication of the progress we have made over the years. However, our permanent vulnerabilities and our inability to mitigate the impacts of economic shocks and natural disasters remain our concern.

Graduating out from LDC also mean that Vanuatu will lose out in preferential treatment on trade of its products, in an already limited export base economy, and it is likely that we will lose export earnings in the event that our products becomes more expensive in the international market. This will have devastating impact on our rural population who depend on commodity exports for incomes towards school and medical fees.

#### *Macroeconomic Policy and Inclusive development & MDGs*

Mr. Chairman, Vanuatu's economy grew slight in 2012 compare to 2011 owing partly to the slight improvement in economic conditions and the absence of major natural disasters. Growth in the agriculture sector has somewhat been mixed. The services sector show signs of improvement as tourism begin to pickup. The industrial sector continues to slow as a result of delays in the implementation of major public infrastructure and weak private sector investment. The government has embarked on major structural reforms and diversification to stimulate further growth through inclusive and sustainable development.

Vanuatu's achievement of the MDGs has been modest. Various targets have been met in the area of education and health; however there is much to be done in other sectors. The government is committed to achieving all the MDG s beyond 2015. This commitment is reflected in the integration of the MDGs into our national development plans.

As we chart the new post 2015 development agenda, it is my hope that we develop a plan that is realistic and achievable. Given the persistent emerging challenges the post 2015 development agenda **MUST** be transformative, inclusive, and sustainable. The new platform must be based on wider consultations within governments, NGOs, civil society and private sector. It must be transformative through job creation, infrastructure development, increase productivity, improves competitiveness and promotes sustainable production.

#### *Environment and Sustainable Development*

Mr. Chairman, the integration of economic and social development and sustainable environmental protection is the only pathway to a brighter future. In a country such as ours with large rural population dependent on the environment for its survival it is a challenge to strike a balance between development aspirations and protection. Despite this the sustainable use of our environment has also serve as a buffer during times of crisis. This is emphasis in what we know as "custom economy" where the rural population is shielded from the impacts of the global economic and financial crisis.



Whilst Rio+20 is in place our concern is whether the outcomes are achievable. It is essential that the UNESCAP take a leading role in assisting countries to implement the outcomes at this early stage. The experience as shown by the implementation of the MDGs in the last minute should not be repeated with Rio+20, to ensure that the outcomes are achieved within the timeframe.

Mr. Chairman, I reiterate the call made by my pacific colleagues on the sustainable use of our ocean resources. The Pacific's vast marine resources will be depleted if not managed sustainably. Despite living in this vast ocean our countries receive very little return on our resources. It would only be fair if we get better deals from companies operating in our oceans.

#### *Conclusion*

Mr. Chairman, in order to overcome the vulnerabilities of our region we need to unite and work in partnership. Together we can resist the impact of the ongoing economic and financial crisis, climate change, and high fuel and food prices. I am confident that together we can construct a brighter future for our region and our people.

I thank you.