



INTEGRATED SDG INSIGHTS VANUATU

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: VANUATU

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

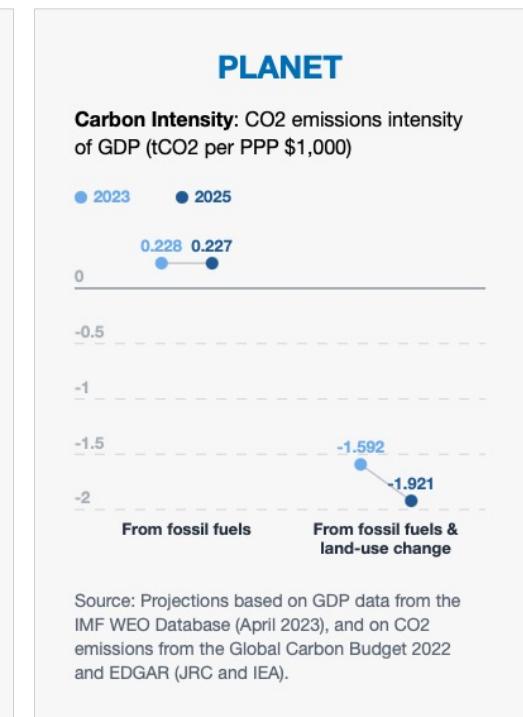
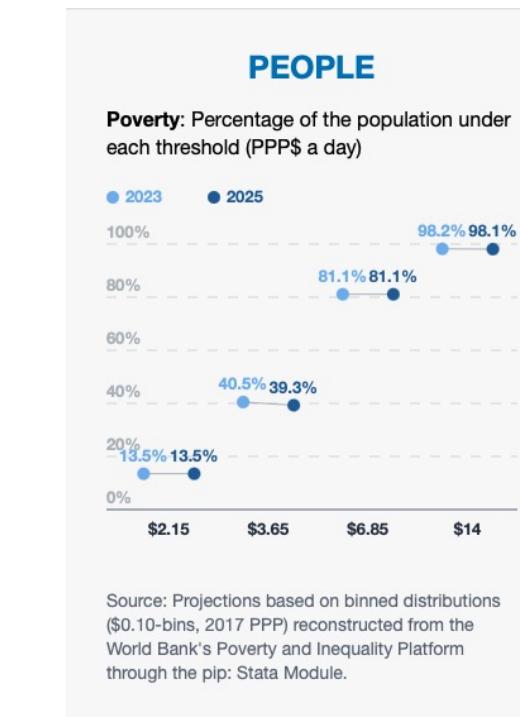
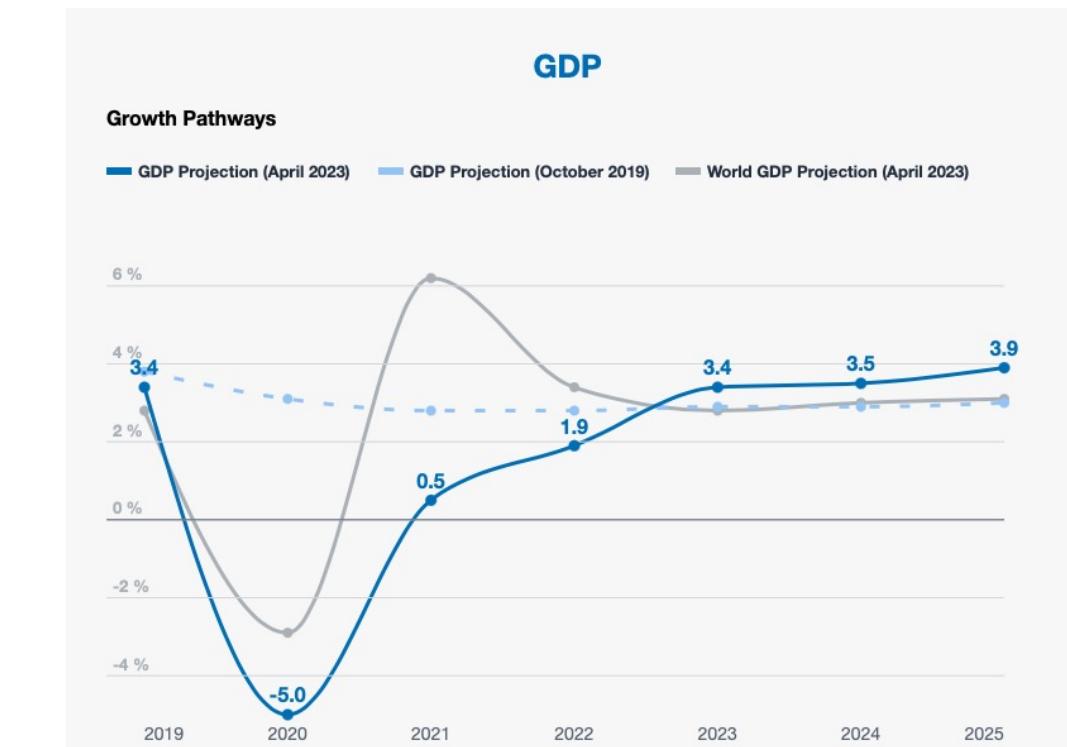
Vanuatu's growth trajectory during the 2023-2025 cycle is in acceleration mode, projected to be 22% higher, on average, than the global projection, and well above the country's growth trajectory forecast before the pandemic.¹ Accordingly, Vanuatu's commitments to achieving the SDGs are focused on increasing people's well-being.

Vanuatu's economic expansion is not projected to exert a significant impact on reducing poverty/hardship (currently at 15.9% when considering the national poverty line²) given the negative impacts of the Tropical Cyclones Pam, Harold, Judy and Kevin. This brings to the fore the urgency to address key distributional challenges to accelerate progress, especially when using stringent poverty thresholds. This pace of economic growth, on the other hand, would be somewhat less dependent on carbon emissions as the country's fossil-fuel carbon emissions intensity of GDP is projected to decline at an annual rate of 0.4%.³ Favorable land-use change is expected to continue compensating and dominating over and above any dependency of GDP growth on emissions from fossil fuels.

¹ The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

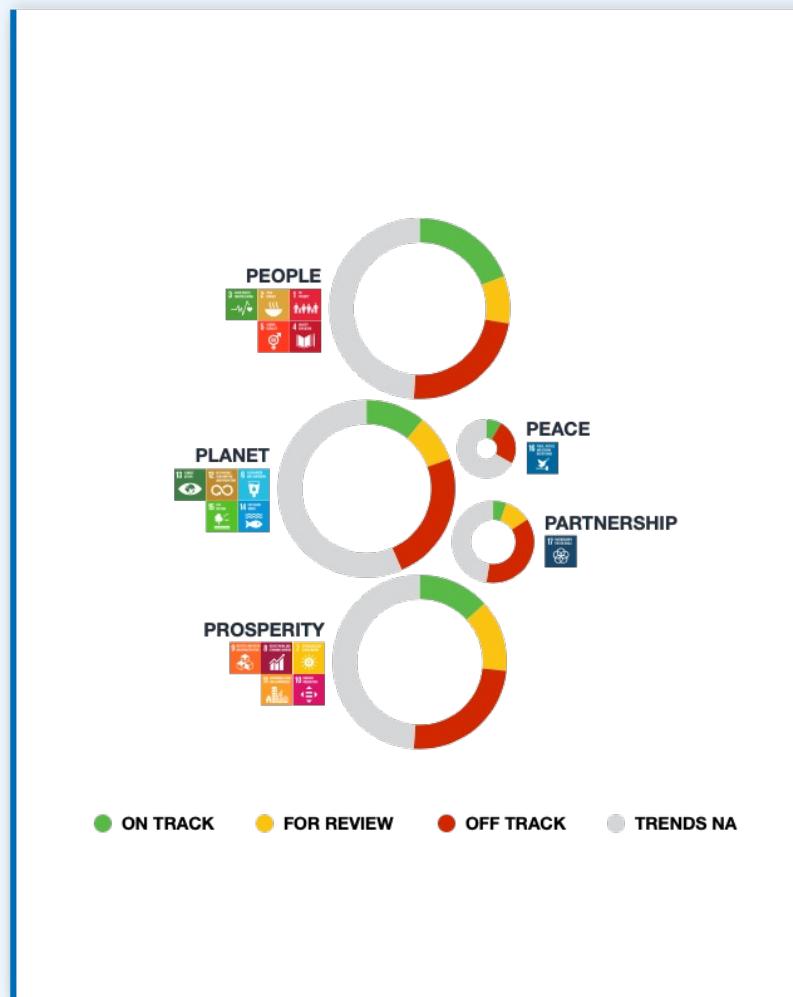
² Hardship in Vanuatu. 2019-2020 NSDP Baseline Report.

³CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how Vanuatu performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



SDG PRIORITIES

Vanuatu's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. Vanuatu Recovery Strategy 2020 – 2023
2. National Sustainable Development Plan 2016 -2030
3. Vanuatu – Post Disaster Needs Assessment 2023
4. SDG 16 in Vanuatu
5. 2024 Government Policy Priorities
6. National Sustainable Development Plan Review 2016-2020
7. Budget 2023: Fiscal Strategy Report
8. Development Finance Assessment of Vanuatu
9. Tropical Cyclones Judy and Kevin Recovery and Resilience Plan 2023-2027

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Vanuatu to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Vanuatu's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Vanuatu:

- Target 9.1: Develop sustainable, resilient and inclusive infrastructures
- Target 11.5: Reduce the adverse effects of natural disasters
- Target 16.6: Develop effective, accountable and transparent institutions



ACCELERATION PATHWAYS



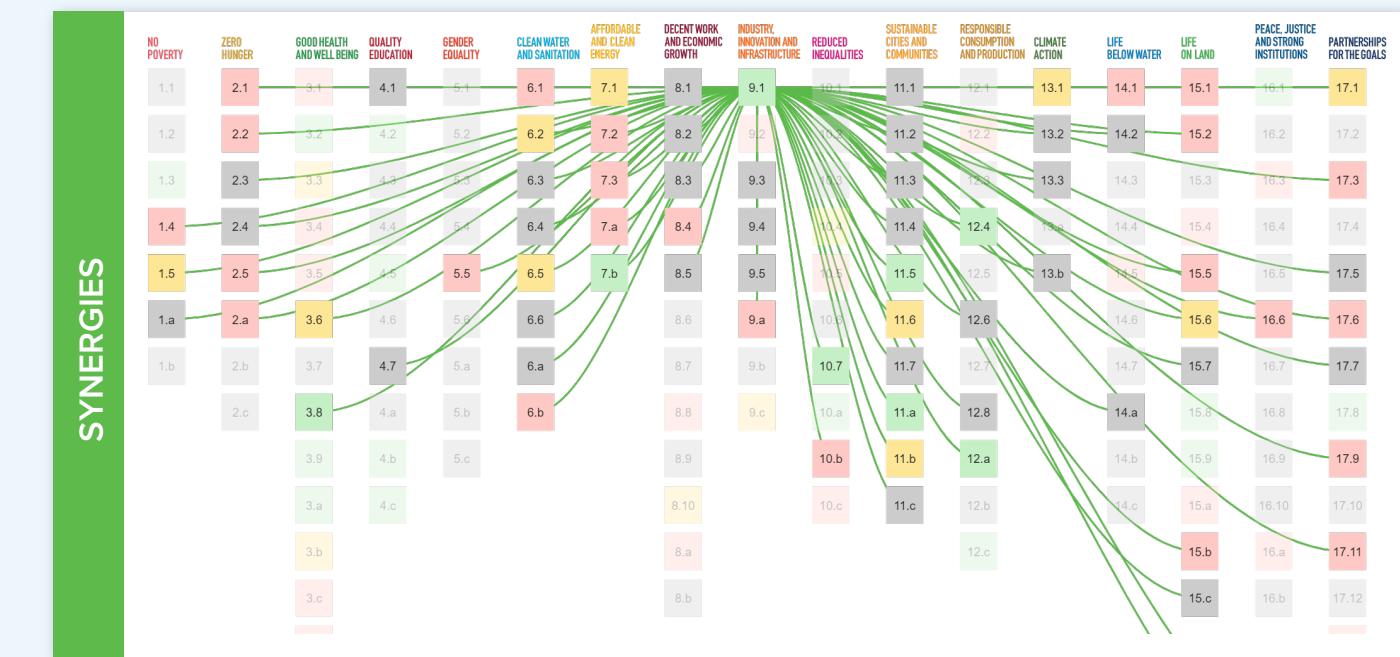
SDG INTERLINKAGES

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

The recent economic crisis caused by COVID-19 and natural disasters have highlighted economic vulnerabilities and developed the need to strengthen Vanuatu's economic resilience and recovery through building a resilient infrastructure. An improved transport infrastructure for all is a clear objective of the country's National Sustainable Development Plan (NSDP).

High quality infrastructure is essential for Vanuatu's development as it can enhance logistical chains, delivery of services and access to markets, reducing the cost of doing business and improving productivity and economic growth. By creating more job opportunities, investments in SDG target 9.1 can directly contribute to poverty reduction. Trade offs related to clean water and sanitation and the environment would need to be carefully managed. Striking a balance between economic growth, infrastructure development and environmental and social well-being is critical to ensure that progress in one area does not come at the expense of another.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/VUT/synergies-and-tradeoffs>

SDG INTERLINKAGES

11.5: By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.

Vanuatu had three ‘Category 5’ cyclones in the last three years. Only in 2023, the country was hit by ‘Category 4’ cyclones twice, which affected approximately 66 percent of the total population. These natural disasters have increased deprivations by disrupting health care and education services and severely damaging infrastructure. Livelihoods have also been deeply affected as 67% of workers (25,933 people) are in the informal economy. Based on the 2023 Post Disaster Needs Assessment (PDNA)¹, total recovery needs are estimated VUV 91.5 billion – mostly for transportation, housing, employment and livelihoods.

As highlighted in its NSDP, the Government of Vanuatu aims to focus on climate and disaster resilience, with priorities such as the development of a disaster financing strategy. Boosting investments related to SDG target 11.5, such as disaster risk reduction (e.g., early warning systems and contingency plans for farmers and fishers), can directly contribute to climate resilience by reducing vulnerabilities and adapting to changing environmental conditions. It can also help to reduce poverty and hunger and to improve economic stability by preventing disruptions to businesses, tourism and other economic activities.



¹ PDNA- Vanuatu Tropical Cyclones Judy and Kevin, 2023.

SDG INTERLINKAGES

16.6: Develop effective, accountable and transparent institutions at all levels.

Effective institutions are essential for upholding the rule of law, providing legal protection to citizens and businesses, and for maintaining social order, cohesion and coordinating disaster response efforts. Improving governance mechanisms, eradicating corruption and enhancing the accountability of public officials are among the main objectives of Vanuatu's NSDP. The Government Machinery Review and the Decentralization Implementation are two flagship programmes for institutional strength/transparency.

Beyond contributing to peace, justice and stability, effective institutions have significant multiplier effects across a vast range of development outcomes as they create an enabling environment for economic growth and poverty reduction by delivering quality public services, promoting fair business practices and protecting property rights.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



FUTURES SCENARIOS

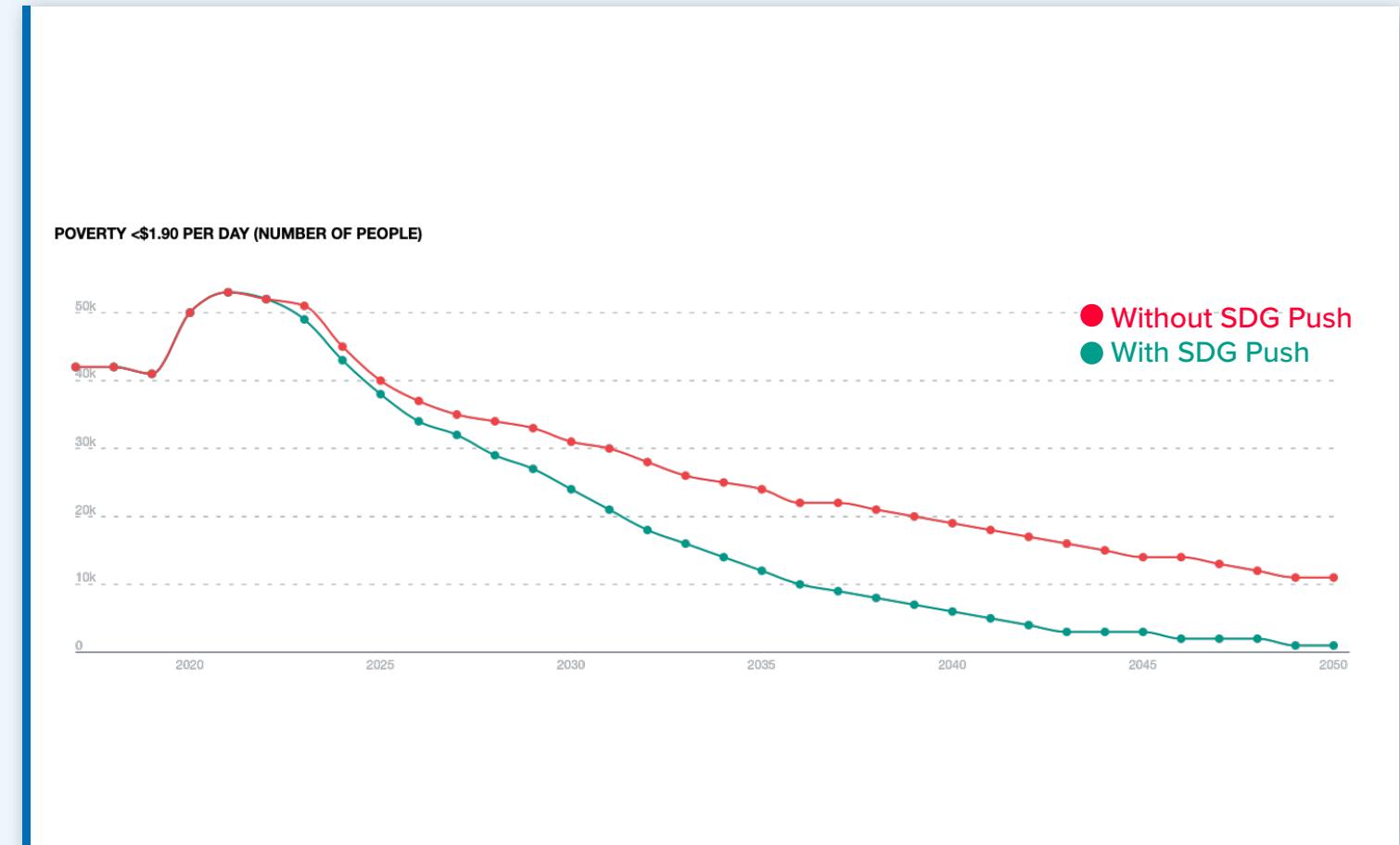
Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators, extrapolating the latest economic growth trends and assuming a reduction in inequalities across time.

Incorporating ‘SDG Push’ accelerators into development interventions in Vanuatu can reduce the number of people living in poverty¹ over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	31,000	11,000
With the SDG Push	24,000	1,000

It is important to note that Vanuatu uses the word 'hardship' instead of 'poverty' when referring to hard cash (money). The rate of hardship for Vanuatu is defined as those individuals living below the "National Poverty Line" based on the national cost of basic needs.



Explore SDG Futures Scenarios at:
<https://data.undp.org/sdg-push-diagnostic/VUT/future-scenarios>

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicator graphs show external debt servicing relative to revenue and the country's latest Debt Sustainability Assessment (DSA) risk rating.

Vanuatu's gross government debt, projected at 48.4% of GDP in 2023, is more than 20 percentage points below the emerging market and middle-income economies (EMMIE) group of 68.8%. The country is expected to collect 40% of GDP in revenue this year, thus more than 1.5 times the EMMIE group of 26%.

Vanuatu's external debt servicing relative to revenue, at a projected 5.8% this year, is less than half the average EMMIE country of 12.3%. Due to mostly concessional borrowing but a limited ability to cope with natural disasters and macroeconomic shocks, the latest World Bank and IMF DSA from February 2023 rated Vanuatu as at a 'moderate risk of debt distress'.

