

‘Building Tourism Today for Tomorrow’

Vanuatu Tourism Action Program (VTAP)



REPUBLIC OF VANUATU

CONTENTS	Page
1. Introduction	1
2. Vanuatu Tourism and the MDGs	2
3. Vanuatu Development Priorities	3
4. Sector Wide Approach	4
5. The Vision for Tourism	4
6. Tourism Operating Environment	5
7. Development Constraints and Opportunities	9
8. The Tourism Action Program	15
9. Implementing and Resourcing the Plan	24

INTRODUCTION

"Tourism growth in Vanuatu looks promising, but for tourism to provide sufficient jobs for a growing population, concerted efforts need to be made." (Vanuatu Priority Action Agenda 2006 – 2015)

Tourism has been identified as one of the key productive sectors by the Government of Vanuatu. The sector is vital to the Vanuatu economy with visitor expenditure accounting for approximately 20 percent of GDP and an estimated 5,000 jobs¹. According to the UNWTO, tourism also accounts for approximately 75 percent of foreign exchange in the country.

Further development of tourism which is built on sustainable principles has the potential to deliver significant benefits for the local population and to underpin poverty alleviation and growth of the whole economy. Tourism is cross-sectoral; both backward and forward linkages in tourism are strong; as a sector tourism also provides significant employment, including many relatively unskilled jobs and can be a source of income for rural communities.

Yet in many ways tourism has significant potential but remains relatively undeveloped in Vanuatu. Eighty percent of tourism activity takes place on Efate and the level of total arrivals is not even one fifth achieved by Fiji. In recognition of the potential to further develop tourism and the need to take a coordinated and programmatic approach to development of the sector the

¹ Millennium Challenge Account – Tourism Baseline Survey 2007 – TRIP Consultants - June 2008

Government, through the National Tourism Development Office (NTDO), has worked with other key stakeholders to develop this Tourism Action Program (TAP) which establishes development priorities and a process for implementation for the next five years.

Growth of the sector has accelerated in the last few years as additional airline competition and capacity have been introduced and additional international and domestic investment in accommodation tours, restaurants and other product components has taken place. This investment by the private sector has been supported by an increased commitment from the Government and donor partners to supporting hard and soft infrastructure including the upgrading of key airports and roads and the development and expansion of tourism and hospitality training.

In recent years tourism in Vanuatu has been expanding at a rate faster than both the regional and global average; whilst this is providing major benefits to the country in terms of GDP, employment and foreign exchange earnings, it also means that pressure is increasing on the country's natural and cultural resources, as well as its physical infrastructure.

This TAP has been developed in response to the recognition by the key stakeholders that the public and private sectors need to address a wide range of issues in a coordinated manner if tourism is to grow and develop sustainably.

A participatory process involving a wide range of stakeholders has been undertaken in developing this TAP. This process has included a Visioning Workshop to develop the outline of the TAP conducted with key stakeholders on 8th and 9th of July 2008 and discussion of the draft TAP at the National Tourism Summit held on 5th December in Port Vila.

Vanuatu Tourism Action Program – December 2008

The development of a sector wide framework for tourism was conceived and organised by a number of key local stakeholders who included the Ministry of Tourism and National Tourism Development Office (NTDO), the Vanuatu Tourism Office (VTO), the Vanuatu Hotels and Resorts Association (VHRA) and Airports Vanuatu Limited (AVL).

The TAP has been developed in response to a requirement to establish a more coordinated approach to the planning and development of the tourism sector in the country. The participatory process undertaken in formulating this TAP has been intended: :

- As a public/private sector initiative to allow stakeholders to develop a longer term Vision for the Tourism Sector in Vanuatu (10 years)
- To provide representative forums for stakeholder dialogue to discuss issues and options for tourism development:
- To identify and document strategic actions to achieve the Vision (short and medium term actions 1- 5 years): and
- To identify a process for coordinated implementation of the strategic actions.

The major theme for the TAP which provided the basis for the consultation was *'Building Tourism Today, For Tomorrow'*, which reflected the importance of tourism in the development of Vanuatu and the requirement for a more coordinated and programmatic approach to tourism planning and development. Funding support for the development of the TAP was primarily provided by the Government of Vanuatu and the European Union, with a range of private sector sponsors providing additional support. Secretariat and logistical support has been provided by the NTDO and Technical Assistance in the form of workshop facilitation and drafting of the TAP was provided by Ross Hopkins of TRIP Consultants.

VANUATU TOURISM AND THE MILLENIUM DEVELOPMENT GOALS

The Government of Vanuatu has committed to the United Nations Millennium Declaration that was adopted by the UN General Assembly in 2000. The Declaration establishes eight goals to which the international community will commit its resources.

The Vanuatu Government is committed to achieving these Goals; the further development of a sustainable tourism in Vanuatu can make a significant contribution to achieving these goals and this is illustrated below:

MDG Goal	Relevance to Vanuatu Tourism
MDG One: Eradicate extreme poverty and hunger	Direct and indirect employment through sustainable livelihood development and leakage reduction
MDG Two: Achieve universal primary education	Increased Government revenues through tourism activity to enable delivery of primary education
MDG Three: Promote gender equality and empower women	Tourism provides employment opportunities across gender and at a relatively low skilled level
MDG Four: Reduce child mortality	Tourism supports education and awareness directly and indirectly through increase Government revenues
MDG Five: Improve maternal health	Tourism supports education and awareness directly and indirectly through increase Government revenues
MDG Six: Combat HIV/AIDS, malaria and	Tourism can support increased awareness and raise standards to international levels (ie

Vanuatu Tourism Action Program – December 2008

MDG Goal	Relevance to Vanuatu Tourism
other diseases	malarial control, regulations on sex tourism)
MDG Seven: Ensure environmental sustainability	Tourism provides alternative sustainable income opportunities for communities and enhances economic values of natural assets.
MDG Eight: Develop a Global Partnership for Development	Tourism promotes good governance through the adoption of international standards and public/private sector partnerships

In developing this TAP a 'triple bottom' line approach has been adopted which is underpinned by economic, social and environmental sustainable benefits which will support the MDGs. Further, integration the MDGs have been specifically integrated into this TAP through the identification of MDG related targets and indicators, which have been included as Performance Indicators in the relevant sections of the TAP.

VANUATU DEVELOPMENT PRIORITIES

A National Vision - An Educated, Healthy and Wealthy Vanuatu"
'By 2015 Vanuatu will have achieved a significant increase in real per capita incomes, along with steady growth in levels of employment. Within the region, Vanuatu will be among the leading countries in achieving the Millennium Development Goals in education, health, environmental management, and other key social indicators. Public sector reforms will have raised standards of governance, levels of productivity in the civil service, and will have resulted in higher standards of services and managerial accountability. Through continuing structural reform, Vanuatu will have established an effective enabling environment to sustain the significant private sector growth, which it aims to achieve in output and employment'

The Vanuatu Government Policy for raising the welfare of the people of Vanuatu is set out in the document *'Priorities and Action Agenda for Vanuatu 2006 – 2015'*. The PAA establishes a national vision for *'an Educated, Healthy and Wealthy Vanuatu'*, which includes a significant increase in per capita income and employment growth through private sector growth, together with substantial achievements in relation of the MDGs.

Key to the achievement of this national vision is to support key priority areas which include:

- Private Sector Development and Employment Creation
- Macroeconomic Stability and Equitable Growth:
- Good Governance and Public Sector Reform;
- Primary Sector Development (Natural Resources and the Environment)
- Provision of Better Basic Services, especially in Rural Areas
- Education and Human resource Development
- Economic Infrastructure and Support Services

The PAA identifies the need *'for concerted efforts to be made to address the constraints to faster growth'* in regard to the tourism sector.

The National Vision and the Strategic Priorities have been used to guide the content and overall direction of the TAP. The TAP provides a detailed road map which provides more detail on the sectoral actions and activities necessary to achieve the Strategic Priorities.

A SECTOR WIDE APPROACH

“Destinations need to reflect changes in the tourism market place and to increase competitiveness to grow and remain competitive” – UNWTO (World Tourism Organisation)

The Tourism Planning Process

A bottom-up and top-down approach has been adopted to the development of the TAP with the following key components forming part of the planning process:

- A two day Stakeholder Tourism Visioning Workshop was undertaken (July 2008);
- A *‘Visioning Workshop Outcomes Report’* was prepared and circulated to key stakeholders for comments;
- A Review of the status and recommendations from the 2004 Vanuatu Tourism Master Plan; and
- Development and circulation for stakeholder comments of this Draft Tourism Action Program;
- Presentation and discussion at the National Tourism Summit (December 2008) of the major recommendations from the draft Tourism Action Program; and
- Finalisation of the TAP to incorporate feedback and the recommendations emanating from the National Tourism Summit.

Both the Visioning Workshop and the National Tourism Summit were conceived as a method of encouraging stakeholder dialogue and developing a supportive policy framework and conducive environment for the tourism sector in Vanuatu. The TAP development process has been

designed to facilitate a participatory planning approach through stakeholder appraisal and solution development based on a widely endorsed Vision for the future of the tourism sector.

The development of the TAP has also incorporated a review of the existing government policy document, the Vanuatu Tourism Master Plan 2004 – 2010. The Vision and key strategic recommendations and action points have been updated and consolidated as a result of this review and the consultation process. The focus of the TAP is on a short to medium term Program which will support a more coordinated and programmatic approach to sector development and to clearly define a process for implementation.

THE VISION FOR TOURISM

The Vision

The following Vision statement has been developed and endorsed at the National Tourism Summit to guide the future development of the tourism sector in Vanuatu:

“Tourism celebrates Vanuatu’s culture and environment, empowers its people and captivates its visitors throughout its islands”

Planning Principles

In addition to the Vision, a number of planning principles were developed based on input from the Visioning workshop. These principles have been

Vanuatu Tourism Action Program – December 2008

used to guide policy and set specific goals for the sector in Vanuatu by encouraging development which supports

- Sustainable and responsible tourism which delivers economic, social and environmental benefits for the people of Vanuatu;
- Tourism which engages with local communities and provides opportunities for participation across all the islands of Vanuatu;
- Tourism which is built on a partnership approach and which encourages both international and local investment;
- Tourism which is underpinned by adventure based products which delivers a high quality visitor experience, which builds on Vanuatu's reputation as the 'Happiest Place on Earth'

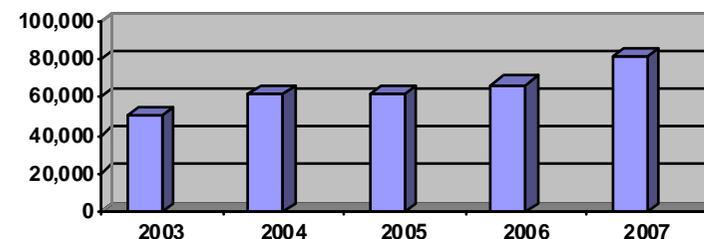
TOURISM OPERATING ENVIRONMENT

"Tourism represents a fantastic lever of development. The considerable expansion over the past 50 years constitutes one of the most remarkable economic phenomena of our time"
UNWTO

Market Growth

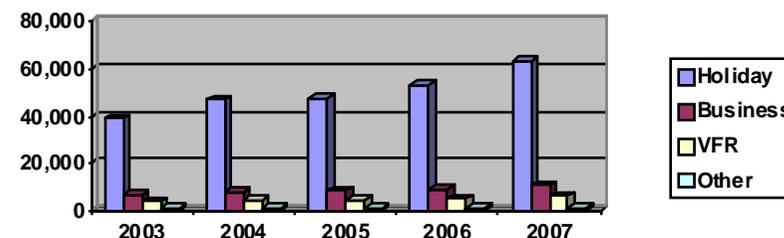
Over 80,000 visitors travelled by air to Vanuatu in 2007, as well as an additional 82,000 who visited by cruise ship.

Vanuatu Visitor Arrivals 2003 - 2007



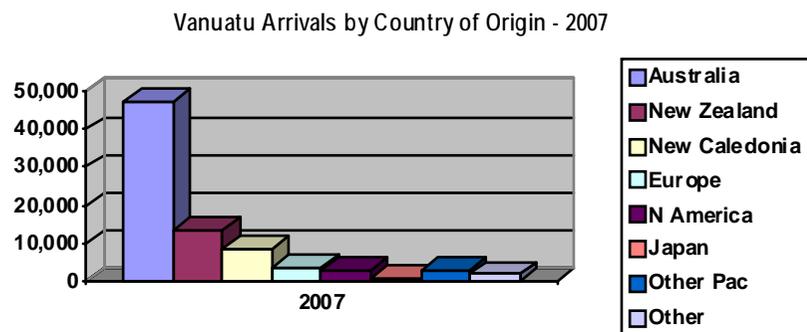
In 2007 the level of tourism arrivals in Vanuatu grew at an unprecedented 22 percent; this rate was significantly above the global and regional average and was driven by increased air capacity and competition, strong outbound markets in key source markets and positive positioning in comparison with major competitors, in particular Fiji. However over the longer term growth in visitor arrivals has been significantly lower at an average of approximately 7 percent per annum since 1994.

Vanuatu Arrivals by Purpose of Visit 2003 - 2007



Vanuatu Tourism Action Program – December 2008

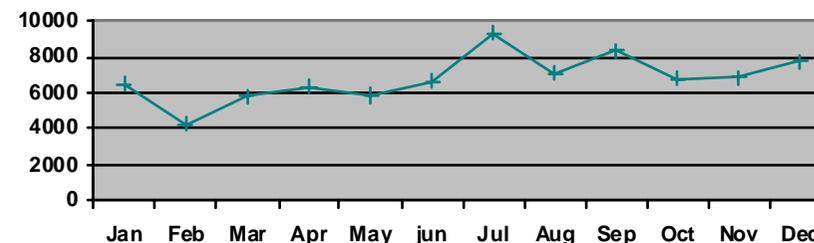
Over three quarters of arrivals are people travelling on holiday and approximately three quarters of all arrivals are from Australia and New Zealand.



The major market for travel to Vanuatu is couples (55 percent) and families and friends (21 percent). Repeat visitation is high at around one third, although less than one third of visitors travel to the islands beyond Efate. The average length of stay is 7.8 nights, which has declined slightly from 8.2 nights in 2004, although there are marked differences between source markets, with the European market having a much longer length of stay for example.

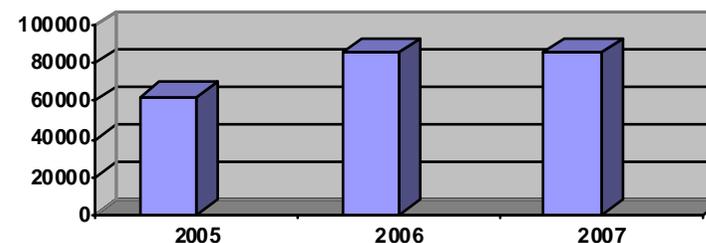
The tourism market is relatively unseasonal with July being the peak month and February the lowest; month demand tends to reflect school holidays in the major markets as well as the cyclone season in Vanuatu.

Vanuatu Arrivals by Month - 2007



The cruise ship market is an important market for Vanuatu which has grown fairly consistently (approximately 7 percent per annum over the last thirteen years) as new cruise vessels and increased calls have been made. The cruise ship market has now also expanded to some of the outer islands including Aneityum, Santo and Pentecost.

Vanuatu Cruise Ship Arrivals 2005 - 2007



Tourism Economic Impact and Employment

Tourism has grown to become one of the most important drivers of the Vanuatu economy. Visitor arrivals are at record levels and the industry is

Vanuatu Tourism Action Program – December 2008

becoming the leading sector in the economy accounting for 20 percent of GDP.

Total Tourism Expenditure in Vanuatu is estimated to be approximately Vatu 17.9 billion of which approximately Vatu 14.9 billion is by international tourists, either paid directly or paid on their behalf by tour operators, cruise agents, or other travel agents. These figures exclude payments for international air fares, some of which will come into Vanuatu through Air Vanuatu.

Estimated Tourist Expenditure 2007

Segment	Total Spend Vatu Billion	Percentage
International Air Tourists	9.735	54.5
Cruise Visitors	1.732	9.7
Yacht Visitors	0.265	1.5
Domestic Tourism	2.969	16.6
Total Direct Expenditure	14.701	82.4
Agents on Behalf of Tourists	3.150	17.6
Total Expenditure	17.851	100

Source: Derived from 2007 MCA Tourism Survey

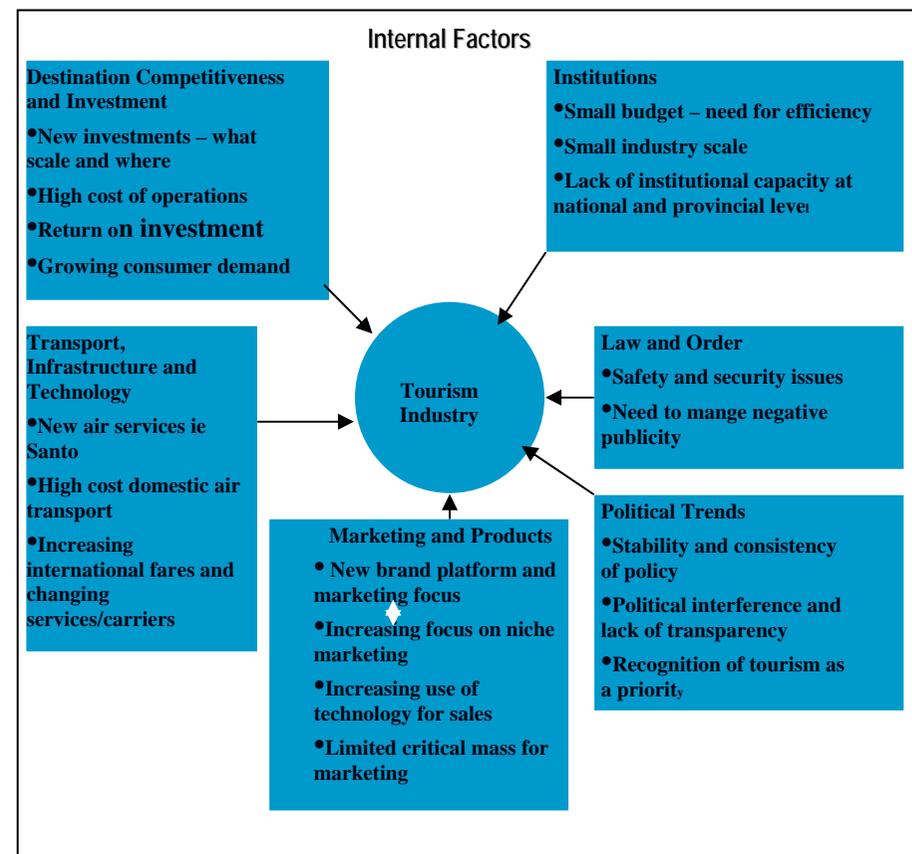
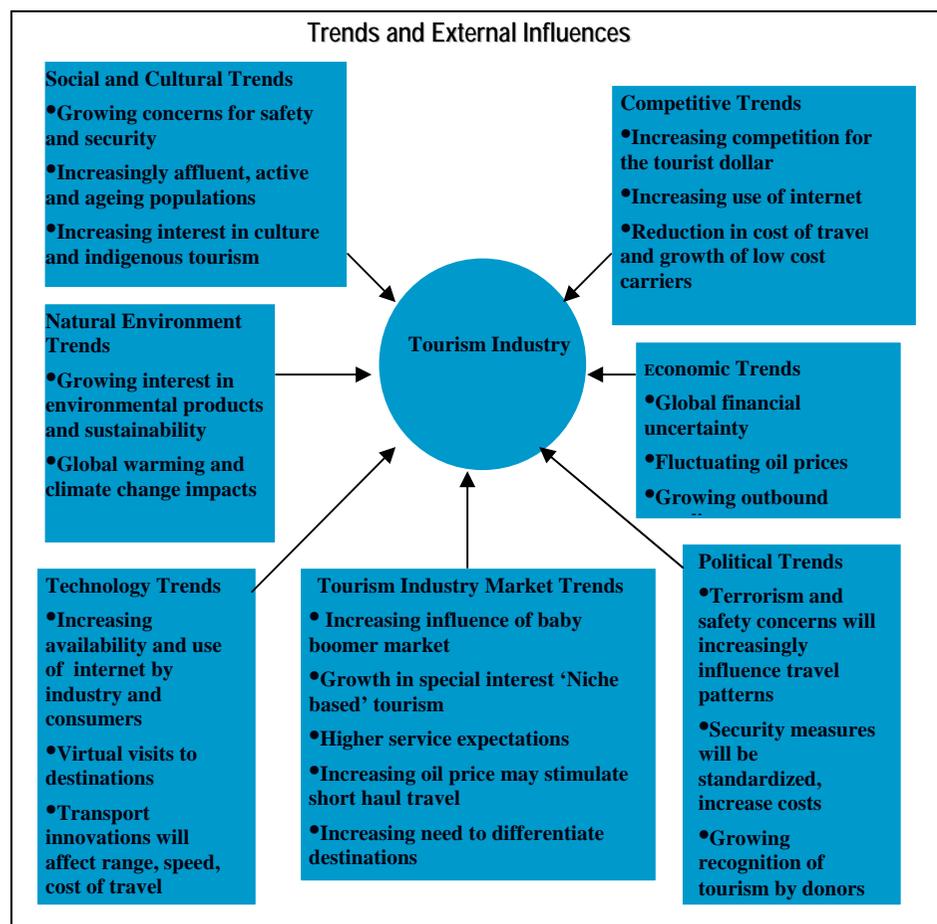
It is estimated that formal employment from tourism was 3,800 FTEs in 2007; however when informal employment estimates are included the full-time equivalent figure could be over 5,000.

Internal and External Influences on Tourism Development

This document provides a framework to support investment and tourism development through sustainable growth. Sector policy needs to reflect the current context and internal and external parameters within which the tourism development takes places. A review of these internal and external influences has been undertaken as part of the development of the TAP and these are highlighted in more detail below.

Vanuatu is operating in an increasingly competitive and complex environment, with a range of global trends and influences impacting upon the development of the sector.

Vanuatu Tourism Action Program – December 2008



Internal Environment

The internal environment within which tourism develops is constantly evolving. The diagram below illustrates the key influences identified in relation to the internal environment for Vanuatu;

In order to achieve the Vision for tourism in ten years time, the industry, government and other stakeholders will have to continually respond to these challenges through an ongoing process of implementation and review of the TAP and monitoring of the outcomes.

TOURISM DEVELOPMENT CONSTRAINTS AND OPPORTUNITIES

Introduction

The Vanuatu Tourism Master Plan 2003 – 2010 (TMP) identifies a number of constraints to the development of the sector. The 2007 Stakeholder Visioning was used to further identify issues through a 'brainstorming process' using a rapid appraisal technique to identify key constraints and opportunities in relation to the future development of tourism in Vanuatu.

Based on the TMP and workshop outcomes five thematic areas have been identified follows:

- Tourism Planning and Institutional Arrangements
- Tourism Marketing
- Investment, Product Development and the Enabling Environment
- Infrastructure and Transport
- HRD, Education and Training

A brief summary of the issues discussed by each group is presented below:

Tourism Planning and Institutional Arrangements

There has been a lack of cohesion and political will in both tourism policy development and implementation among all stakeholders. There is a need for a more consultative approach to be adopted, where the government sets the context and operating environment for the sector, but the private sector drove investment and employment. Whilst the TMP provided a policy framework, there has been a lack of implementation;

specifically there had been a lack of coordination and resourcing to allow implementation of the TMP to take place.

Institutional capacity is considered to be a constraint at nearly every level. Both of the key Government institutions (VTO and NTDO) were identified as being under resourced and lacking in technical capacity. Tourism is the most significant economic sector in Vanuatu; the establishment and resourcing of a full Department of Tourism would better support the development of the sector and improve service delivery in the outer islands where NTDO and VTO extension services are currently limited.

The sustainable development of tourism requires support and coordination from a wide range of stakeholders; the cross sectoral nature of tourism means that all key institutions need to work effectively and in harmony; for example, law and order is a key issue which requires an effective law and justice system; environmental sustainability requires a functional planning system and environmental agency within government.

Capacity needs to be built at every level, but the key agencies of NTDO and VTO are critical to the development of the sector. Additional investment in professional education, scholarships, training and resource planning were seen to be vital components of capacity development. Institutional structures also need strengthening; NTDO needs to build capacity and improve service delivery in the Provinces; this will require additional extension services and resources from the Government.

Vanuatu has a well documented tourism policy in the TMP, but that this needs to be both updated and prioritised; a key constraint however is the lack of implementation of the existing policy and a lack of understanding of

what specific policies are contained within the VTDMP. The development of this TAP seeks to address this issue.

Individual provinces also need to increase their capacity to plan and develop tourism, particularly if tourism is to be more geographically dispersed. Both planning and marketing need to be based on sound research and an understanding of market and product opportunities. The World Bank/IFC developed Tourism Diagnostic Tool should be implemented in Vanuatu to support further sector analysis and the results incorporated into the annual review process for this TAP.

Political interference is an issue in relation to government institutions in Vanuatu. The destination marketing of Vanuatu, through VTO, should have a high level of industry involvement and direction and this is currently being undermined by political interference in management of the organisation.

A fundamental building block in the further development of sustainable tourism in Vanuatu will be the establishment of a body to support ongoing meaningful public and private sector dialogue. This body should be a public/private sector partnership and should be responsible for overseeing both development, implementation and monitoring. The Tourism Task Force which had previously been established provides a useful model that could be revived, with increased input and commitment from all stakeholders including greater participation by the donor community. Technical assistance should be provided to support this body and to assist with the project management of the implementation of tourism policy.

Tourism Marketing

The lack of cohesive marketing strategy had led to a confused branding and positioning. There has been a lack of synergy between stakeholders in regard to tourism marketing; synergy is vital in Vanuatu, which is a relatively small and under resourced country compared to both regional and global competition.

The VTO has recently initiated a review of the Vanuatu brand and the development of a more focused and targeted brand strategy. There is a need to finalise the chosen brand and positioning in the short term and to ensure that it provides the basis for more coordinated marketing and the development of a destination marketing strategy based on an industry and government partnership.

The Marketing Strategy for Vanuatu should commit to attracting higher yielding tourists, extension of the length of stay and greater dispersal of visitation. In order to achieve this Vanuatu will need to find a balance between the traditional 'package' tourist and the more adventurous independent traveler and specific niche activities which Vanuatu offers. Special events should also be further developed and marketed to support increased visitation in slower periods. These approaches will support and complement other strategies outlined in this TAP.

Consumers are increasingly information hungry and much of this need is being fulfilled globally through the internet; Vanuatu needs to ensure it is at the forefront of this medium, but also needs to ensure that traditional information distribution channels are supported, including information offices, signage, maps and local guides.

Vanuatu Tourism Action Program – December 2008

VTO has a vital leadership and coordinating role to play to promote Vanuatu overseas. Resources have been inadequate in recent years and the Government has even reduced the level of funding for VTO in 2007. Limited resources are not always being effectively spent by the Government and decisions appear to be increasingly being influenced by political priorities. There is a requirement for greater technical input into a coordinated Destinal Marketing Strategy for Vanuatu, which should be developed based on sound research and carefully selected strategies which focus on the development of key markets which relate to the Vanuatu product attributes.

Cost effectiveness of marketing activities needs to be carefully considered and there is greater potential for the use of the internet as the primary medium and information source on Vanuatu for both consumers and the travel trade.

The recently established Tourism Marketing and Development Fund (TMDF) has been useful to support destinal marketing, but there is a need to broaden and strengthen the Fund; other major private sector stakeholders which benefit from tourism both directly and indirectly should contribute to the fund, including duty free shops, the utility companies and financial sector. The potential to provide legislative backing for the fund should also be examined.

It is important to recognise that the Government will need to continue to contribute to destinal marketing costs and tourism development. The TMDF will support overseas promotion, but given the relatively small scale of the private sector in Vanuatu, government subsidy (through the VTO budget) is still required. The Government should make a long term commitment to a VTO funding plan, which establishes clear targets and

funding levels (which could be based on UNWTO recommended levels/formula or on regional benchmarks for example).

A fundamental building block in the further development of sustainable tourism in Vanuatu will be the establishment of a body to support ongoing meaningful public and private sector dialogue. This body should be a public/private sector partnership and should be responsible for overseeing both development, implementation and monitoring. The Tourism Task Force which had previously been established provides a useful model that could be revived, with increased input and commitment from all stakeholders including greater participation by the donor community. Technical assistance should be provided to support this body and to assist with the project management of the implementation of tourism policy.

Investment, Product Development and Enabling Environment

Vanuatu has a relatively high cost base for conducting business compared to some other Pacific countries; this is particularly so due to the small productive sector (leading to high imports), poor infrastructure and high cost of utilities. In terms of the business enabling environment the regulatory environment can be time consuming and complex for investors, with multiple layers of permits required, annual renewals and some unpredictability; in addition there are concerns about VIPA's role both as a regulator and investment promotion authority.

Limited investment promotion of tourism investment opportunities has taken place through VIPA. In addition there may be a need to expand the regulatory role to encourage more strategic investments and limit relatively low (economic) impact investment (such as real estate subdivision).

Vanuatu Tourism Action Program – December 2008

Concerns have also been raised by stakeholders regarding political interference in the licensing procedures and the restrictive nature of some aspects of the reserve activity listing. Specifically the reserve listing is considered to be restricting investment in inbound tour operations and in niche accommodation properties, both through limitations on international investment and joint venture activities. There is a need to consider a review of both VIPA and the current investment regulations, as well as possibly open up the reserved investment list further.

Limited capacity among law and order institutions and the failure of the correctional system have also been identified as key constraints to longer term investment. Vanuatu has a reputation for being a safe country and has enjoyed the tag as the 'Happiest Place on Earth'. Measures need to be taken to ensure that safety and security for all is maintained by building capacity and providing additional resources for key institutions such as the police and correctional services.

There is a need to improve product quality in Vanuatu through the improvement of public facilities and key points of interest. Vanuatu has a wealth of history and culture which attracts tourists, but most aspects are often poorly displayed or lack substance and information. Improvements need to be made to the urban areas, where road and pavement infrastructure is often poor and maintenance is limited. Ongoing urban beautification programs should be undertaken in Port Vila and Luganville.

The availability of freehold and unencumbered leasehold land is a major impediment to tourism development. Vanuatu has had no major resort investment outside of the Municipal area since independence; there is a need to review the system for granting leases for major tourism developments. The Fiji Land Trust Board could be one mechanism which

could be examined to see if a similar model could be developed for Vanuatu, where head leases are taken with custom landowners by an intermediary body and offered to major investor on an already packaged and approved basis.

Access to credit is also seen as being a constraint to development. This is particularly so in rural areas as leasehold land can be difficult to use as security. There is a need to examine ways in which credit can be made available for local entrepreneurs, perhaps by looking at specific examples which have been targeted at tourism SMEs in other countries. Linked to this is the limited availability of training and support available for local entrepreneurs and the difficulty for local operators to access the market due to limited capacity and management experience, as well as remoteness, poor infrastructure and .

It will be critical to address these issues if more Ni-vanuatu are to participate in the sector as owners and operators and if participation in the sector is to be spread to the more remote locations (where much of the unique tourism product is located). A comprehensive program of support for local tourism SMEs should be developed with a view to obtaining donor support. The previous EU support to the Vanuatu Islands Bungalows Association (VIBA) provides a useful model as this project was a UNDP 'best practice' winner and a SKAL International award winner; however lessons need to be learnt from the past and capacity problems which undermined longer term sustainability.

There is also potential to further develop the cruise shipping sector in Vanuatu; the South Pacific Cruise Strategy prepared by south-pacific.travel has some useful recommendations which should be reviewed and

incorporated into current government policy. In particular the concept of 'home porting' is considered to provide some opportunities for Vanuatu.

Infrastructure and Transport

Vanuatu tourism is heavily dependent upon the short haul markets from Australia, New Zealand and New Caledonia. Potential visitors from Asia, the USA and Europe have to transit these (and other) points which make Vanuatu less attractive to long haul markets. There is a need to develop a strategy to attract increased air traffic from 'new markets'; scheduled as well as charter services need to be considered.

There are some concerns regarding the potential for uncontrolled growth from specific emerging markets; the Chinese outbound market in particular has the potential to have a significant impact on tourism in Vanuatu; a strategy for the emerging markets needs to be developed and implemented to ensure that any growth focuses on higher yielding segments which provide strong benefits for the country.

Ports infrastructure in particular is poor in Vanuatu and is an impediment to both the movement of goods and further expansion of the cruise shipping sector. The main Vila wharf in particular requires upgrading as capacity appears to be at saturation and both the movement of goods and potential for future development of cruise ships will be dictated by the expansion and efficient operation of the port. Globally the cruise ship industry is one of the fastest growing sectors for tourism and passenger vessels are both getting larger and more specialized. Vanuatu is well placed to capitalize on the growth in this market but coordinated efforts need to be made; a Vanuatu Cruise Ship Strategy should be developed which takes into

account the broader South Pacific Cruise Shipping Strategy developed by south-pacific.travel as well as the merging market opportunities provided by this sector.

In addition Vanuatu is not on any major shipping routes, which leads to additional transportation costs for imported items. Domestic shipping services are limited and mostly unsuitable as a form of tourist transport.

Taxi and road transport services, particularly in rural areas are unreliable and relatively high cost. Road infrastructure is also generally poor in rural areas, although the round island road on Efate and upgrading of roads on Santo is expected to open up new areas for tourism development. There is a need to examine how to maximize the economic benefits from these projects to ensure that hotel and resort investments take place; currently the optimum sites are being utilised primarily for residential subdivision development, which offers a relatively lower risk, but creates little in the way of long term employment.

Potentially significant investments could be attracted to Vanuatu for resort developments, but there is a need to take a more integrated approach; Fiji provides a model in this regard where the Government has taken a proactive role in investment facilitation securing and packaging sites, providing supporting infrastructure, funding destination marketing, training the workforce, supporting the expansion of airline services and providing equity funding for strategic major investments. Further analysis of this success and failure of competitor destinations should be undertaken to inform support the formulation of sound tourism policy for Vanuatu.

Internet access is critical to the development of tourism, particularly in terms of product marketing and distribution. There is a need to increase internet

access in rural areas and to provide greater broadband width in Port Vila. Electricity is also a major cost for operators in urban areas; consideration should be given to allow the major hotels to provide their own electricity generation and alternative forms of renewable energy would be encouraged, particularly in rural areas, where conventional generation may not be available. Competition in the telecommunications sector has already resulted in reduced costs for industry and the consumers; further competition should be introduced in utility and transport sectors where feasible, such as power, water and air transport.

Vanuatu has limited infrastructure at almost every level and limited funds for further development; the concept of developing tourism zones, where infrastructure is provided in clusters to stimulate development should be further examined, particularly for the outer islands.

Other public services are also important in supporting tourism development; these include private sector services such as banking and public services such as health. Such services are limited in coverage in Vanuatu and there is a need to increase coverage and improve service delivery to cater for the local population and tourists alike.

Tourism leakage overall has been estimated at 30 percent², which has a significant impact on the economic impact of the sector (although in terms of value added tourism may offer significantly more than the exporting of natural resources such as minerals and forestry, where most value adding takes place offshore). There is a need to identify components of the supply chain which can be produced locally (for example potatoes and other

vegetables could be grown on Tanna), as well as further encourage local production and purchase of local supplies.

HRD, Education and Training

Training and education in tourism is currently delivered in Vanuatu by a number of different institutions and training providers. The Vanuatu Institute of Technology (VIT) delivers a one year certificate course in Hospitality and has a dedicated Tourism and Hospitality Training Centre. This facility is also used by the Australia-Pacific Technical College (APTC) which delivers modules in tourism and hospitality which are accredited internationally through TAFE Australia. VIT is also developing short course training modules in hospitality for delivery in the outer islands under European Union funding. USP provides tertiary level training in Fiji and other students are educated overseas on scholarships programs, mainly funded by the Australian and New Zealand Governments. Other training providers include the Vanuatu Chamber of Commerce and Industry (VCCI), the Department of Ni Vanuatu Business and a number of private sector providers, as well as the industry themselves, who offer on the job and in house training programs.

A number of issues have been identified in regard to Human Resource Development (HRD) and training for the tourism sector, which include a lack of consistency of training and performance standards for employees and the requirement for greater coordination among existing providers and institutions. In terms of delivery, the lack of access to the internet and computers is a significant impediment, particularly for rural areas. In addition a lack of flexibility in delivery acts as a constraint for the industry in using existing training providers.

² MCA Vanuatu – 2007 Baseline Tourism Survey – TRIP Consultants - July 2008

With the range of providers available, there is a need for greater linkages to be formed between the industry and training providers. This would encourage the development of targeted industry training which meets industry needs. Whilst the employment in industry of graduates from VIT students is relatively high, there are some concerns that students need to have a higher level of training for technical positions and supervisory roles in the future.

The demand for training is high in the outer islands, but sustainable delivery is a problem. Management training for operators is limited and mechanisms need to be found to overcome this; the training previously provided through the Vanuatu Islands Bungalow Association (VIBA) and Vanuatu Chamber of Commerce and Industry provides a good example that could be replicated.

Training delivery at the moment is currently aimed primarily at full time training; there is a need to develop a greater range of courses and to develop additional training aimed at existing industry employees and particularly to encourage management and supervisory skills, which are in particularly short supply.

Industry operators generally are considered to provide inadequate budgets for external training; the potential to introduce a training levy, along the lines of the one adopted in Fiji and Papua New Guinea could be a useful mechanism to support increased training and staff development and this option should be further examined.

At a broader level there was considered to be a lack of understanding of the opportunities that tourism can bring to communities for income and employment. Awareness programs need to be developed to overcome this

and tourism should be incorporated into the formal secondary curriculum to increase awareness among young people. Additional awareness programs should be developed such as radio programs and use of local media.

TOURISM ACTION PROGRAM

“Challenges are really opportunities to rise to another level, to explore new ways of doing things, to innovate.” Hon Pita K Nacuva Ex Minister for Tourism Fiji

Introduction

The outcomes from the Visioning Workshop and Vanuatu Tourism Development Master Plan have been used to identify tourism objectives and impacts to minimise, to support sustainable growth. Priority recommendations and actions have also been identified, which should be implemented to overcome some of the issues which constrain the growth of the tourism sector in Vanuatu. The focus of the recommendations is on strategic action points which will have a high level of impact in the short to medium term. This timeframe is considered to be over the next one to three years.

Vanuatu Tourism Sector Development Objectives

The following objectives and impacts were identified through the Vanuatu Tourism Development Master Plan. These objectives/impacts are consistent with the MDGs highlighted earlier and are integrated into the VTAP through the development of specific actions and outputs. Both the objectives and impacts to minimise are summarised below.

Vanuatu Tourism Action Program – December 2008

Vanuatu's Tourism Objectives and Impacts to Minimise	
Tourism Objectives	Impacts to Minimise
1. Promote strong economic growth through sustainable tourism development	1. Reduce the imbalances in regional tourism development.
2. Generation of Substantial foreign exchange earnings, local incomes and employment from tourism.	2. Minimise economic impacts: income leakages, inflation, foreign dominion etc.
3. Promote balanced regional tourism development and income generation opportunities.	3. Minimise socio-cultural impacts: erosion of cultural values, exploitation of the local people, disruptions in way of life, relations peoples etc.
4. Promote greater Ni-Vanuatu participation in the tourism traces and employment.	4. Minimise the degradation of the physical and environment: congestion/overcrowding, loss of peace, quiet and privacy, crimes and social vices.
5. Sustenance of local cultures and customary practices.	
6. Promote greater community awareness of the benefits of tourism.	
7. Promote national integration through tourism development.	

Strategic Action Program

Recommendations have been compiled under the same five thematic areas as the key issues and constraints:

- Tourism Planning and Institutions
- Tourism Marketing
- Investment and Product Development
- Infrastructure and Transport
- HRD, Education and Training

A summary of the overarching strategy for each thematic area, together with the identified action points to support the identified strategy is provided in the tables below.

The action points summarised below form the basis for the Vanuatu Tourism Action Program. The TAP provides a logical and strategic framework for the short to medium term development of the tourism sector. In order to assist with implementation of the TAP, the tables below identify:

- Action required
- Priority for implementation (Medium or High)
- Lead responsibility for implementation
- An indicative budget for the implementation
- A Key performance Indicator for each Action Point to assistance with monitoring and evaluation of the TAP

High priority actions should be commenced within the first 12 months following endorsement of the Plan. Within the high priority recommendations there are a number of 'Critical Actions' which provide 'key

Vanuatu Tourism Action Program – December 2008

building blocks to support the implementation process and other priority actions within the TAP; these 'Critical Actions' will need to be implemented as the immediate points by the coordinating agencies; these 'Critical Actions' are highlighted within the Strategic Action Plan which follows.

Vanuatu Tourism Action Program – December 2008

Strategy One: Institutions and Partnerships				
<i>Improve Policy Coordination and Increase Capacity to Sustainably Plan and Market Tourism</i>				
Action	Priority	Responsibility	Budget	KPI
1.1. Establish a multi sector Tourism Council of Vanuatu (TCV) (TTF) from key stakeholders to monitor the TMP activities and support with a Tourism Technical Working Group; composition of TCV to be based on 50/50 membership of public and private key stakeholders	High	MoT/CoM	500,000 vatu annually	TTF established and meetings held every quarter
1.2. Establish a Project Management Unit within the NTDO and provide adequate resources (including Technical Assistance) for the PMU to provide Secretariat services to the TCV to coordinate activities, manage the implementation process and monitor outcomes	High	MoT/DoF/Donors	60 mvt for three years	Secretariat established, technical assistance provide and annual budget provided; implementation and monitoring taking place.
1.3. Establish a Department of Tourism within the Ministry to more fully support tourism development and replace the NTDO. Develop a structure based on clear functionality and service delivery needs.	High	MoT/PSC	To be determined	Departmental and staffing structure approved and operationalised.
1.4. Establish Provincial Tourism Councils in all Provinces and support and build capacity within Provincial tourism networks and industry associations as mechanisms for tourism development and marketing at a local level	High	NTDO/VTO/DESD/Donors	10 mvt pa for three years	Program developed and implemented leading to measurable Provincial network capacity building
1.5. Support existing tourism institutions with capacity building programs and technical assistance and including staff training, mentoring and skills development	High	DESD/Donors/VTO/NTDO	25 mvt pa for three	Program developed and implemented leading to agency capacity building
1.6. Based on the recommendations contained within the TAP, design and	High	NTDO/Donors/	1mvt for	Design undertaken and

Vanuatu Tourism Action Program – December 2008

Strategy One: Institutions and Partnerships				
<i>Improve Policy Coordination and Increase Capacity to Sustainably Plan and Market Tourism</i>				
Action	Priority	Responsibility	Budget	KPI
implement an integrated five year tourism development program of assistance for donor funding		DESD/VTO	design only	approved for donor funding
1.7. Develop and support the implementation of Provincial Tourism Plans for all the Provinces, which incorporate cultural and environmental sustainability	High	MoT/NTDO/PWD/DPA/Prov/VTO/Donors	40 mvt over two years	Provincial Tourism Plans developed and implementation for all Provinces
1.8. Ensure thorough Environmental and Social Impact analysis are undertaken on all major development proposals (and funded by developers) and build capacity in the Vanuatu Government to assess impacts and impacts management.	High	Env Unit/NTDO/Industry	Self funding	All major proposals are subject to thorough EIA and SIA studies

Vanuatu Tourism Action Program – December 2008

Strategy Two : Marketing the Destination				
<i>Increase the awareness of the unique selling points of Vanuatu as a tourist destination in identified priority markets</i>				
Action	Priority	Responsibility	Budget	KPI
2.1. Review the VTO Act to minimize political interference, increase industry participation and improve transparency and change the name to Tourism Vanuatu	High	MoT/VTO	2 mVT	Act revised and amendments approved by Parliament
2.2. Provide government funding for VTO based on clear targets and UNWTO standards for destination marketing expenditure	High	MoT/VTO/DoF/ Industry	To be determined	Clear targets and funding at UNWTO levels established.
2.3. Extend the current Tourism Market Development Fund to other beneficiary sectors (ie duty free retailers, utilities, services) and support with legislation	High	MoT/VTO/DoF/ Industry	2 m VT	Fund enacted under legislation
2.4. Finalise the Brand Strategy for Vanuatu (including concept testing in key markets) and incorporate the new brand and positioning into all destination marketing activities	High	VTO/Industry	5 m vt for concept testing	Brand concept testing undertaken and brand incorporated into all activities
2.5. Develop (through industry input)and adequately resource and implement a VTO led destination Marketing Strategy based on sound market research, review of geographic market resource allocation based on return on investment, product analysis and industry consultation and input.	High	VTO/Industry	20 m vatu for design	Marketing Strategy adopted by VTO and implemented
2.6. Develop and fund an ongoing tourism market research program to support tourism marketing and planning, including consumer and trade research, visitor surveys and economic impact studies.	Medium	VTO/Stats	10 m vt per annum	Tourism research program designed and funds provided for annual implementation
2.7. Support new domestic and international flight services with destination marketing	High	VTO/Industry	20 m vt per annum	Marketing activities specifically supporting new air services
2.8. Ensure all destination marketing activities are subject to annual review and	High	VTO	1 mvt per	Annual marketing review

Vanuatu Tourism Action Program – December 2008

Strategy One: Institutions and Partnerships				
<i>Improve Policy Coordination and Increase Capacity to Sustainably Plan and Market Tourism</i>				
Action	Priority	Responsibility	Budget	KPI
evaluation based on cost effectiveness, through specific research which measures specified performance indicators.			annum	conducted of all activities
2.9. Establish formula for funding VTO activities which is based on matching funding provided by regional competitors and targeted visitor arrivals	High	VTP/DoF/MoT	1 mvt	Formula established and incorporated into government budgeting procedures
2.10. Update the VTO product database to include all Provincial products and incorporate into the VTO internet site	High	VTO/Provs/ Industry	1 mvt per annum	Database up dated and products incorporated into the VTO site
2.11. Support the geographic spread of tourism by incorporating Provincial tourism products and icons into VTO marketing and identifying niche markets aimed at supporting market development for outer island products	High	VTO/Industry	Within existing budget	Provincial icons and activities incorporated into all VTO promotions
2.12. Develop comprehensive information on yachting in Vanuatu which focuses on the outer islands and incorporate information into the VTO internet site	Medium	VTO	1 mvt	VTO site has dedicated section included for yachting

Vanuatu Tourism Action Program – December 2008

Strategy Three: Investment and Product Development				
<i>Support greater local and international participation in the sector by improving the business enabling environment, investment attractiveness and product range of Vanuatu</i>				
Action	Priority	Responsibility	Budget	KPI
3.1. Conduct a feasibility study on mechanisms to secure key tourism development sites and establish zoning approvals/regulations as well as explore potential to link investor approvals to land use planning/zoning controls	Medium	DESD/DoL/NTDO/Donors/VIPA	3 m vt for study	Feasibility developed and recommendations adopted
3.2. Undertake a scoping study to establish a program which supports the networking of rural tourism SME's	High	NTDO/VCCI/DESD/Donors/Industry	3 mvt for scoping study	Scoping study developed and recommendations adopted
3.3. Undertake a Product Development and Competitiveness Study to identify key investment opportunities and market requirements	High	NTDO/DESD/Donors	10 m vt	Study completed and recommendations adopted
3.4. Review and revise VIPA functions to increase transparency, remove impediments to investment and any potential conflict of interest; include in the review recommendations to Streamline business registration and investment approvals process to facilitate investment	Medium	VIPA/DESD/Donors	5 mvt	Study completed and recommendations adopted
3.5. Review investment restrictions for tourism operations, including inbound tour operator	High	VIPA/Industry/.Donors	2 mvt	Study completed and recommendations adopted
3.6. Request IFC/World Bank to implement 'Tourism Diagnostic Tool' and incorporate findings into the ongoing tourism planning process	High	MoT/NTDO/IFC	5 mVT	Study completed and recommendations adopted
3.7. Initiate and implement a longer term assistance program to	Medium	NTDO/Donors/Industry	100 m vt	Program designed and

Strategy Three: Investment and Product Development

Support greater local and international participation in the sector by improving the business enabling environment, investment attractiveness and product range of Vanuatu

Action	Priority	Responsibility	Budget	KPI
support the development of small guesthouses in the outer islands				implemented
3.8. Develop and implement a tourism investment strategy which clearly identifies investment opportunities and potential investors, together with goals and support requirements for implementation.	High	NTDO/VIPA	5 m vt	Investment strategy designed and implemented

Vanuatu Tourism Action Program – December 2008

Strategy Three: Investment and Product Development				
<i>Support greater local and international participation in the sector by improving the business enabling environment, investment attractiveness and product range of Vanuatu</i>				
Action	Priority	Responsibility	Budget	KPI
3.9. Encourage competition in utilities and telecommunications sectors by developing a strategic plan to open up competition in these sectors	High	MoPWU/DESD/DoF	10 mvt	Strategy developed and adopted
3.10. Support Green Tourism initiatives including the encouragement of investment in renewable energy through removal of tariffs and duty	Medium	MoPWU/DoF	Within existing budget	Tariffs and duties revised
3.11. Establish the requirements for increased resourcing and capacity building in key law and order institutions	High	MHA/DoF/CoM/Donors	5 mvt for scoping study	Scoping study adopted
3.12. Develop a proactive strategy to manage the impact from emerging markets, such as China	Medium	NTDO/FA/VTO/Industry	5 m vt for strategy	Strategy developed and adopted
3.13. Undertake a study into existing leakages in the tourism sector and develop a program to increase the level of local supplies and linkages into the tourism sector	High	NTDO/DESD	5 m vt for the study	Study published and findings endorsed
3.14. Support expansion and commercialization of the arts and music in Vanuatu and encourage integration into the tourism sector through special events	Medium	NTDO/Cultural Centre/VTO	2 mvt for promotion	Program developed for promotion
3.15. Develop and support a market access program for tourism SMEs which focuses on internet access and product distribution support	Medium	VTO/DESD/Donors	25 mvt pa for five years	Market access supported and specific outputs in relation to improved market access achieved
3.16. Provide training and support to tourism SMEs in tourism	Medium	VTO/Donors/DESD/VIT	5 m vt	Marketing program

Vanuatu Tourism Action Program – December 2008

Strategy Three: Investment and Product Development				
<i>Support greater local and international participation in the sector by improving the business enabling environment, investment attractiveness and product range of Vanuatu</i>				
Action	Priority	Responsibility	Budget	KPI
marketing which focuses on internet distribution				implemented and SME capacity developed
3.17. Develop a Cruise Ship Strategy and actively promote Vanuatu as a cruise ship destination	Medium	NTDO/P&M/Donors	4 mvt to develop	Cruise ship strategy developed and country profile increased

Strategy Four: Infrastructure and Access

Increase destination accessibility and infrastructure use and viability through strategic investment, maintenance and market development

Action	Priority	Responsibility	Budget	KPI
4.1. Develop and implement an international aviation strategy to increase international air services to Vanuatu by securing direct or one stop services from Asia/Europe/USA and promoting Vanuatu as a hub for connections to other Pacific destinations	High	CAA/AVL/DESD/Airlines	5 mvt for strategy development	Aviation Strategy developed and adopted

Vanuatu Tourism Action Program – December 2008

Strategy Four: Infrastructure and Access				
<i>Increase destinational accessibility and infrastructure use and viability through strategic investment, maintenance and market development</i>				
Action	Priority	Responsibility	Budget	KPI
4.2. Ensure that the Aviation Strategy is linked to an Airports Development Plan which identifies infrastructure development requirements and sequencing	High	CAA/AVL/DESD/Airlines	10 mvt for Airports Master Plan development	Airports Master Plan developed and adopted
4.3. Upgrade facilities at Tanna airport to allow night landings (generator and runway lights)	Medium	AVL	To be determined	Tanna airport operational at night
4.4. Complete the Air Services Agreement for operations between Tanna and New Caledonia	High	PMS/CAA	500,000 vt	Air Services Agreement signed
4.5. Negotiate for charter or scheduled services between New Caledonia and Tanna/Vila/Santo and support with marketing funding	Medium	CAA/Airlines/VTO	500,000 vt	Air services operations to Tanna from New Caledonia
4.6. Coordinate Strategic Review of Ports Facilities and consolidate maritime infrastructure planning and management including (as a priority) the upgrading of Port Vila main wharf into a policy framework for the maintenance and operation of maritime facilities	Medium	DESD/P&M/fira/Donors	10 m vt for Review	Strategic Ports Plan developed and adopted
4.7. Conduct a feasibility to support the development of inter-island transport suitable for the tourist market including upgrading of outer island wharfs	Medium	P&M/Provinces/Industry/DESD	5 mvt for feasibility study	Feasibility study developed and private sector investment mobilised
4.8. Develop a domestic aviation strategy aimed at reducing cost and increasing the quality of service and ensure that domestic fares are provided on an open and competitive basis for all visitors	Medium	CAA/AVL/Airlines	5 mvt for strategy	Strategy developed and endorsed
4.9. Use the Provincial Tourism Plans to identify Tourism Development Zones in key locations and support their development through	High	Provinces/PWD/DESD/NTDO	35 m vt for plan	Prioritized program of maintenance in place

Vanuatu Tourism Action Program – December 2008

Strategy Four: Infrastructure and Access				
<i>Increase destinational accessibility and infrastructure use and viability through strategic investment, maintenance and market development</i>				
Action	Priority	Responsibility	Budget	KPI
infrastructure and supporting services prioritization			development	and operationalised
4.10. Conduct a study to identify opportunities for private sector investment in infrastructure	Medium	DESD/Mol	5 mvt	Study results endorsed
4.11. Maintain and improve roads and pavements frequented by tourists	High	Provinces/Municipalities	To be determined	Key roads and pavements incorporated into ongoing maintenance program
4.12. Develop town beautification schemes for Luganville and Port Vila, based on improvements to public space and tourist attractions, including public toilets and landscaping in key locations	Medium	Municipalities/PWD	10 m vt per annum	Town beautification and maintenance programs implemented
4.13. Promote rural electrification, renewable energy and telecommunications to support tourism investment	Medium	Mol/Utility Providers	As established in the Provincial tourism Plans	Increase in proportion of tourism operators covered by rural electrification, renewable energy and telecommunications
4.14. Undertake a comprehensive reform of land transport including standards for taxis and public transport operators and regulations for tour operators	Medium	Min of Transport/LTB	2 m vt	Reform undertaken and new regulations implemented.

Vanuatu Tourism Action Program – December 2008

Strategy Five: HRD and Education

Develop a coordinated approach to HRD planning and training delivery for the tourism sector which meets industry, government and community needs

Action	Priority	Responsibility	Budget	KPI
5.1 Create a Tourism and Hospitality Industry Training Committee (THITC) to coordinate training providers, course development and industry input	High	MoE/NTDO/VIT/Industry Associations	250,000 vt pa	THITC meets every quarter
5.2 Develop and implement a comprehensive HRD Education and Training Strategy for the tourism and hospitality sector which includes a future needs (long term) manpower survey for the industry	High	THITC	8 mvt	Study endorsed and published
5.3 Establish a system of accreditation and registration for tourism and hospitality training providers	Medium	MoE/NTDO/Industry Associations	2 mvt	Accreditation system developed and adopted
5.4 Establish an industry accreditation system with personal and business criteria (commencing with a review of the Vanuatu Tourism Accreditation Program)	Medium	NTDO/Industry Associations	2 mvt for system design only	Program designed and endorsed by government and industry
5.5 Design and implement a program to train additional workplace trainers in the industry	Medium	VIT/NTDO/Industry	18 mvt for design and implementation over 3 years	Program designed and implemented
5.6 Establish a training and mentoring program for rural tourism SME's aimed at outer island operators	High	NTDO/VCCI/Industry Associations/VIT	45 mvt for a three year period	Program designed and implemented
5.7 Develop and implement a tourism awareness program which is	High	NTDO/Industry Associations	30 mvt for a	Program designed

Vanuatu Tourism Action Program – December 2008

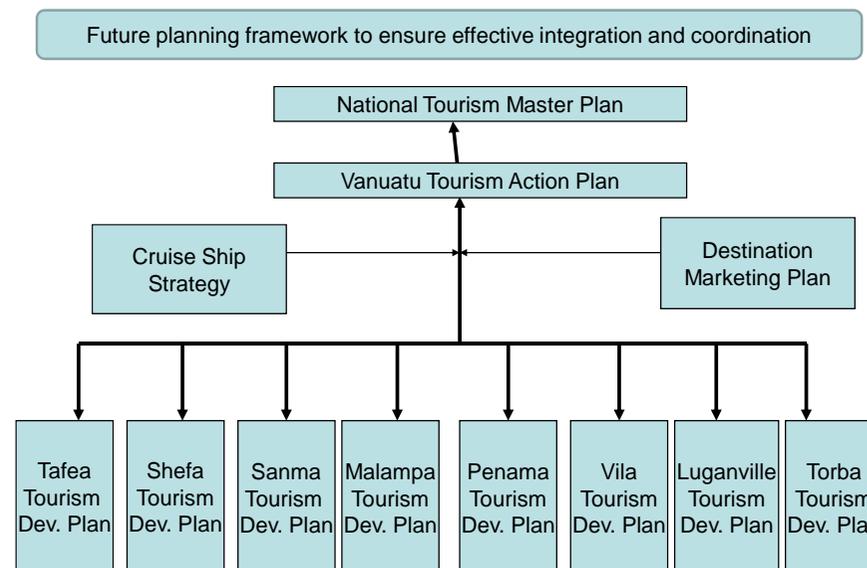
Strategy Five: HRD and Education				
<i>Develop a coordinated approach to HRD planning and training delivery for the tourism sector which meets industry, government and community needs</i>				
Action	Priority	Responsibility	Budget	KPI
supported by government and the industry associations			three year program	and implemented
5.8 Incorporate tourism into the secondary school curriculum	Medium	MoE/NTDO/Industry Associations	20 mvt	Secondary school curriculum adopted
5.9 Provide access to tertiary level management programs and link sector needs more closely to scholarships programs	High	Donors/MoE/NTDO	Within existing resources	Increase in tourism and hospitality scholarships
5.10 Undertake a feasibility on the introduction of a compulsory 'Training Levy	Medium	NTDO/MoE	2 mvt	Feasibility published and results endorsed
5.11 Introduce a compulsory counterpart program for management positions in the tourism and hospitality industry to improve local management skills and capacity	Medium	NTDO/MoL/Industry	Nil	Counterpart scheme introduced
5.12 Extend the Australian/NZ seasonal workers scheme to facilitate work experience overseas for Ni Vanuatu tourism and hospitality (and associated trades) workers	Medium	MoL/MFA	Nil	Seasonal workers scheme extended

IMPLEMENTING AND RESOURCING THE PLAN

'Leaders establish the vision for the future and set the strategy for getting there. They cause change. They motivate and inspire others to go in the right direction and they along with everyone else sacrifice to get there' John Cotter

An Integrated Tourism Planning Framework

The TAP is the key short to medium term component framework for tourism planning in Vanuatu. The TAP is integrated with both the longer term strategy (the TMP) and the Provincial Tourism Plans, as illustrated in the diagram below.



Resourcing the TAP

The outcomes from the TAP will need to be adequately resourced. The final outcomes should be incorporated into the government budgeting system and into the national development program, which will need to be supported by the donors.

The table below summarises the initial funding requirements for the actions

Vanuatu Tourism Action Program – December 2008

Strategy	Indicative Budget (vt Million)
Institutions and Partnerships	136.5
Marketing the Destination#	107.0
Investment and Product Development	244.0
Transport and Infrastructure	78.0
HRD, Education and Training	127.8
TOTAL	693.3

These budget estimates are for the initiatives identified within the TAP only; they do not include recurrent budget requirements for annual NTDO work programs or VTO destinational marketing requirements. Additional budgets will be required for the implementation of activities which are identified as requiring further scoping or feasibility assessments.

Implementation Structures

The Government and tourism industry need to take ownership and a leadership position in relation to tourism development in order to deliver on the Vision which has been developed. In order to support implementation a partnership approach is required at several levels; three key bodies will need to be established to support implementation and monitoring of the VTAP. The implementation process and the key bodies to be established are summarized below and illustrated diagrammatically overleaf:

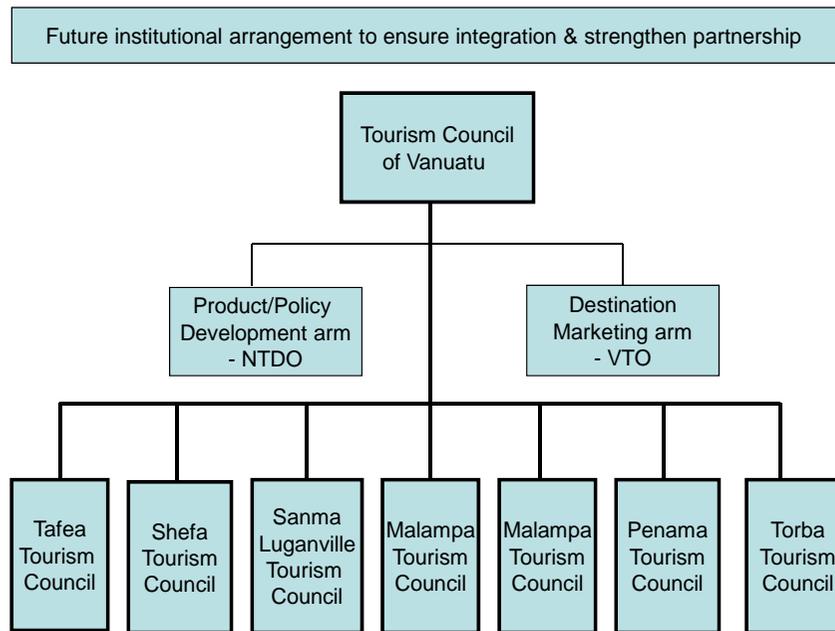
The Vanuatu Tourism Council: a high level public/private sector policy monitoring body responsible for overseeing the progress of the TAP. The composition of the VTC will be based on a partnership approach with 50 percent of members coming from the private sector and 50 percent from

key government institutions; the VTC will be led and chaired by the Minister for Tourism.

The Secretariat for the VTC will be provided by **the NTDO** through a dedicated *Project Management Unit*; this Unit will also liaise with the relevant funding agencies including government, the private sector and the donor community.

The VTO will continue to focus solely on marketing and the Board composition and appointment system will be revised to de-politicise the institution and give industry a greater say in marketing strategy and implementation.

Vanuatu Tourism Action Program – December 2008



An integrated partnership approach will be required to implementation; the Government will need to provide support by providing the framework and regulatory environment which supports sustainable tourism growth and investment by the private sector; the international donors have a critical role to play in supporting a programmatic approach to development which will support the achievement of the MDGs in Vanuatu and the overall goal of the VTPA; in '*Building Tourism Today for Tomorrow*'.