

MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT ANNUAL REPORT 2025



This report is the final one under the Corporate Plan 2022-25, and the information reflects reporting against that Corporate Plan. The Ministry of Finance and Economic Management now operates under a new Corporate Plan 2026-2030, and has updated vision, values and objectives

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ACRONYMS AND DEFINITIONS

Acronym	Definition
AMVU	Asset Management and Valuation Unit
AS	Accounts Section
BPS	Budget Policy Statement
BS	Budget Section
CM	Cash Management
COM	Council of Ministers
CPI	Consumer Price Index
CSU	Corporate Service Unit
CTB	Central Tenders Board Office
DCIR	Department of Customs and Inland Revenue
DG	Director General
DMU	Debt Management Unit
DoFT	Department of Finance and Treasury
DSA	Debt Sustainability Analysis
EO	Executive Officer
FBO	Final Budget Outcome
FMIS	Financial Management Information System
FSB	Financial Services Bureau
FSR	Fiscal Strategy Report
GBE	Government Business Enterprise
GBEMU	Government Business Enterprise Monitoring Unit
GDP	Gross Domestic Product
HRO	Human Resource Officer
IAU	Internal Audit Unit
IFMIS	Integrated Financial Management Information System
IMTS	International Merchandise Trade Statistics
JPRG	Joint Policy Reform Group
LFS	Labour Force Survey
MEC	Ministerial Economic Committee
MFEM	Ministry of Finance and Economic Management
MTEF	Medium-Term Expenditure Framework
MTDS	Medium-Term Debt Strategy
MYEFO	Mid-Year Economic and Fiscal Outlook
NPP	New Policy Proposal
NSAC	National Statistics Advisory Committee
NSDS	National Strategy for the Development of Statistics
OAG	Office of the Attorney General
PCBO	Price Control Bureau (Price Monitoring and Evaluation Office)
PFEM	Public Finance and Economic Management Act
PFMIR	Public Financial Management Improvement Roadmap

Acronym	Definition
PS	Payments Section
PSC	Public Service Commission
QSI	Quarterly Survey of Indicators
RMS7	Revenue Management System (version 7)
RS	Revenue Section
SLO	State Law Office
TA	Technical Assistance
TMS	Tender Management System
TPRU	Tax Policy and Revenue Unit
VBoS	Vanuatu Bureau of Statistics
VFSC	Vanuatu Financial Services Commission
VIPAM	Vanuatu Institute of Public Administration and Management
VNAO	Vanuatu National Audit Office
VNPF	Vanuatu National Provident Fund
VTO	Vanuatu Tourism Office

MINISTER'S STATEMENT

I am pleased to present the 2025 Annual Report of the Ministry of Finance and Economic Management (MFEM). This report reflects progress, achievements and challenges faced during the year.

In 2025, the Ministry delivered a year of strong results in the face of real pressures. We maintained fiscal discipline, reaching a surplus, while responding to the impacts of the December 2024 earthquake, supported recovery through a targeted stimulus, and delivered a national budget that reflects both ambition and responsibility. On top of this, we both implemented a major stimulus package, and delivered on the government's 100 day plan.

Revenue performance exceeded expectations, supported by stronger VAT collections and improved compliance, while expenditure was carefully controlled. This allowed the Government to outperform its fiscal targets and strengthen confidence in our public finances. At the same time, we advanced key reforms, including launching a new debt strategy, progressing a modern IFMIS, strengthening procurement through amendments to the CTB Act, and beginning implementation of a comprehensive revenue strategy.

We also focused on rebuilding trust and capability across the system. The successful completion of multiple years of audited financial statements, the development of a new GDP series, and improvements in fiscal reporting all strengthen transparency and accountability.

Our work in the provinces expanded MFEM's presence, and improved access to services. This meets our government's objective of ensuring that reform is not only central, but national.

We secured record levels of grant financing from partners, and advanced accreditation for climate financing that will allow resources to flow directly through Government systems.

These achievements were not delivered in easy conditions. We managed significant challenges, including disaster recovery, pressures on government enterprises, and the ongoing difficulty of working out of multiple, temporary office locations post-earthquake. We have shown that with clear priorities and support through the whole ministry, we can deliver results. I would like to thank the Director General, Directors, Managers and the whole team at MFEM for their invaluable work in 2025.



Hon. Johnny Koanapo Rasou
Deputy Prime Minister and Minister of Finance and Economic Management



DIRECTOR GENERAL'S STATEMENT

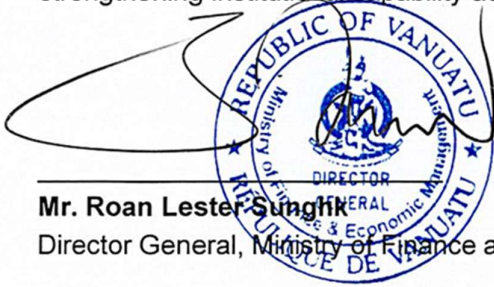
I present the 2025 Annual Report of the Ministry of Finance and Economic Management.

This Annual Report for 2025 highlights the progress of MFEM's work across all the departments that make up the Ministry. Some of the key highlights of our year:

- Delivery of the 2026 National Budget in line with statutory timelines, supported by improved revenue forecasting models,
- Over-performance against the fiscal plan, with stronger than expected VAT and ECP performance, and expenditure control measures in place,
- Major advances in systems, including the initiation of a new IFMIS to replace SmartStream
- Progress in revenue administration reforms, including rollout of the VAT Monitoring System, expansion of compliance and audit activities, and beginning of developing a comprehensive Revenue Strategy approved by Council of Ministers,
- Audits for the Government Financial Statements for 2021–2024, addressing backlogs,
- Development and launch of a new Medium-Term Debt Strategy, and improvements in debt recording, reporting, and investor engagement, and reducing the distress risk rating,
- The launch of a new Treasury Bill instrument for the first time ever, in December 2025,
- Strengthening of the legislative and institutional framework, including amendments to the Government Contracts and Tenders Act, implementation of virtual asset legislation, and operationalisation of the Commercial Investments Unit,
- Continued improvements in data, including the rebasing and chain-linking of GDP estimates and completion of key data collection exercises such as the agriculture census,
- Securing record budget support from partners, and meeting the agreed priorities,
- Maintenance of core service delivery despite significant operational disruption following the December 2024 earthquake, including relocation of MFEM functions and continued delivery of budget, revenue, and reporting outputs.

I acknowledge the continued leadership of the Honourable Minister, the commitment of Directors and senior management, and the dedication of staff across all departments and provincial offices, to provide impeccable work in difficult circumstances.

Looking forward, the transition to the Corporate Plan 2026–2030 will consolidate these gains, with a focus on system modernization, revenue mobilization, fiscal sustainability, and strengthening institutional capability across the Ministry.



Mr. Roan Lester Sunghik
Director General, Ministry of Finance and Economic Management

EXECUTIVE SUMMARY

The Ministry of Finance and Economic Management (MFEM) is responsible for delivering effective and accountable economic, fiscal, and financial management in Vanuatu. Core functions include preparing economic policy statements, fiscal updates and forecasts, financial reports, and ensuring adherence to the Public Finance and Economic Management (PFEM) Act.

Key Achievements in 2025

MFEM delivered results across a wide range of responsibilities, including both routine functions and priority reforms.

Overarching

- Delivery of the 2026 National Budget on time, aligned with statutory requirements
- Over-performance against the fiscal plan, including achievement of a fiscal surplus driven by strong revenue and expenditure control
- Successful implementation of the Government's stimulus package supporting post-earthquake recovery, and the 100 day plan
- Launch of a new Medium-Term Debt Strategy and reduction in debt distress risk from high to moderate
- Initiation of a new IFMIS reform to replace legacy financial management systems
- Completion of audits of Government Financial Statements for 2021–2024, addressing historical backlogs
- Securing record levels of grant financing from development partners
- Expansion of MFEM's provincial presence, including opening of the Penama office and upgrades in outer islands
- Strengthening of governance and procurement through amendments to the CTB Act
- Development of a new Corporate Plan (2026–2030) to guide future reform priorities

Department of Finance and Treasury

- Production of key fiscal documents, including the Fiscal Strategy Report, Budget Policy Statement, and Half-Year Economic and Fiscal Updates
- Strengthening of macroeconomic forecasting, including improved GDP projections and forecasting models
- Effective budget execution, including timely release of budget ceilings and production of budget documentation
- Maintenance of government cashflow and payment systems, including timely processing of obligations and supplier payments
- Improved debt management, including launch of new debt instruments and strengthening of reporting and investor engagement
- Completion and tabling of audited Government Financial Statements within statutory timelines
- Support to fiscal discipline through strengthened expenditure control and reporting systems

Customs and Revenue

- Revenue collections exceeding targets across VAT, customs duties, excise, and other taxes
- Expansion of audit and compliance programs, including VAT audits and customs inspections
- Rollout of the VAT Monitoring System and strengthening of taxpayer services
- Increased public awareness and outreach, including taxpayer education and compliance campaigns
- Maintenance of high levels of border control performance, including timely clearance of goods and passengers
- Strengthening of risk assessment and audit processes
- Continued reforms, including development of a comprehensive Revenue Strategy

Statistics and Reporting

- Development and release of updated GDP estimates, including rebasing and chain-linking
- Production of key statistical outputs, including CPI, trade statistics, tourism data, and market surveys
- Completion of major data collection exercises, including the agriculture census
- Strengthening of statistical methodologies, including development of GDP technical notes and SOPs
- Expansion of statistical capacity through training and capacity-building programs
- Increased dissemination of data to support policy-making and public understanding

Performance Monitoring

MFEM tracks its performance using its Corporate Plan, Departmental Business Plans, Volume 3 of the Budget Book, the PFM Roadmap, and donor-agreed JPRG indicators. In 2025, the overall performance rate was 86% complete or on track.

Framework	Complete	On Track	Slight Delay	Significant Delay
Budget Narrative Indicators	61.2%	25.4%	11.0%	1.0%

Note: in budget narratives many of the grants are just recorded as on-track, given information available for grants, even though they may be complete. Discrepancy from 100% is N/A

Risks and Challenges

MFEM operated in a highly constrained environment in 2025, with significant disruption from the December 2024 earthquake. This created challenges operationally, with MFEM split across multiple sites. However, significant achievements were still logged even in these circumstances.

MINISTER'S REPORT

The following reporting is required to be performed by the Minister under Section 23 of the Parliament (Administration) Act.

The operations of the Ministry included:

- Formulation of fiscal policy and macroeconomic frameworks and MEC; preparation and delivery of the national budget; execution of the budget; cash and expenditure management; debt and borrowing management; and production of financial reports and audited Financial Statements
- Administration of government revenue, including customs duties, VAT, excise and other taxes; border control and trade facilitation; taxpayer services; audit, compliance and enforcement; and post-clearance audit activities
- Collection, compilation, analysis and dissemination of official statistics, including national accounts, price statistics, trade data and survey-based outputs to inform policy and decision-making
- Oversight of public financial management systems, procurement processes, and internal audit functions, including strengthening governance, risk management and compliance frameworks
- Coordination with development partners and management of external financing, including budget support, grants and climate finance, aligned with national priorities
- Expansion of service delivery to provinces, including revenue administration, financial services, and statistical operations, to improve access and coverage nationwide

The major achievements:

- Delivery of the 2026 National Budget on time, supported by strengthened macroeconomic forecasting and fiscal frameworks
- Over-performance against fiscal targets, including a fiscal surplus driven by strong VAT collections and expenditure control
- Launch of a new Medium-Term Debt Strategy, improving debt sustainability and reducing debt distress risk
- Successful completion of audits for Government Financial Statements for 2021–2024, addressing historical backlogs
- Initiation of a new IFMIS reform to replace legacy systems and strengthen financial management
- Progress in revenue administration, including rollout of the VAT Monitoring System and expansion of audit and compliance activities
- Development of a comprehensive Revenue Strategy and improved revenue forecasting models
- Strengthening of procurement and governance through amendments to the CTB Act
- Expansion of provincial presence, including opening of the Penama office and upgrades in outer islands
- Significant improvements in statistics, including rebasing and chain-linking of GDP and completion of major surveys
- Securing record levels of grant financing and progressing accreditation for climate finance
- Implementation of the Government stimulus package supporting post-earthquake recovery and economic activity

The principal challenges faced during the year:

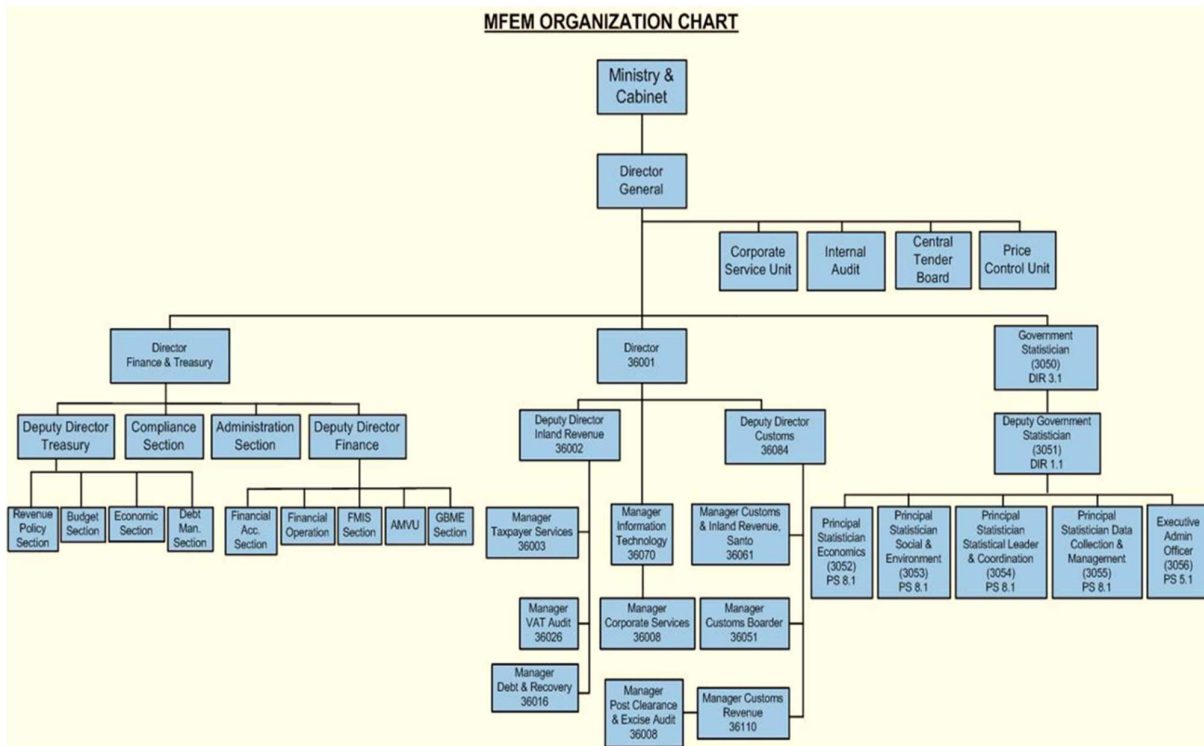
- **Natural disaster recovery:** The December 2024 earthquake disrupted operations, required relocation across multiple sites, and affected delivery of audit, compliance, and administrative functions

- **Air Vanuatu restructuring:** Ongoing fiscal and operational pressures associated with the airline required significant policy attention and financial management
- **Staffing capacity and vacancies:** Recruitment delays, limited office space, and capacity constraints affected implementation of reforms and delivery of some outputs
- **Software and systems obsolescence:** Legacy systems, including financial management and revenue platforms, constrained efficiency and required urgent replacement or upgrade

The prospects for the next three years:

- New IFMIS implementation, replacing the legacy Smartstream
- New Corporate Plan 2026-2030 in place
- Comprehensive national revenue strategy completed
- VSMS rollout and real time VAT monitoring
- Digitised payment systems in place
- Debt management strategy implemented, with a deeper debt market
- SOE governance framework implemented
- New MFEM website launched creating coherence around work
- National Price Monitoring system in place, and new legislative framework for consumer protection
- Whole of government, and Ministry performance management system in place
- Expansion of the single window and integrated customs systems
- Creation of the MFEM Project Management Unit
- Statistical system modernization with new HIES completed, updated GDP and other surveys and improvements.

CORPORATE STRUCTURE



The corporate structure has not changed in 2025.

CORPORATE OVERVIEW

Our Functions

The Ministry of Finance and Economic Management's functions as per the Public Finance and Economic Management Act are:

- To ensure effective economic, fiscal, and financial management and responsibility;
- To provide accompanying accountability arrangements, together with compliance with those requirements;
- To produce:
 - statements of economic policy;
 - confirmation of adherence to fiscal disciplines;
 - budget policy statements;
 - economic and fiscal forecasts and updates;
 - financial management information; and
 - comprehensive annual reports.

Our Vision

A leading Ministry that promotes wellbeing and equitable access to Government Services through a modern public financial system.

Our Mission

- Maximize revenue mobilization

- Promote digital and intelligent transformation
- Promote good Governance
- Ensure a safe and secure Vanuatu
- Better data, better decision

Our Values

Quality Leadership

Promoting strong leadership for result and innovation and most importantly providing sound policy and planning advice to the Government.

Result Oriented

Aligns individual work with team/unit goals. Plans, prioritizes and balances work to meet commitments, goals and deadlines.

Valuing Employees

Listening and taking action on employee feedback. Knowing the importance of valued employees and show appreciation to create a strong team culture within MFEM.

Customer Oriented

Insight expectations and satisfaction of customers enables ministry to improve customer orientation. Monitoring customer satisfaction produces important information that makes it possible to keep an eye on and improve processes.

Good Governance (Accountability, Transparency, and Effective Resource Management)

Ensuring good governance practice conduct in public affairs (be transparent and accountable) when managing public resources, thus guarantee the realization of human rights in a manner essentially free of abuse and corruption and with due regard for the rule of law.

Integrity

Ensuring a working environment that promotes networking, team spirit and sound relationships, honesty and strong moral principles within the ministry.

Impartiality

Treat everyone fairly and not biased towards any particular person or argument. Place importance on equality and never discriminate.

Teamwork

Work together to successfully complete a task. The cohesiveness of a teamwork, our ability to create a positive working atmosphere and how we recognize the strengths and skills that each team member brings.

Inclusiveness

Building a ministry that promotes inclusiveness to the needs of Vanuatu.

Resilience

Willingness to continue working when face with challenges or our effort have not been recognized or acknowledged. Letting coworkers take center-stage while managing budgets, risks and challenges in the workplace environment.

Responsiveness

Building a ministry that is responsive to the needs of Vanuatu .

Our Corporate Objectives

1. To manage the MFEM and Government financial resources at the highest standards.
2. To strengthen Government procurement and disposal of assets.
3. To maintain sustainable fiscal balance while re-prioritising expenditures, reducing debts and minimising subsidies paid to SOEs.
4. To ensure timely collection of Government revenue.
5. To protect borders from restricted and prohibited imports and exports.
6. To facilitate legitimate trade and business procedures.

7. To collect, compile and disseminate quality, relevant and timely official statistics.
8. To strengthen and expand coordination, cooperation, partnership and participation.

The Ministry of Finance and Economic Management works towards achieving its above corporate objective through its 3 Departments, supporting units and in strong collaboration with Statutory Bodies, all of which are outlined below

Departments/Divisions

- The Department of Finance and Treasury (DOFT)
- The Department of Customs and Inland Revenue (DCIR)
- The Vanuatu Bureau of Statistics (VBoS)

Supporting Units/Sections

- Minister's Cabinet
- DG Corporate Service Unit
- Government Central Tender Board Office
- Bureau of Price Monitoring & Consumer Affairs
- Internal Audit Unit

Statutory Bodies and Non-Statutory Bodies which MFEM has an interest in are detailed in the Statutory Authorities and Non-Statutory Bodies Sections.

PERFORMANCE OF MINISTRY DURING 2025

During 2025 the following accountability documents/mechanisms guided the Ministry's performance:

- National Sustainable Development Plan
- Ministry's Corporate Plan [2026-2030 or updated plan]
- 2025 Program Budget Narratives described in Volume 3 of the budget books
- Annual Business Plans of each Department
- Enabling legislation: Public Finance and Economic Management Act and PFEM Regulations

The 2024 December Earthquake impacted the capacity of all of Government, and particularly the Ministry of Finance and Economic Management, which was required to move out of the MFEM headquarters building in Port Vila into temporary locations in several buildings. Despite this, there have been a number of substantial achievements during this year.

Major Achievements During the Year

Some of the key achievements by the different parts of the Ministry are outlined below:

- Launched the new IFMIS reform project, that will replace Smartstream system.
- Successful roll out of the Government Stimulus package, including the finalization of a new mechanism for cash transfers through Vanuatu Post.
- Successful implementation of the Government's 2025 100 Day Plan.
- Successful amendments to the CTB Act to strengthen emergency financing, align with the DRM Act and streamline procurement.
- Successfully passed the Stable-coin legislation in November 2025 Parliament session
- Launched work on a new comprehensive Revenue Strategy approved by COM
- Successfully launched the new VAT Monitoring System in Tanna Island during the Public Service DAY held on 30th September to 5th August 2025.
- Completion of data collection and review of the agriculture census
- New GDP figures developed up to date, and launch of a new GDP series, using chain-linking and incorporating updated data from surveys and Value Added Tax.
- Successful delivery of the 2026 National Budget in November 2025 Parliament session, a record budget.
- Successful launch of the new Government Debt Strategy, expanding debt instruments, strengthening investor engagement, and improving debt reporting.
- Launch of a new revenue model for forecasting future year revenues with improved statistical techniques.
- Successfully completed audit of the Government Financial Statements for year 2021, 2022, 2023 & 2024.
- Successfully set up the Office of the Commercial Investment Unit, which facilitate the recruitment of Board of Directors and monitors the State Own Enterprise companies.

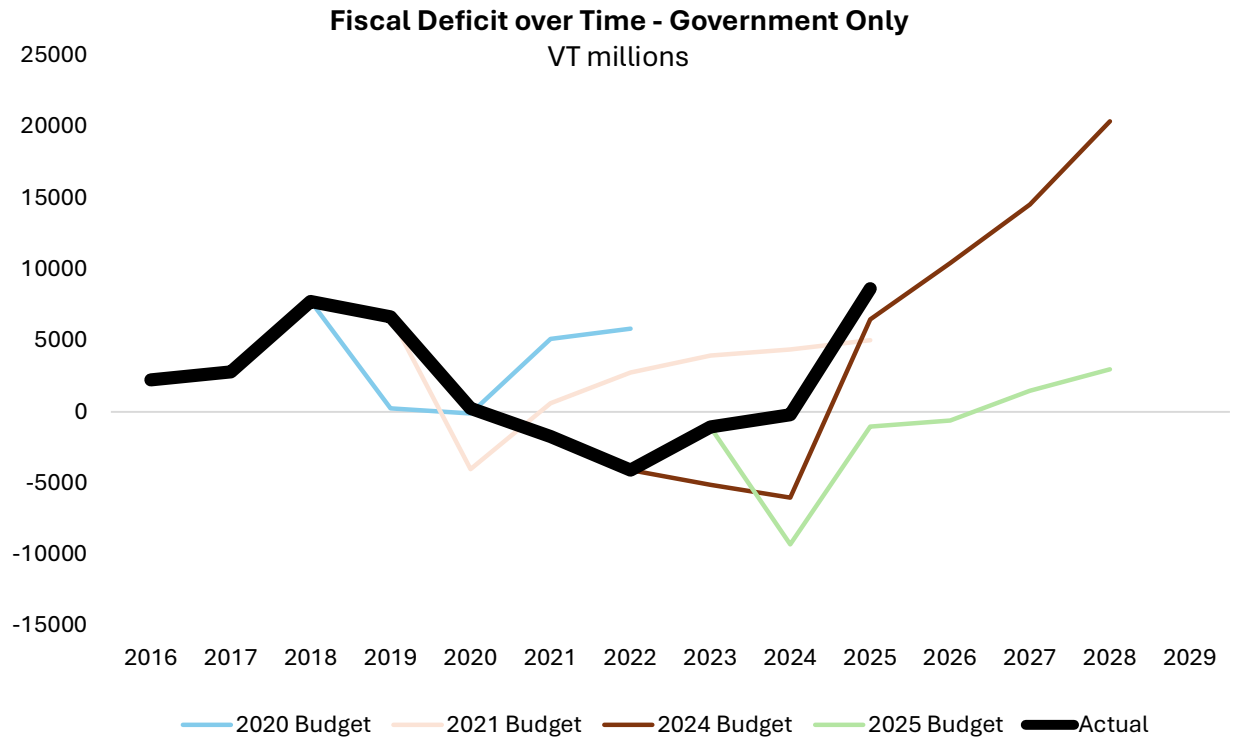


- Submitted the structure for the new MFEM Project Management Unit (PMU) to the PSC.
- Successful review of the Price Control Act and operational rollout of the new Price Monitoring and Consumer Affairs Bureau, including nationwide price data collection.
- Launched a new GFS committee to review and update GFS reporting and mapping.
- Successful purchase of one aircraft, a Twin-Otter, for the Air Vanuatu domestic fleet, which will arrive in December 2025.
- Successful reduction of Vanuatu’s debt-distress rating from “high risk” to “moderate” following action on Air Vanuatu and credible fiscal planning.
- Review of NSDP indicators with Department of Strategic Planning and Policy Aid Coordination (DSPPAC)
- Successful opening of the MFEM Penama Office building on 12 September 2025, expanding access to Government services.
- Successful expansion and solarisation of MFEM provincial operations in Torba and Tafea, with further upgrades planned for Malampa.
- Successful extension of MFEM’s Tafea Office and commencement of works to expand service access in Malampa.
- Successful securing of record grant funding for budget support from Donor Partners (ADB, World Bank, Australia, New Zealand, etc..).
- Successful negotiation for the Accreditation of the Green Climate funds, for which funding will now channel directly to Vanuatu Government budget and not going through other international agency protocol.
- Hosted major events with private sectors stakeholders meeting regarding earthquake recovery and the revenue forum meeting to try and find options for government revenue.
- Hosting the meeting with French delegation in November 2025 regarding Mathew and Hunter Island.
- Collecting of price monitoring data, and dissemination of it on social media, to support consumer understanding of prices.

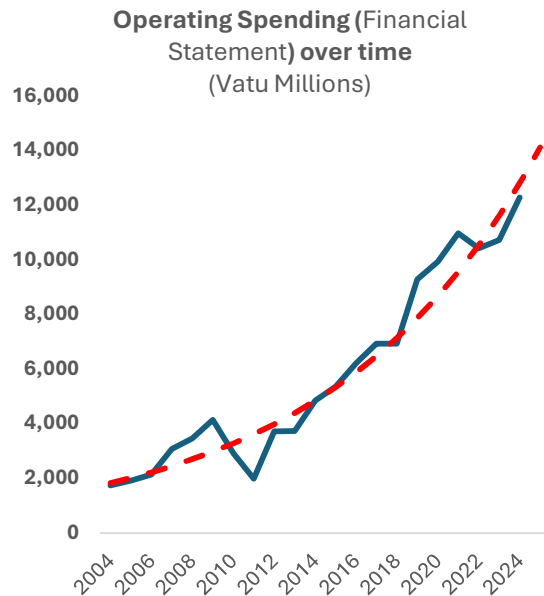
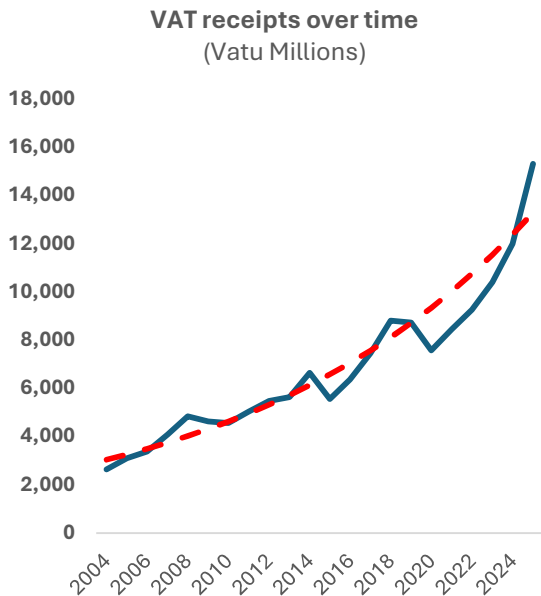
The sections below outline some of these major achievements, and their importance, in more detail.

Fiscal Surplus ahead of expectations

Deficits were expected to reduce during the 22-25 Corporate Planning period, reflecting a recovery from COVID. During 2025 the Ministry over-achieved in efforts to improve revenue collection and control expenditure. This meant in practice that the fiscal plan over-performed the 2025 Budget surplus path.

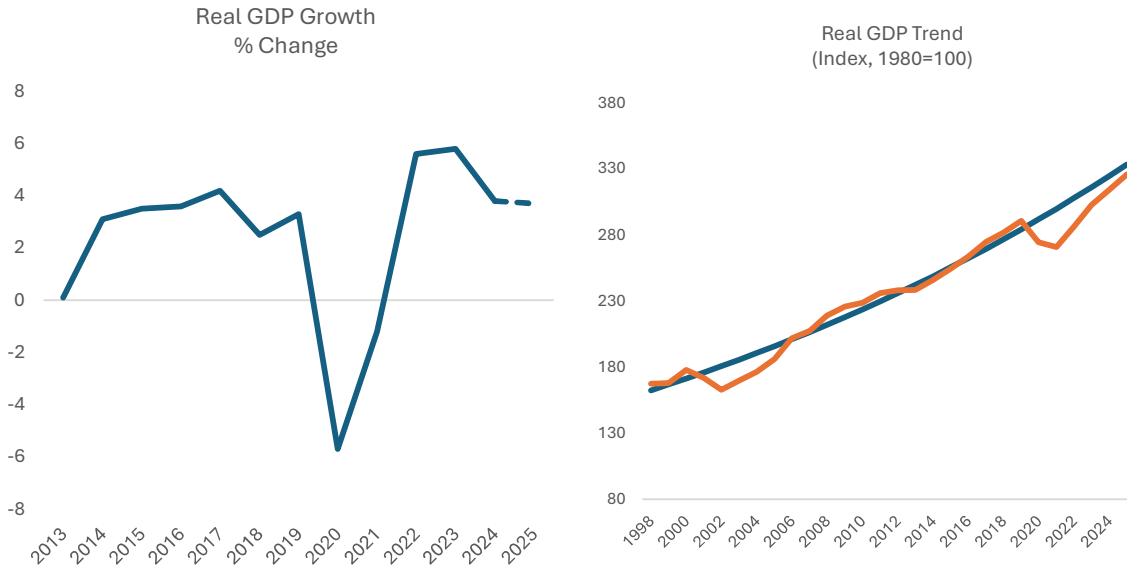


This was achieved through a mix of improved VAT receipts, performance of the ECP, and controlling operating spending over the corporate plan period. VAT is performing above historic trend, while operating expenditure remains below.

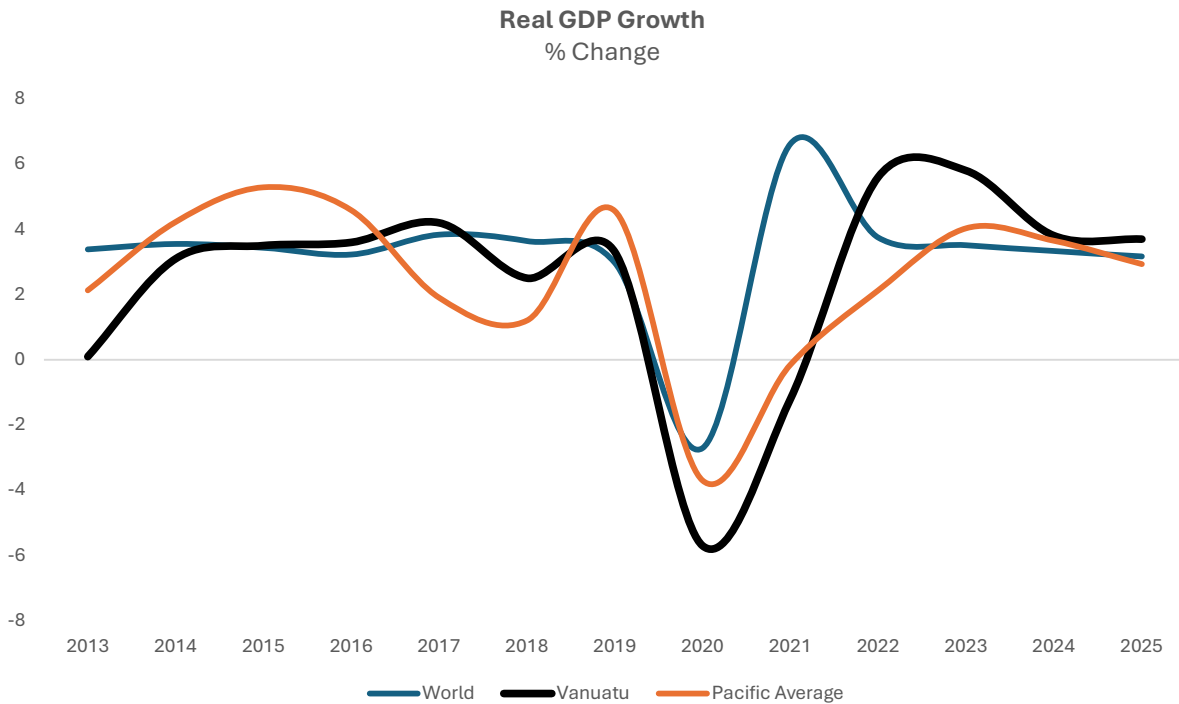


The 2025 Economic Performance






Economic growth in 2025 is expected to continue the trend of growth close to or exceeding 4%, and marks a recovery back to long-term trend post-COVID.



This rate of growth exceeds the average of the World and the Pacific region.

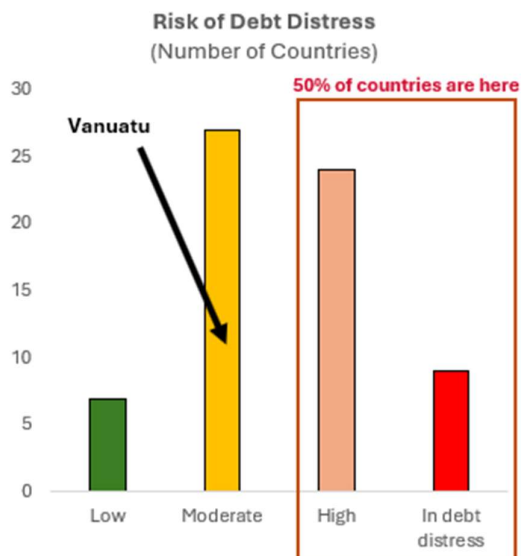


The Post-Earthquake Stimulus Package

December 2024 Earthquake Stimulus Package		
	Wage Subsidy	<p>Budget: Vt 561 million</p> <p>Spent: Vt 228.7 million (41%)</p> <p>Done: Applications for wage subsidy were close on 11 July 2025, with nearly 100 businesses benefiting, and helping them keep staff.</p>
	Small Business Grant	<p>Budget: Vt 182 million</p> <p>Spent: Vt 182 million (100%)</p> <p>Done: Funds paid to Vanuatu Post to disburse to vendors, helping them stay afloat.</p>
	Banking guarantee facility	<p>Budget: Vt 1 billion</p> <p>Set aside with Banks: Vt 400 million (Vt 100 million with VRDB and Vt 300 million with BRED) (40%)</p> <p>Guarantees in place with borrowers: Vt 73 million</p> <p>Done: Guarantee instruments signed with Vanuatu Rural Development Bank and BRED Bank, supporting business.</p>
	Demolitions	<p>Budget: Vt 312 million</p> <p>Spent: Vt 250 million (80%)</p> <p>Done: Paid to the VNPF to use for demolitions.</p>
	VTO Grant of Vt 100 million	<p>Budget: Vt 100 million</p> <p>Spent: Vt 100 million (100%)</p> <p>Done: Payments made through the budget, as a grant to VTO, supporting restarting of cruise ships and tourism quickly last year.</p>

Reduced Debt Distress and launch of the MTDS

As a result of the swift resolution of Air Vanuatu, and the continuous careful management of the government debt, the debt risk of Vanuatu was upgraded from High to Medium risk, falling in the bottom half of country risk in the IMF Lower Income Country Debt Sustainability Analysis. The launch of the new, comprehensive MTDS, will help maintain this.



Initiative	Priority	Timeframe
Fully transition to the new debt recording system (Meridian)	High	Near-term
Develop an effective investor relation program	Medium	Near-term
Develop a framework for alternative domestic instruments, including treasury bills	Medium	Near-term
Design and implement a domestic issuance calendar with more regular issuance planning	Medium	Near-term
Ensure staffing for the debt analytical function	Medium	Near-term
Development of an appropriate legal framework for debt management: Debt Law, Domestic debt issuance regulations.	Medium	Medium-term
Policy framework for Government guarantees and on-lending	Medium	Medium-term
Develop a risk assessment framework for guarantees	Medium	Medium-term
Development of a draft yield curve for analysis purposes	Low	Near-term
Identified prioritized concessional external sources for development objectives	Medium	Medium-term
Prepare a template for the release of auction results	Medium	Medium-term
Development of an internal DSA model for debt assessment	Low	Medium-term

MFEM in the Provinces

A key part of MFEM's work has been to ensure we are not too Port Vila centered. The FSBs are our connection to the provinces around the country. We had a number of key achievements in 2025, including:

- Opening a new MFEM Penama building on 12 September 2025
- Expansion and solarisation of MFEM provincial operations in Torba and Tafea
- Commencement of works to expand service access in Malampa.



MFEM SANAMA Province – Luganville Santo Office



MFEM PENAMA Province – Saratamata Office

New Corporate Plan Developed (Launching in 2026)

A new corporate plan was developed in 2025 that will form the basis of the work of MFEM through 2026-2030. A new monitoring system is being put in place to track the corporate plan, and ensure it forms the basis of work, engagement with donors and the budgeting for MFEM. This plan will be launched in early 2026.

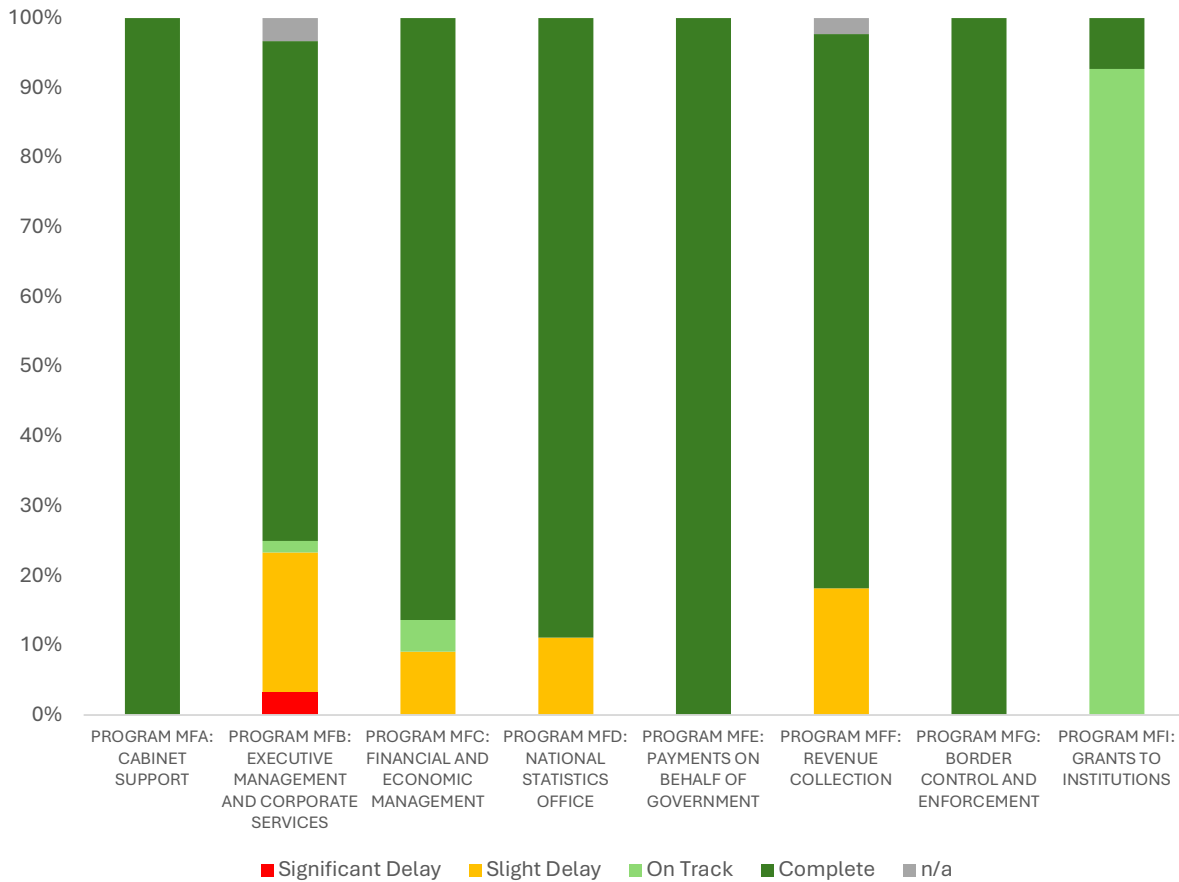


Summary of Performance

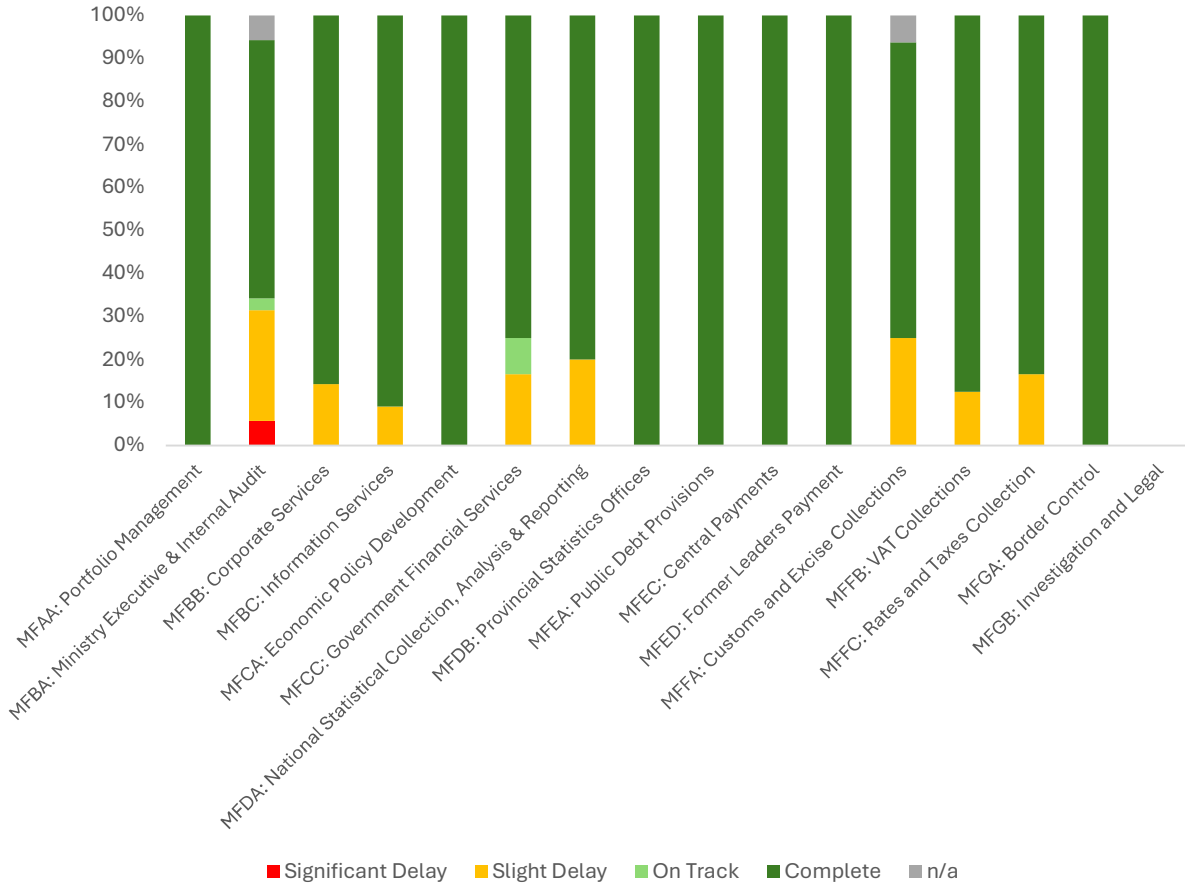
The Ministry of Finance and Economic Management (MFEM) measures itself against several key policies and performance documents: the Corporate Plan, the Business Plans of each department, Volume 3 of the Budget Book service targets, the Legislative Program, the PFM Roadmap, and agreed metrics under the Joint Policy Reform Group (JPRG).

For MFEM overall, there was a 87% rate of complete or on track across all indicator sources.

Performance by Budget Area



Performance by Budget Area: Activities (Excluding Grants)



PERFORMANCE AGAINST THE NATIONAL SUSTAINABLE DEVELOPMENT PLAN (NSDP)

In 2025 there were no Annual Development Report targets specified. Progress against the National Sustainable Development Plan is detailed below.

NSDP Policy Objective	Progress and Achievements in 2025	Challenges/Delays
ECO 1.1 Promote stable growth through responsible fiscal and counter-cyclical monetary policy	Budget produced and tabled on time; Fiscal Strategy, Budget Policy Statement, and Half-Year Economic and Fiscal Updates completed; macroeconomic forecasts and GDP projections produced and presented to MEC; financial statements compiled and tabled within statutory timelines	Some delays in monthly fiscal reporting and cashflow coordination due to staffing and resource constraints
ECO 1.2 Improve government revenue generation	Revenue targets exceeded (over 100% collection across multiple streams including VAT, customs, and rates); strengthened audit programs and compliance checks; Revenue Steering Committee active; increased taxpayer outreach and awareness programs	Delays in legislative amendments (Customs/Excise); reduced audit coverage due to relocation and resource issues; some training gaps due to budget constraints
ECO 1.3 Ensure public debt is sustainably managed and finances directed towards projects with positive economic returns	No late debt servicing penalties; obligations met on time; improved reporting and fiscal oversight through strategy documents and macro frameworks	Limited explicit progress on debt strategy reforms; broader fiscal pressures and reporting delays constrain forward planning
ECO 1.7 Stimulate economic diversification to spread benefits of growth and increase economic stability	Increased economic research outputs; strengthened macroeconomic forecasting; support to private sector through business licensing rollout and revenue system improvements	Business licensing not fully implemented across all provinces; delays in broader structural reforms
ECO 2.5 Improve partnerships and cost-effective use of resources for sustainable asset management	Strong engagement with international partners (ILO, Nia Tero, VNPF, etc.); improved asset tracking systems; procurement processes followed for major tenders; membership obligations largely met	Asset registry updates delayed due to resource constraints and earthquake impacts; some partnership activities constrained by funding
ECO 3.5 Improve collection, analysis and dissemination of market data on the rural economy	Expanded statistical outputs (CPI, GDP, trade, tourism, market surveys); development of SOPs, GDP methodology, and statistical training programs; increased dissemination of official statistics	Communication strategy delayed to 2026; capacity constraints in data systems and dissemination
ECO 3.6 Improve provision of government services in rural areas	Provincial outreach through inspections, tax awareness, and management visits; deployment of ICT tools (including Starlink)	Limited provincial coverage in some programs due to budget constraints; reduced internet

NSDP Policy Objective	Progress and Achievements in 2025	Challenges/Delays
	to improve connectivity; expansion of provincial statistical offices	access capacity for remote work
ENV 3.5 Access available financing for climate change adaptation and disaster risk management	Disaster-related SOPs developed; partnerships established for climate and disaster data systems; integration of disaster considerations into statistical systems	Implementation capacity limited; disaster impacts (earthquake) disrupted operations and delayed reforms
SOC 4.1 Implement gender responsive planning and budgeting	Gender statistics training delivered; inclusion of gender considerations in statistical capacity building programs	Limited evidence of full integration into budgeting processes; early-stage implementation
SOC 6.1 Enhance capacity and accountability of public officials	Extensive staff training programs delivered; internal audit strengthened with risk-based planning; audit reports produced and approved; improved compliance monitoring systems	Risk management strategy not finalized; audit activities delayed due to earthquake and relocations
SOC 6.2 Reform state owned enterprises and statutory bodies	Improved governance through audit processes, financial reporting, and oversight mechanisms; enhanced procurement and compliance systems	Limited explicit SOE reform progress; broader governance reforms ongoing
SOC 6.4 Strengthen national institutions	Development of policies and procedures; strengthened internal audit and governance committees; improved institutional structures and job descriptions	Delays in risk management frameworks; operational disruptions due to earthquake and resource constraints
SOC 6.5 Strengthen local authorities and municipal institutions	Business licensing rollout initiated across provinces; provincial engagement through outreach, inspections, and awareness programs	Incomplete rollout of licensing regime; uneven provincial implementation
SOC 6.8 Coordinate donor resources to align with national objectives	Multiple MOUs and partnerships established with international agencies; coordination of technical assistance needs through structured meetings	Coordination capacity constrained by resources; some delays in translating partnerships into implementation
SOC 6.9 Strengthen research, data and statistics	Significant increase in statistical production (GDP, CPI, trade, tourism); development of NSDS governance; capacity building in data analysis and visualization	Communication strategy delayed; ongoing capacity and system limitations
ENV 5.4 Protect borders and environment through effective customs and biosecurity services	100% processing of declarations, inspections, and clearances; strengthened border control operations; increased audits and compliance checks; improved training and operational capacity	Reduced audit coverage due to operational disruptions

PERFORMANCE AGAINST THE 2025 BUDGET NARRATIVE

This section outlines details and overall performance against the outputs (service targets) of the 2025 Budget Narrative under MFEM.

The performance of the Ministry against the budget narrative indicators has been very strong, with 86% completed or on track. The 2025 Budget Narrative lists 16 activities for MFEM, and an additional 13 grants. This totals 209 actions.

Code	Description	Code	Description
MFAA	Portfolio Management	MFGB	Investigation and Legal
MFBA	Ministry Executive & Internal Audit	MFIA	Vanuatu Tourism Office (VTO)
MFBB	Corporate Services	MFIB	Vanuatu Agricultural Research and Training Centre (VARTC)
MFCA	Economic Policy Development	MFIC	Vanuatu Broadcasting and Television Corporation (VBTC)
MFCC	Government Financial Services	MFID	Vanuatu Cultural Centre (VCC)
MFDA	National Statistical Collection, Analysis & Reporting	MFIE	Chamber of Commerce and Industry (CCI)
MFDB	Provincial Statistics Offices	MFIF	Grant SPBEA
MFEA	Public Debt Provisions	MFIH	Vanuatu Maritime College
MFEC	Central Payments	MFII	Utility Regulatory Authority
MFED	Former Leaders Payment	MFIJ	Vanuatu Agriculture College
MFFA	Customs and Excise Collections	MFIL	Grant to VIPA
MFFB	VAT Collections	MFIN	Grant to Vanuatu National Archives
MFFC	Rates and Taxes Collection	MFJA	Government Contribution to International Organisation
MFGA	Border Control	MFKB	Response

Program MFA: Cabinet Support

MFAA: Portfolio Management

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Production of the Budget for the next fiscal year and its tabling in Parliament	1 – Number of Budgets passed	Complete	Budget documentation prepared for November session of Parliament. Produced on time
Production of the half-year Economic and Fiscal Update and Budget Policy Statement	2 – Number of Reports approved and published	Complete	Two reports were produced during the year
Adherence to budget allocated by Parliament	1 – Number of Financial Reports published	Complete	Vanuatu Whole of Government 2024 Financial Statements were compiled, audited and tabled in Parliament within the statutory timeframes.

Program MFB: Executive Management and Corporate Services

Activity MFBA: Ministry Executive & Internal Audit

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Develop, implement and monitor department policies and procedures	100 – Percent	Complete	Policies and procedures developed and implemented in 2025.
Business License regime is implemented in all provinces	6 – Number of Area councils complied	Slight Delay	Not all Area councils business license complied in 2025.
Government revenue targets are met	99 – % revenue collected	Complete	2025 Revenue targets met and exceeded.
Organise meeting to identify areas of need for technical assistance	3 – Number of meeting minutes approved	Complete	more than 3 meetings were held in 2025 to identify TA needs for the ministry.
Organise meetings to get update on potential revenue estimates	8 – Number of meeting minutes recorded	Complete	Revenue steering committee has met and recorded minutes
Develop strategies to improve collection of revenue	4 – Number of meeting minutes reported	Complete	Revenue Committee met in 2025 at least two times.
Develop departmental Risk Management Strategy	1 – Number of Risk Management Plan finalised	Significant Delay	Risk Management is yet to be developed.
Revenue Steering Committee meet monthly	12 – Number of meeting minutes approved	Complete	Revenue steering committee met in 2025.
Governance and Reform Committee meet on 3rd week of each month	12 – Number of meeting minutes recorded	Complete	PFM Steering committee held 2 meetings in 2025.
Quarterly meeting for Customs Reform and Modernization Committee	4 – Number of meeting minutes approved	Complete	Meeting held regarding DCIR new system implementation.
Market oversight - Price Monitoring	48 - Inspections per Year (4/month)	Complete	over 60 Inspections
Enforcement - Retailer Compliance Rate	90% Compliance vs Directives	Slight Delay	Commenced enforcement 30%
Geographic Reach - Provincial coverage	6 - Provinces Visited/monitored	Complete	6 Provinces visited
Fair Trade - Farmed goods Vendor scale transition	150 Certified Scales in Use	Slight Delay	Over 50 scales issued

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Advocacy - Consumer Complaint Resolution	85% Resolved within 14 Days	On Track	Consumer Complaint over 10 attended to
Reform - New Policy Frameworks Drafted	5 Formal Policies Approved	N/a	5 policy drafts completed
Reform - Legislative Drafting / amendments	1 Amendment Bill to OAG	N/a	4 drafting instructions completed
Communication - Media releases - Advisories / Directives	24 Releases /annum (English and Bislama, French)	Slight Delay	Over 15 Media releases
Finance - Budget Utilization	< 10% Variance from Approved Budget	Complete	Over 2 trainings per staff
Institutional - Staff Capacity Training	2 Trainings per staff per annum	Complete	Risk based Annual Audit plan is developed Annually at the beginning of each financial year approved by RAC (MFEM Audit Committee)
Perform risk-based audit planning, to identify areas of focus for 2025.	1 - Annual Audit plan	Complete	
Risk and Audit Committee (RAC) meeting held quarterly	4 - RAC meetings annually	Slight Delay	Due to earthquake and 3x office relocation
Conduct Risk Based Audits on areas identified as priorities in the Annual Audit Plan.	3 - risk based audits in 2025.	Slight Delay	Due to earthquake and 3x office relocation affecting Audit activities
Conduct ad hoc audits and investigations on request.	1- depending on request & resource	Complete	Complete DOFT Audit for Financial Services Bureau Tafea
Follow up on audit recommendations made in previous audits.	1- obtain feedback on latest audit report and management actions	Complete	Feedback obtained from the auditees
Compilation of IAU's annual report	1 - Annual Report issued	Complete	Approved 2025 IAU Annual Report issued
Develop Risk Based Audit Capacity of other IAUs within the Government	1 - training sourced and attended by 2 IAUs within the Government	Complete	Training undertaken by IAU staff form IIA

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Increased staff knowledge of Risk Based internal audit planning and execution.	1 - training attending by MFEM IAU staffs	Complete	Online training undertaken by new auditors
Assist the Department of Finance in developing a framework for fraud reporting and establishing a Conflict of Interest policy	1 - Follow-up meeting held with DOFT to provide advise and guidance on developing Framework for fraud reporting and conflict of interest policy	Slight Delay	Fraud Control Policy yet to be develop by the Department of Finance.
Staffing levels and resourcing are considered sufficient by RAC	100 - approved position filled	Complete	All the IAU vacant positions filled
RAC approved Annual Audit Report, Annual Audit Plan for the year.	1 - Annual Report and Annual Audit plan	Complete	Annual Report and Annual Audit Plan approved by RAC and DG
RAC given formal feedback on risk identified in the risk matrix for the year	1 - Annual risk consultation meetings held with specific ministries	Significant Delay	Due to earthquake and 3x office relocation
RAC review audit reports for the year	3 - Audit reports	Slight Delay	Reports will be reviewed in Quarter 1 of 2026
RAC reviewed recommendations made in prior year audits	1 - Audit report	Slight Delay	Reports will be reviewed in Quarter 1 of 2026
Audit software upgrade and Computer Assisted Audit Tools (CAATs)	5 - New licensed purchased	Complete	MFEM IAU has purchased 5 new Audit Management Software licenses

Activity MFBB: Corporate Services

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Quarterly meetings to develop strategies to improve revenue collection	4 – Number of meeting minutes	Complete	Revenue section or Revenue Committee met on quarterly basis.
Plan and execute training needs	80 – Number of staff attended training	Complete	More than 60 staff attend DCIR training. Ministry staff training for 2025 is more than 20 staff and few of staff in long term scholarship training.
Submission of monthly reports	252 – Number of reports received and recorded	Complete	Monthly reports received during Executive Meeting.
Conduct management meetings quarterly	4 – Number of meeting minutes recorded	Complete	Executive Committee met on a monthly basis and minutes are recorded as well.
Payments processed appropriately	15 – Number of LPOs committed and approved daily	Complete	LPOs were committed and approved daily.
Liaise with international agencies for membership fees payment	100 – % contribution fees paid on time	Complete	Vanuatu commitments in term of membership fees 90% settle in 2025.
Review and develop organisational structure	14 – Number of sections structure approved	Complete	All structures under MFEM were reviewed. Some are still on-going task to be completed in Q1 2026.
Identify and develop new job descriptions	78 – Number of JDs approved	Complete	JDs were reviewed and updated based on the proposed restructure for MFEM.
Facilitate recruitment process	78 – Number of upgraded and new staff recruited	Slight Delay	In 2025, recruiting 44 staff within respective departments under MFEM. Slight delay due to budget availability and limited office space.
Update asset registry	100 – % assets recorded and serial number issued	Slight Delay	Asset Section, recorded and serialised, however there's delay due to resource constrain and

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
			impact of December 2024 earthquake.
Business Plan developed	1 – Number of Business Plans finalised	Complete	Business Plan 2025 develop and to be finalized
Budget Initiative produced and submitted	1 – Number of submissions completed on time	Complete	The budget initiative produced and submitted
Execute Customs International Day Celebration	1 – Number of days event celebrated	Complete	DCIR celebrated Customs Day in 2025.
Facilitate recruitment of contract staff	5 – Number of contract staff recruited	Complete	Greater than 5 contract staff recruited in 2025.

Activity MFBC: Information Services

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
SO Class Licenses renewed and activated annually	100 – % license fees paid	Complete	Yes licenses renewed annually
Conduct section meetings monthly	12 – Number of meeting minutes recorded	Complete	IT Team at DOFT/DCIR met on monthly basis.
RMS7 upgrade — Phase progress	100 – % of upgrade implemented	Complete	Procurement of RMS7 begin in 2025
ICT hardware and system tools updated	[Quantity as per 2025 Budget Narrative]	Complete	ICT hardware systems tools were purchased updated, including servers, computers, starlinks for FSBs.
Application and systems tools, OS upgraded	100 – % of application fees fully paid	Complete	Application & systems tools, OS paid and upgraded
Video conference facilities purchased and installed	4 – Number of equipment purchased and installed	Complete	Purchase of video conference facilities for DCIR Corporate in 2025.
Internet access data package	100 – % of data package paid and installed	Slight Delay	Less than 50% allowed internet access data package for remote

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
			access or work from home.
Update website and intranet with additional features	100 – % of features paid and updated	Complete	Government intranet, website needed to update and sustain the ministry websites, intranet and other related features.
Improve DCIR technology equipment	50 – Number of equipment deployed	Complete	Improved DCIR technology equipment.
Training needs attended and ICT capacity developed	8 – Number of staff attending training	Complete	More than 30 staff attending ICT capacity training under MFEM.
Acquire design tools and software to improve look and feel of online materials used for educational and voluntary compliance	100 – % of software purchased & installed	Complete	Ongoing activity for all departments under MFEM.

Program MFC: Financial and Economic Management

Activity MFCA: Economic Policy Development

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Fiscal Strategy Reports produced	1 – Number of reports annually	Complete	Fiscal Strategy report was produced in 2025
Macroeconomic framework of Budget produced by end of April	1 – Framework produced and approved	Complete	Framework was produced and approved.
Produce and publish Economic Research Papers	4 – Number of papers produced and approved	Complete	Atleast 4 papers completed in 2025.
Present GDP forecast to MEC	2 – Number of GDP forecasts produced and approved	Complete	Two GDP forecasts were produced and approved.
Produce and publish Budget Policy Statement	1 – Policy produced and approved	Complete	Budget Policy Statement was produced and approved in 2025.
Provide annual and medium-term economic forecasts	2 – Forecasts produced and approved	Complete	Forecasts which MFEM are responsible for were produced.
Involve in budget appraisals and provide advice to MBC	2 – Number of appraisals produced	Complete	Budget appraisals produced with required advice compiled and presented to MBC
Budget Policy Statement and Half-Yearly Economic and Fiscal Updates per legislation	1 – Accomplished before Budget debated	Complete	Budget Policy Statement, the Half-Yearly Economic and Fiscal Updates were produced in accordance with legislation.
Organise MEC meetings	4 – Number of MEC meetings per annum	Complete	Three meetings were held during the year which is considered appropriate.
Produce and publish half year Fiscal Strategy Report	2 – Number of reports produced	Complete	Two reports produced within the required timeframe

Activity MFCC: Government Financial Services

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Tenders processed and approved in timely way	—	Complete	Appropriate procurement process has been followed for high value tenders.
Production of timely monthly reports by Treasury	12 – Number of reports produced and approved	Slight Delay	Due to staff challenges and resource constraints. Reports to be published soon.
Treasury monthly meetings with Cash Flow Committee	12 – Number of meeting minutes recorded	Slight Delay	Monthly internal cashflow meetings were held during 2025, with one external meeting.
Production of Budget Policy Statement by 30 September	1 – Policy produced and approved	Complete	Budget policy statement produced before September 2025.
Production of Half-Year Economic and Fiscal Update by 30 June	2 – Updates produced and approved	Complete	Both have been produced and updated.
Production of Government Fiscal Strategy Report	1 – Strategy produced and approved	Complete	Fiscal Strategy report was produced in 2025.
Release of Budget Ceilings	1 – Budget ceiling release and approval dates	Complete	Budget ceilings produced and released in line with requirements and budget timetable for 2026 budget.
MBC seatings for Budget Ceiling and Budget Submission	3 – Number of MBC seatings recorded	Complete	3 MBC seatings recorded in 2025.
MBC final decisions submitted to Council of Ministers	3 – Number of CoM papers produced and approved	Complete	3 CoM papers produced. i.e 2024 spent rollover COM paper, 2025 supplementary budget COM paper and 2026 budget appropriation COM paper
Budget Books delivered to Parliament two weeks before Appropriations Bill debate	1 – Budget books production and approval dates	Complete	One budget books produced on time as per parliamentary standing order.
Production of monthly statements of accounts for all ministries	Bi-annually	On track	Each Ministry runs their own reports as required for their own reporting

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
			purposes. Accounts section within MFEM have built this capacity.
Bi-monthly payment runs of suppliers' bills	12 – Number of statements produced	Complete	Payment runs were bi monthly in 2025.

Program MFD: National Statistics Office

Activity MFDA: National Statistical Collection, Analysis and Reporting

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Establish the NSDS governance structure to support implementation	Number of Meetings and Confirm NSAC Budget	Complete	Two NSAC meetings held NPP approved @ 2.5million VT for 2026 implementation
Development of SOPS related to official statistics data collection, data analysis, dissemination and office management	Number of SOP developed Number of National Accounts (GDP) SOP	Complete	Disaster SOP draft developed GDP Revisions Policy developed & published GDP Methodology and Technical Note published
Develop capacity building programs Development of Training Package	Staff Capacity programs (x2 training) National Statistical System (NSS) capacity building (x2 training)	Complete	1. Capacity Building a. Power BI training and data visualisation b. LFS Training of Trainers c. Disaster MIS project & Capacity Development 2. NSS Capacity Building a. statistical Literacy training Gender statistic training
Develop a communication strategy	Developed VBoS Communications Strategy (x1)	Slight Delay	moved to 2026
Business Planning, Budgeting and Reporting	2024 Annual report produced 2025 Business Plan developed 2026 Budget submission including NPP	Complete	2024 Annual report submitted 2025 Business Plan launched 2026 Budget (incl, NPP) submitted

Activity MFDB: Provincial Statistics Offices

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Partnership and Stakeholder support	5 MOU/MOA or partnership engagement signed	Complete	1. Partnership & grant agreement with Nia Tero 2. LFS Implementation agreement with ILO 3. MOU with VNPF 4. MOA with National University of Vanuatu 5. MOU with MoCC (VCCRP project) 6. MOA with MOCC (Climate-Change, Energy)
VBOS Management oversight	(x11) Monthly VBOS Management meeting	Complete	Monthly meetings held
Statistics Act implementation and awareness	(x5) Awareness sessions on VBoS mandates and activities	Complete	Awareness activities; 1. International Labour Day 2. ICT Week @ Luganville, Santo 3. PSC Day @ Lenakel, Tanna
VBOS Official Statistics production review and endorsement	"1. (x4) Consumer Price Index (CPI) reports released	Complete	1. (x6) Consumer Price Index (CPI) reports released 2. (x5) Market Survey reports released 3. (x12) International Visitors Arrival (Tourism) Statistics reports 4. (x16) Trades statistics reports released 5. (x5) QSI reports released 6. (x2) GDP report for 2023 & 2024 released

Program MFE: Payments on Behalf of Government

Activity MFEA: Public Debt Provisions

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
No late interest penalty charges	50 – % of debt from total payments from GoV	Complete	No late interest penalties were imposed on the Government debt repayments in 2025.

Activity MFEC: Central Payments

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Obligations met by specified payment dates	100 – Percentage	Complete	Obligations were met at the specified time.

Activity MFED: Former Leaders Payment

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Timely payments of former leaders' entitlements	100 – Percentage	Complete	Timely payments were made.

Program MFF: Revenue Collection

Activity MFFA: Customs and Excise Collections

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Provide staff training needs	17 – Number of trainings delivered	Complete	More than 17 Trainings delivered , some by external partners, some performed internally
Import duties, excise and VAT at import are collected on all goods declared to Customs	90 – % of declarations processed for payment	Complete	More than 90% of declaration were processed for payment in 2025
Conduct staff performance appraisals	100 – % of staff appraised twice yearly	Complete	All staff have been appraised during the year for Section A and B
End-use exemption checked	200 – Number of exemptions checked & finalised	Complete	More than 200 exemptions have been checked and finalised
Comprehensive system-based audit completed	30 – Number of comprehensive audits completed	Slight Delay	Less than target achieved due to working environment and relocation issues
Check correctness on all goods imported into licensed Customs Control Area	100 – % of physical checks conducted	Complete	100% of physical checks were conducted
Verify the correctness of the customs declaration	100 – % of Valuation & HS classification checks	Complete	100% of Customs declarations were reviewed for classification
Review of Customs Import Duties Act and Excise Act	100 – % of reviewed acts finalised & implemented	Slight Delay	No review - Focus on recovery
Check transaction-based audits	5,000 – Number of transaction-based audit assessments	Slight Delay	Less than target achieved due to working environment and relocation issues
Referred audit cases to Customs Investigation, Intelligence and Interpretation section	3 – Number of audit cases investigated	Complete	More than 3 Audits were investigated
Revenue collections meet budget target	100 – % of revenue collected	Complete	Surplus of VT 778,548,497 (123%)

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Review risk assessment plan	1 – Number of risk plan finalised	Complete	Risk Assessment Plan Updated
Submit section monthly report to CIR Executive office	12 – Number of confirmed reports submitted	Complete	Monthly reports were submitted to DCIR Executives
Amendment of Customs Import Duties and Excise Tax endorsed	100 – % coverage of implementation	Slight Delay	Moved to 2026
Conduct suspense audit	500 – Number of suspense audits conducted	Not Applicable	
Conduct section meeting monthly	12 - Number of meeting minutes recorded	Complete	Section meeting conducted and recorded monthly

Activity MFFB: VAT Collections

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Average time to respond to correspondences and enquiries	5 – Number of working days	Complete	Average time to respond less than 5 days
Category 5 Specific audit checks	180 – Number of Cat. 5 audits checked	Complete	180 Cat 5 Audits were achieved
Category 6 Comprehensive audit checks	2 – Number of Cat. 6 audits checked	Complete	
Awareness or advisories through media outlets	10 – Number of newsletters issued	Complete	More than 10 awareness conducted
Identify staff training needs	15 – Number of training needs delivered	Slight Delay	Not enough training provided due to budget limitations
Quarterly visits to all provinces	4 – Number of visits undertaken	Complete	Management visits conducted
VAT collection meets budget amount	100 – % of VAT collected	Complete	115% percent achieved
Monthly report submitted to CIR Executive	12 – Number of reports submitted	Complete	Monthly reports submit to Executive
Taxpayer records processed within timeframe	5 – Number of days all records issued	Complete	Records are up to date

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Value of core debt reduced	10 – % of core debt value reduced	Slight Delay	Core debt value is at 9.2%
Number of outstanding returns reduced	20 – % of outstanding returns reduced	Complete	Outstanding returns have reduced
Conduct quarterly partnership meetings with industry	4 – Number of meeting minutes recorded	Complete	Quarterly meetings held
Category 1 Refund checks	180 – Number of Cat. 1 refund checks audited	Complete	More than 180 CAT 1 audits were checked
Category 2 Full audit one single period	180 – Number of Cat. 2 audits checked	Complete	More than 180 CAT 2 audits were checked
Category 3 Full audit up to 3 periods	276 – Number of Cat. 3 audits checked	Complete	More than 276 CAT 3 audits were checked
Category 4 Full audit more than 3 periods	216 – Number of Cat. 4 audits checked	Complete	More than 216 CAT 4 audits were checked

Activity MFFC: Rates and Taxes Collection

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Average time to respond to correspondences, site visits and general enquiries	5 – Number of working days	Complete	<i>Average processing time is less than 5 days</i>
Average processing time of returns and license application	2500 returns and license application	Complete	<i>Applications and returns were processed within 5 working days</i>
Rates & Taxes collection meets target	100% Rates & Taxes collected	Complete	<i>113% of Rates & Taxes collected</i>
Reminders and Advisories through media outlets	100 - Number of Reminders and Advisories	Complete	More than 100 reminders and advisories were issued
Identify staff training needs	5 Training Needs were identified	Slight delay	<i>less than 5 training needs identified and completed</i>
Quarterly visits to all provinces	4 – Number of visits undertaken	Slight delay	<i>4 provinces were visited biannually due to budget constraints</i>
Monthly report submitted to CIR Executive office	12 – Number of reports submitted	Complete	<i>12 Reports Received</i>

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Received returns and payments are processed and updated	5 – Number of days all records are issued	Complete	<i>Taxpayer records were processed within 5 days</i>
Undertake Public awareness forums	4 public awareness undertaken	Complete	<i>more than 4 Public awareness undertaken</i>
Quarterly conduct partnership meetings with industry representatives	4 – Number of meeting minutes recorded	Complete	<i>More than 4 meetings conducted</i>
Conduct tax awareness programs in schools	3 schools are visited quarterly	Complete	<i>More than 3 schools visited quarterly</i>
Stakeholder needs are covered by tailored services and products	1 Radio program monthly, Website information review quarterly, Review Brochures biannually	Complete	<i>Target not met , Radio programs not achived due to budget constraint</i>

Program MFG: Border Control and Enforcement

Activity MFGA: Border Control

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Cargo manifest reconciled	350 – Number of manifests received and recorded	Complete	<i>All manifest received and recorded</i>
International vessels (Cruises and Cargo) cleared within required standard time	380 – Number of shipments cleared and recorded	Complete	<i>All shipments cleared and recorded</i>
International aircrafts cleared within required standard time	3,045 – Number of flights cleared and recorded	Complete	<i>All records cleared and recorded</i>
Submission of monthly report to CIR Executive	12 – Number of meeting minutes recorded	Complete	<i>All monthly meetings conducted and recorded</i>
Conduct refresher trainings	10 – Number of trainings conducted	Complete	<i>More than 10 trainings were conducted</i>
Rummage and referrals referred to Customs Investigation section	4 – Number of referrals recorded and finalised	Complete	<i>All referrals recorded and finalized</i>
Public auction sale conducted	6 – Number of public sales published and conducted	Complete	<i>1 Big Public Auction</i>
Small crafts cleared within required standard time	510 – Number of yachts cleared and recorded	Complete	<i>All yachts cleared and recorded</i>
Ensure fair, consistent and respectful service delivery	5 – Number of examinations conducted daily	Complete	<i>More than 5 examinations were conducted daily</i>
Management visits to outer islands	4 – Number of visits carried out	Complete	<i>3 Island visits conducted</i>
Reminders and notices issued on time	85 – Number of notices issued	Complete	<i>All notices issued</i>
Enquiries satisfied on time	95 – % of enquiries provided	Complete	<i>More than 95% of enquires satisfied on time</i>

Performance Measurement (Service Target)	Quantity and Unit of Measure	Status Dec 2025	Progress and Achievements Made
Reminders issued on customs fees/charges	80 – % of outstanding fees collected and receipted	Complete	<i>More than 80% of outstanding fees collected and received</i>

Program MFI: Grants to Institutions

Note: Service targets for grant recipient institutions are monitored at the grantee level. MFEM monitors grant disbursement and receipt of required reports.

Institution	Performance Target	Quantity	Status Dec 2025	Progress
MFIA: Vanuatu Tourism Office (VTO)	Level of co-operative (industry) funding achieved	100 – Percentage	Complete	Cooperative Funding from Government achieved at 100%. Submission of Drafting Instructions for VTO Act Cap 142 for amendment achieved to increase funding from industry.
	Increase in level of tourist arrivals to Vanuatu	100 – Percentage	Complete	Tourist visitor arrivals increase to 95,922 at 55% growth from 2024 total visitor arrivals.
	Value of publicity/media exposure achieved against marketing expenditure	100 – Percentage	Complete	100% Achievement of the indicator due to campaigns and publicity produced in key markets.
	Financial management of the VTO as measured against the budget	100 – Percentage	Complete	100% submission of monthly financial statements and audited statement of 2025 in process.
MFIB: Vanuatu Agricultural Research and Training Centre (VARTC)			On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
MFIC: Vanuatu Broadcasting and Television Corporation (VBTC)	<i>None in budget</i>	–	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
MFID: Vanuatu Cultural Centre (VCC)	Provision of National Library services	7,500 – Total no. of clients per annum	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This

Institution	Performance Target	Quantity	Status Dec 2025	Progress
				is not monitored by the Ministry.
	Collection and preservation of items of literature written about Vanuatu	2,000 – Total no. of items	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Provision of Public Library services	10,000 – Total no. of clients	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Identification, survey and protection of sites of cultural and historic significance	50 – Registry established and maintained	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Provision of National Museum services	3,600 – Total no. of clients	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Recording, documentation and preservation of history and traditions on video tape	240 – Total no. of hours per annum	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
MFIE: Chamber of Commerce and Industry (CCI)	Engagement with Government on behalf of our membership on policy issues.	<i>100 Percent target achieved</i>	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.

Institution	Performance Target	Quantity	Status Dec 2025	Progress
	<i>Membership Forums conducted and Publications released</i>	<i>100 Percent Targets achieved</i>	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	<i>Support to Private sector provided under the different projects with partnership agreements signed.</i>	<i>100 Percent target achieved</i>	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	<i>Export Ready Program activities : Roadshows, HACCP Certifications, Networking Events for Export Businesses etc</i>	<i>100 Percent Targets achieved</i>	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	<i>Business Development Services Provided</i>	<i>100 Percent Targets achieved</i>	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	<i>Seasonal workers investment planning</i>	<i>100 Per cent Targets achieved</i>	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
MFIF: Grant SPBEA	Quality education is maintained in the Pacific region	100 – Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
MFIF: Vanuatu Maritime College	A 15% increase in Equivalent Full Time Students over 2009 figures	15 – Percentage of total no. of	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic

Institution	Performance Target	Quantity	Status Dec 2025	Progress
		students enrolled		Management Entity. This is not monitored by the Ministry.
	Deliver two SPC international fishing courses	2 – No. of fishing courses	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
MFII: Utility Regulatory Authority (URA)	Revised tariff rate for Unelco Concession following tariff review	10 – Percentage of total tariff showing revision	On Track	URA continues to issue monthly tariff adjustments and annual tariff adjustments for all Electricity and Water Utilities in Vanuatu. This is not monitored by the Ministry.
	Draft Report complete on approved Standards for Water Utility Compliance	1 – Report approval date	On Track	URA continues to develop, update and enforce standards (quality, reliability and safety) on water utilities to ensure customers receive good service and fair price. This is not monitored by the Ministry.
	Draft Report complete on approved Standards for Electricity Utility Compliance	1 – Report approval date	On Track	URA continues to develop, update and enforce standards (quality, reliability and safety) on electricity utilities to ensure customers receive good service and fair price. This is not monitored by the Ministry.
	Cheaper electricity tariff to attract business to do business in Vanuatu	10 – Percentage of total tariff showing revision	On Track	Tariff for VUI customers has been reduced by 10% since November 2025. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.

Institution	Performance Target	Quantity	Status Dec 2025	Progress
MFII: Vanuatu Agriculture College	Review of Feed In tariff and net metering scheme	1 – Report approval date	On Track	This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Decreased levels of 'drop-out' students per year	100 – Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Development and establishment of a well organised poultry production unit	100 – Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Development and establishment of a well organised pig production unit	100 – Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Development and establishment of a well organised beef production unit	100 – Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Development and establishment of a well organised dairy production unit	100 – Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Development and establishment of a well organised goat production unit	100 – Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.

Institution	Performance Target	Quantity	Status Dec 2025	Progress
				is not monitored by the Ministry.
	Development of a structure for the planting of trees and animal crops	100 – Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Development of a marketing network for the disposal of farm produce to be conducted by trainees	100 – Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Quarterly financial reports for all of the college's departments prepared	100 – Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Preparation of Principal's Annual Report	1 – Report production and submission	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Human Resource development file maintained	1 – File reviewed and maintained	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Implementation of asset management system	1 – Asset Management system set up	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Targets for the number of certificate students	100 – Percentage	On Track	Considered on track. This KPI is part of grant

Institution	Performance Target	Quantity	Status Dec 2025	Progress
	graduating each year are met			to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Targets for the number of participants in short term certificate courses are met;	100 - Percentage	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
MFIL: Grant to VIPA	Preparation of Quarterly Reports	4 – No. of reports produced and approved	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Preparation of quarterly expenditure and revenue collection reports	4 – No. of reports produced and approved	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Preparation of annual report	1 – Report approval date	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Visits to Provinces	6 – No. of visits per annum	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Establishment of VIPA action plan	1 – Action plan approved date	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This

Institution	Performance Target	Quantity	Status Dec 2025	Progress
				is not monitored by the Ministry.
	Recruitment of staff for vacant posts as per VIPA Approved Structure	3 – No. of signed contracts	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Organise monthly Board meetings and submission of investment proposals for approval	1 – No. of monthly meeting minutes	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Regular visits to project sites	2 – No. of visits per annum	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	VIPA Management Team weekly meetings	52 - No. of meeting minutes recorded per annum	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
MFIN: Grant to Vanuatu National Archives	Provision of National Archives services to Government bodies, other organisations and the general public (researchers)	2,000 – Clients	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	National Archives processing of public and other records	500,000 – Items	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	NAV staff "hands-on" training visits and	200 – Clients	On Track	Considered on track. This KPI is part of grant

Institution	Performance Target	Quantity	Status Dec 2025	Progress
	workshops, archiving and filing systems			to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Provision of National Library research services	9,600 – Clients	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Collection, cataloguing and preservation of books, newspapers, reports and other literary items	2,500 – Clients	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.
	Photocopying and binding services	5,000 – Clients	On Track	Considered on track. This KPI is part of grant to a non Ministry of Finance and Economic Management Entity. This is not monitored by the Ministry.

POLICY DEVELOPMENT

Policy and technical documents completed below:

- Medium-Term Debt Strategy (launched in 2025)
- Comprehensive Revenue Strategy (approved by Council of Ministers)
- Fiscal Strategy Report (2025)
- Budget Policy Statement (2025)
- Half-Year Economic and Fiscal Update (2025)
- Macroeconomic Framework for the 2026 Budget
- GDP Rebasement and Methodology Framework (including chain-linking approach)
- National Statistics SOPs and GDP Technical Notes
- Risk-Based Internal Audit Plan (2025)
- Revenue forecasting model framework (new model introduced in 2025)
- NSDS governance framework for statistical system strengthening
- Draft policy frameworks under Price Monitoring and Consumer Affairs

PORTFOLIO LEGISLATIVE FRAMEWORK

Acts passed or amended during the year

- PFEM Act — amendments in 2025 to create standing appropriation clearly for donor aid
- Government Contracts and Tenders Act — amendment in 2025 to raise procurement thresholds.
- Virtual Assets Service Providers Act
- Stablecoin Act

General legislative framework of MFEM:

- CGBE Act — Commercial Investments Unit operational status; first CIU annual report to Parliament
- Public Finance Economic Management Act (PFEM)
- Annual Appropriation Act
- Government Contracts and Tenders
- Customs Import Duties Act
- Customs Act
- Excise Act
- Value Added Tax Act
- Tax Administration Act
- Business License Act

RISKS/CHALLENGES

The following risks and challenges were managed during the year and will continue to be managed in the future.

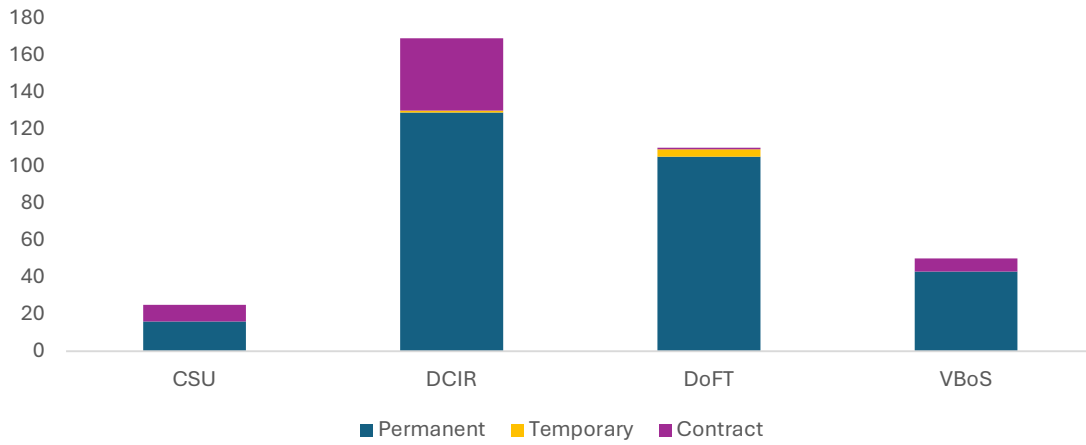
Risk/Challenge	Description	Mitigation/Status
Natural disaster recovery	Earthquake reconstruction; cyclone preparedness	Work to set up new temporary office locations complete.
Air Vanuatu	Restructuring and operational status	Improved status reflected in IMF debt rating for Vanuatu, resolution work complete, and a new aircraft purchased
Staffing	Vacancies, recruitment pipeline, retention	Recruitments ongoing for new staff on ongoing basis to handle attrition
Software systems	RMS7 upgrade, FMIS, VAT monitoring, ASYCUDA	Work ongoing on IFMIS, VMS and RMS, and IFMIS steering committee in place to address issues
Fiscal sustainability	Debt trajectory, revenue underperformance	Surplus achieved with careful control on spending.
Revenue Risk	Diversification of revenue sources	Work started on revenue strategy to diversify sources

HUMAN RESOURCES

Staff disaggregated by Department and Status

Department/Status	CSU	DCIR	DoFT	VBoS	Total	%
Permanent	16	129	105	43	293	82.8%
Temporary	0	1	4	0	5	1.4%
Contract	9	39	1	7	56	15.8%
Total	25	169	110	50	354	100%

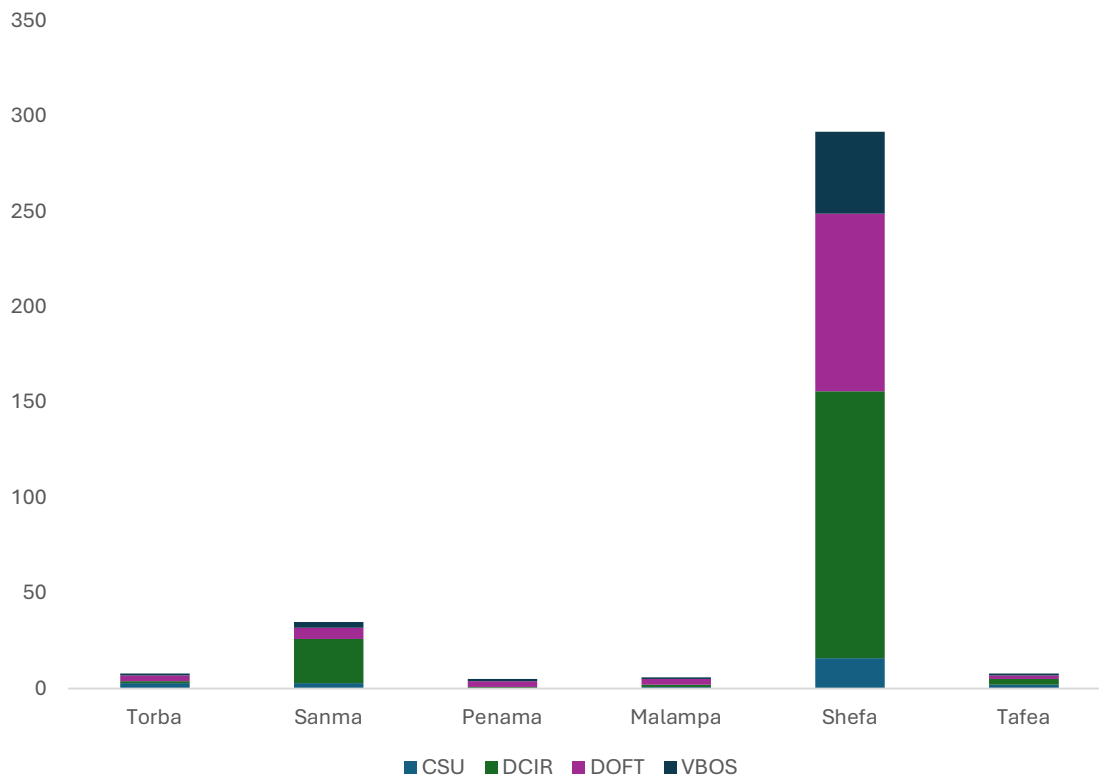
Staff by Department and Status



Geographic Distribution of Officers throughout Provinces

Dept	Torba	Sanma	Penama	Malampa	Shefa	Tafea	Total
CSU	3	3	0	1	16	2	25
DCIR	1	23	1	1	140	3	169
DOFT	3	6	3	3	93	2	110
VBOS	1	3	1	1	43	1	50
Total	8	35	5	6	292	8	354

Staff by Province and Team



Cessation of Employment: Retirements, Redundancies and Terminations

Department	Name	Type
DCIR	Leine Ben Yutchin J	Resignation
	Solomon Boe	Resignation
	Tony George	Resignation
	Andrea Shem	Early retirement
DCIR	Christiane Crowby Lini	Resignation
DCIR	Mayline Melsul	Age Retirement
	Jacqueline Tasso	Age retirement
	Johnny Mariki	Early retirement
VBOS	Rosella Tari	Early retirement
	James Temakon	Resignation
	Raine Napwatt	Resignation
CSU	Wilson Macreveth	Death benefit
DOFT	Valerie Samson	Resignation
VNAO	McCarthy Nimoho	Resignation
	Sandra Garae	Resignation

Leave Accrual Analysis

Department	Number of officers with over 21 days leave balance
Corporate Services Unit	6
Department of Customs and Inland Revenue	116
Department of Finance and Treasury	63
Vanuatu Bureau of Statistics	24
Total	209

Scholarships

Department	Area of Study	Subject	Gender (M/W)	Language (E/F)
DCIR	Degree	commerce	M	E
	Masters	IT	M	E
	Degree	Accounting	F	E
DOFT	Masters	Economics	M	E
VBOS	Masters	Economic	F	E
	Masters	Public Policy	M	E
	Masters	Data science	M	E
	Degree	Commerce	F	E

Vacant Positions

Department	Number
CSU	9
VBoS	25
DCIR	20
DoFT	2
TOTAL	56

STATUTORY AUTHORITIES

The following Statutory Authorities have been established by legislation. The Commercial Investments Unit (CIU), established under the Commercial Government Business Enterprises Act (passed in 2024), is responsible for monitoring and evaluating the performance of off-budget entities, including Statutory Authorities.

The following Statutory Authorities report to Parliament through the Ministry of Finance and Economic Management:

- Reserve Bank of Vanuatu
- Office of the Auditor General
- Vanuatu National Provident Fund
- Vanuatu Financial Services Commission
- Vanuatu Rural Development Bank Limited
- Utilities Regulatory Authority

Each Statutory Authority produces its own Annual Report, presented to Parliament via the Minister for Finance and Economic Management.

NON-STATUTORY BODIES

The Government Investment Unit (under the CIU) produces a report on annual performance of the non-statutory bodies of which the Government is a shareholder. This report is tabled in Parliament by the Minister for Finance and Economic Management.

Majority-owned entities (MFEM as parent body)

- Air Vanuatu Operations Limited [note restructuring status]
- Airports Vanuatu Limited
- AV3 Limited
- Asset Management Unit (AMU) [note liquidation status update]
- Vanuatu Postal Services Limited
- Metenesal Estates Limited (MEL)
- Vanuatu Livestock Development Corporation Ltd

Minority-owned entities

- National Bank of Vanuatu
- Interchange Limited (ICL)
- Northern Islands Stevedoring Company Limited

COMMENTS BY THE OMBUDSMAN

During 2025, MFEM did not receive any comments and/or reports from the Office of the Ombudsman.

RIGHT TO INFORMATION

The Right to Information Unit (RTIU) was established under the Department of Strategic Policy, Planning and Aid Coordination at the Ministry of Prime Minister's organisation structure.

MFEM did not receive any Right to Information requests in 2025.

DECISIONS OF COURTS

In 2025, MFEM did not receive any judicial decisions which significantly affect the operations of the Ministry.

COMPLAINTS MECHANISMS

The Ministry administers complaints through the process delineated by the Public Service Commission. Complaints are managed by middle managers (Heads of Units) as first counselling approaches before forwarding to the Director. The Director manages complaints and where no improvements are made, refers to the Director General's office for escalation to the Public Service Commission for final deliberation and decision.

Legal advice is sought from the OAG for all legal issues and complaints.

3 complaints were received through these mechanisms during 2025.

EQUITY AND INCLUSIVITY

Actions taken in 2025 to address equity and inclusion included:

- Equal opportunity and encouragement given to all genders to apply for vacant positions within the Ministry in 2025
- Appointment of women to senior positions within the Ministry, including several management positions and the head of the IFMIS reform program.
- Involvement of all genders in organising committees of events hosted by the Hon. Minister of Finance and in internal committees
- Involvement and participation of all MFEM staff in the 2025 planning and budgeting processes
- Building infrastructure designed to foster inclusivity and allow proper disabled access
- All vacant position advertisements inclusive and compliant with PSC recruitment process

FRAUD CONTROL

The Ministry of Finance and Economic Management is bound by the Public Finance and Economic Management Act, the Financial Regulations, the Government Contracts and Tenders Act and the Tender Regulations. Finance Officers and Administration Officers of departments and agencies under the Ministry frequently collaborate with DoFT staff to ensure these instruments are implemented at the ministry level.

Common financial practices used to control fraud include:

- For activities and items costing less than Vt1 million: three quotations collected from three independent suppliers, with a quotation from a preferred supplier selected. Written justification of the selected supplier is required to accompany the payment.
- For activities/items costing Vt1 million and over: a Request for Quotation (RFQ) is coordinated and facilitated. Suppliers submit responses; the Management Team undertakes screening and selects the best-suited supplier. Formal letters of acknowledgement are disseminated to both successful and unsuccessful bidders; contracts are developed and signed.
- For all projects, final payments to contractors are made after completion of activities based on a completion report produced by a PWD engineer or certified engineer.
- LPO payments are to be invoiced and goods receipted before payment. These are filed for audit purposes, both electronically and in hard copy.
- Delegations within the Ministry are used to control expenditure and reduce fraud risk. The Director General assigns certain limits for the amount of funds authorised to be approved by senior staff.
- LPO signatories are updated on an annual basis, with changes in staff positions considered.
- Internal financial checks surrounding the payment and retirement of Standing Imprests and Accountable Imprests are in use within the Ministry.
- When purchasing new vehicles, all processes and requirements of the PSC Fleet Management Unit, the CTB RFQ process and DoFT are to be followed.
- The Departments and Agencies under MFEM seek legal advice from the Office of the Attorney General if there is a question surrounding the legality of certain payments, before committing funds.

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