Early Warning System

ADB-58547-001

Enduring Fiscal Position Program

Early Warning System

Enduring Fiscal Position Program

ADB-58547-001

Quick Facts

Countries	Vanuatu
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2025-12-04
Borrower	Government of Vanuatu - Ministry of Finance & Economic Management
Sectors	Finance, Law and Government
Investment Type(s)	Grant
Investment Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 60.50 million

Project Description

According to the Bank’s website, the proposed Enduring Fiscal Position Program aims to strengthen the sustainability of Vanuatu's fiscal position through improved fiscal policy and public financial management (PFM) and strengthened management of fiscal risks from state-owned enterprises (SOEs), climate change, and disasters caused by natural hazards. The proposed program's policy-based lending (PBL) component will support critical structural reforms and provide budget financing at a time when fiscal space is constrained by substantial recovery and reconstruction efforts to address the damage caused by a 7.3 magnitude earthquake that struck the capital, Port Vila, in December 2024. It complements the multiyear reform program and development financing under the Asian Development Bank's (ADB) Finance Sector Development Program and immediate earthquake assistance provided through the Earthquake Emergency Response Project. The program also contains a new contingent disaster financing (CDF) component, given that the previous CDF was drawn down by Vanuatu after the earthquake under ADB's Pacific Disaster Resilience Program (Phase 5).

The proposed program supports the implementation of Vanuatu's National Sustainable Development Plan - Vanuatu 2030: The People's Plan - and is aligned with ADB Strategy 2030 and its midterm review's strategic focus areas of (i) climate action and (ii) resilience and empowerment. The program is consistent with the objectives of the Pacific Approach, 2021-2025, which serves as ADB's country partnership strategy for Vanuatu, emphasizing sustainable service delivery, and preparing for and responding to shocks. The program design, which combines PBL and CDF, reflects ADB's differentiated approach tailored to the needs of fragile and conflict-affected situations (FCAS) and small island developing states (SIDS). The program is coordinated with the budget support operations of the World Bank and the governments of Australia and New Zealand through the joint policy reform group.

Early Warning System Project Analysis

Environment: C

Involuntary Resettlement: C

Indigenous Peoples: C

Investment Description

- Asian Development Bank (ADB)

The government has requested a grant not exceeding $20 million from ADB's Special Funds resources (Asian Development Fund), comprising $10 million for subprogram 1 under the PBL component and $10 million for the CDF component to help finance the program.

Cofinancing:
Government of Australia - Program grant: US$ 9.90 million
Government of New Zealand - Program grant: US$ 0.60 million
World Bank - Program grant: US$ 30.00 million

Contact Information

For the Recipient:

Ministry of Finance and Economic Management
Private Mail Bag 9058
Port Vila
Vanuatu
Facsimile Number: (678) 27937

For ADB:

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines
Facsimile Numbers: (632) 8636-2444

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Bank Documents

- Enduring Fiscal Position Program (Subprogram 1): Concept Note
- Enduring Fiscal Position Program: Report and Recommendation of the President
- Grant Agreement (Special Operations) for Grant 1079-VAN: Enduring Fiscal Position Program — Subprogr
- Grant Agreement (Special Operations) for Grant 1086-VAN: Enduring Fiscal Position Program

Media

- ADB Approves $20 Million Financing for Fiscal Resilience and Disaster Response in Vanuatu