

VANUATU-INNOVATION

2020



THEME

**SHAPING THE FUTURE OF
MANUFACTURING IN VANUATU**

BUSINESS PLAN 2017-2020

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**MESSAGE FROM THE
DEPARTMENT DIRECTOR**



It is with great pleasure that I introduce this business plan for the department of industry. This business plan will be implemented over the coming three years beginning from this year 2017 and ending in 2020. It will provide the basis for annual planning over these three years and may be reviewed mid-way through its implementation period. Referred to as the Vanuatu Innovation 2020, the business plan aims to build on the current capacity within the manufacturing and value adding sector with the intention to generate greater creativity and innovation within the sector in order to make Vanuatu products more competitive within the region. It is not by coincidence that such a vision should mirror the anticipated expectations of the UN for graduating Vanuatu from LDCs in 2020.

The manufacturing sector in Vanuatu has shown considerable potentials for growth despite alleged high costs of production and low utility rates on production facilities given low supply of raw materials for certain products such as coconut oil and cocoa beans for processing into chocolate in Australia and elsewhere in Europe. In addition to high production cost and low utilization capacity, high transportation costs and low skilled manpower are amongst some of the gaps identified in a study funded by UNDP in 2011.

The department of industry will be reviewing the industry sector policy this year and it is expected that this activity might require that this business plan is reviewed. Nonetheless, for the time being this will be the Department's action plan over the next 3 years.

I believe strongly in partnership with relevant agencies in government and the private sector. We are a small department but working together with our partner organisations will increase our capacity, expand our knowledge, improve access to abundant resources, and extend our horizon beyond visible limits.

As Acting Director, I look forward to fully utilizing the activities set out in this plan for enhancing the growth of the sector over the next three years.

A handwritten signature in blue ink, appearing to read 'Noel KALO', written over a light blue background.

Noel KALO

Acting Director



LIST OF ACRONYMS

ACIAR - Australia Centre for International Agricultural Research

APTC - Australia Pacific Technical College

AVL - Aviation Vanuatu Limited

AWP- Annual Work Plan

BAAP - Business and Action Plan

DARD - Department of Agriculture and Rural Development

DoI - Department of Industry

DSSPAC - Department of Strategic Planning and Aid Coordination

EDF 11- European Development Plan 11

FDI - Foreign Direct Investment

FTDC &AU - Food Technology Development Centre & Analytical Unit

GDP- Gross Domestic Product

GMP - Good Manufacturing Practices

HACCP - Hazard Analysis Critical Control Point

IBC - Indigenous Business Council

KPI - Key Performance Indicators

MIS - Marketing Information System

NGER - National Green Export Review

NGO - Non Governmental Organization

NIP- National Industry Policy

NIRIC - National Industry Research Institute Centre

NSDP - National Sustainable Development Plan

PACER Plus - Pacific Agreement on Closer Economic Relations Plus

PSC - Public Service Commission

PSET- Post School Education and Training

R&D- Research and Development

SWOT- Strength, Weaknesses, Opportunities and Threats

TVET- Technical, Vocational, Education and Training

TVL- Telecommunication Vanuatu Limited

UNCTAD- United Nation Conference on Trade and Development

UNIDO- United Nation Industry Development Organization

VIAA- Vanuatu Industrial Accreditation Authority

VIPA- Vanuatu Investment Promotion Authority

VSS- Voluntary Sustainable Standards

VQA- Vanuatu Qualification Authority

Introduction

The Government of Vanuatu's vision is to build a stable, sustainable and prosperous nation. Over the years industry's contribution to this national goal has been very small in terms of GDP fluctuating between 9-10% but never demonstrating any capacity for real growth. This chronic low input to the economy from the sector stems from a range of causes of which, high production costs, low capacity utilization and low supply of raw materials are the more obvious. In addition to the limitation in the provision for employment opportunity this has had on the economy, other side effects include the persistent dependency on donor funding, deteriorating infrastructure, inability for sustaining high quality health and education services including other social services and the inability for taking advantage of the regional and international Free Trade Agreements (FTAs).

The establishment of the National Industry Policy in 2011 was amongst the first of a series of attempts to elevate Vanuatu's trade capability through economic diversification and value addition. While, there has been some level of advancement, it could have been better had the government been more prepared for the implementation of the National Industrial Policy.

This 2020 Business and Action Plan (BAAP) is the Department of Industry's implementation schedule for taking on the National Sustainable Development Plan and successfully implementing the National Industrial Policy including other relevant sector policies.

The BAAP runs for three years beginning from 2017 through to 2020 and focuses on the following key areas:

- Institutional strengthening, governance and stakeholder partnership
- Industrial Development, Investment and Manufacturing standards
- Research and Product development
- Rural Industries Development Programs
- Market access
- Consumer affairs

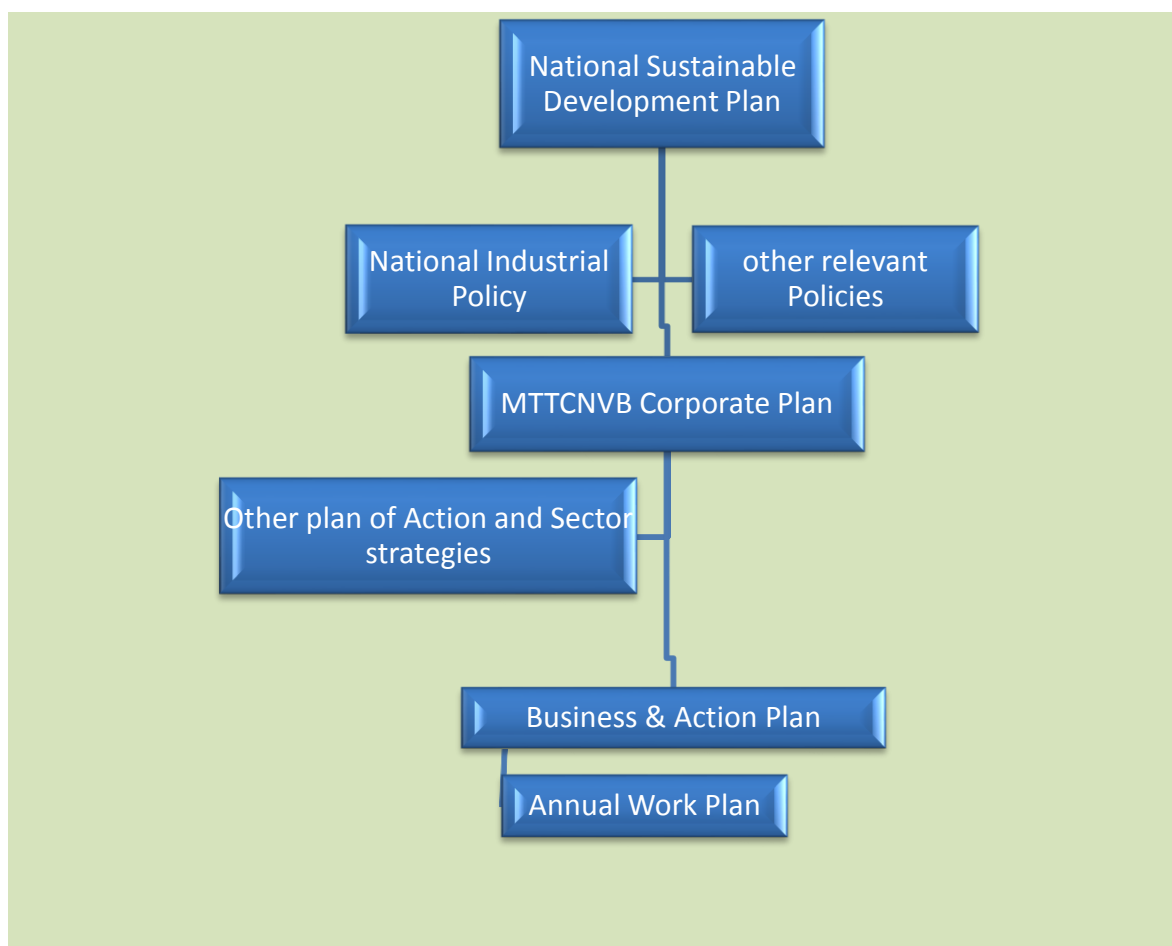
Business and Action Plans are a fit in between the Annual Work Plan (AWP) and the Ministerial Corporate Plan. They are also a tool for realizing the expressed desires of the government as espoused in the National Level Planning as would be in the case of the NSDP, that have been incorporated into the Ministerial Corporate Plan. Below is a diagrammatic

**Elevate
Vanuatu's
trade
capability
through
economic
diversification
and value
addition.**



depiction of the BAAP in the entire hierarchy of policies, strategies and other planning documents.

A Diagrammatic Depiction of the Industrial Policy Landscape



In the above diagram the NSDP encompasses the national aspirations which are evident in the expressed objectives for each of the three pillars. These are usually reflected to some degree in sector policies including the industry policy.

Overview of the Industry Sector

Generally known as an agricultural economy, Vanuatu has a population of 258,301 in 2014, 80 percent of which permanently reside in the rural areas. The country’s economic sector is comprised generally of agriculture, tourism and a very small but increasingly growing industry sector. Average GDP growth over the 2001-2013 period is around 3 percent with the

contribution of the service sector increasing over the period to 69 percent in 2013. The tourism sector accounts for the largest portion of this figure. Overall the service sector also accounts for 89 percent of total export making it significantly higher than the contribution of the merchandize trade sector.

Therefore the industry sector, which comprises the manufacturing, construction, quarry, wholesale and retail sectors, although currently making a minor contribution to Vanuatu GDP has the potential for future growth through the development of the manufacturing sector.

This BAAP sets out our plans to develop this potential into reality.

SWOT Analysis

A SWOT Analysis for the BAAP is outlined below.

Strengths

- 99 percent of the staff have an undergraduate degree
- Budgetary allocations from the government have increased significantly over the last five years
- Human resource has also increased significantly over the last five years
- The manufacturing sector now has a National Industrial Development act no.19 of 2014
- There is currently a National Industrial Policy
- Currently has a National Action Plan for coconut, cocoa and sandalwood
- A national handicraft Action Plan
- Good working relationship with line ministries, private sector and local governments
- Extension services and network of offices in all provinces
- Organisational and staffing structure that reflect manufacturing industry demand

Weaknesses

- Lack of co-ordination to implement the outcome of the 2011 cost competitiveness study
- Lack of co-ordination to implement the Priority Action Matrix of the NIP since 2011
- Weak linkages between Department of Industry and educational institutions for the purpose of addressing PSET
- Inadequate co-ordination of staff performance
- Inadequate resources and tools to support service delivery – vehicle, boats, filling cabinet
- Lack of regular staff appraisal
- Lack of office space

- Weak administrative system
- Lack of adherence to approved annual work program
- Lack of technical staff
- Limited budget
- Insufficient public awareness on department's work

Opportunities

- Increase in demand for the services within the department
- Recent linkages to the tourism sector through Agri-tourism Action Plan
- Develop stronger linkages with the education department for the purpose of improving manpower capacity through the Post School Education and Training programs (PSET)
- Establishment of manufacturing association in all Provinces
- Increase in donor funded projects
- Expand awareness of sustainable industrial development through information technology
- Established working relationship with regional and international agencies/volunteers
- UNIDO-country project approved in 2016
- UNCTAD funded MIS and VSS for supporting the sector
- At national level, the improvements currently made on the Port Vila and Luganville wharves
- Potentials connected to plans for upgrading the Bauerfield International Airport, Pekoia International Airport and White Grass International Airport

Threats

- Economic recession
- Natural disaster
- Change in Government Policies
- Lack of co-operation from other departments and provincial councils
- Government instability
- Free trade agreements



Partnership with stakeholders



Vision Statement

A competent, technical and reliable agency providing essential support services, in partnership with stakeholders, for enabling growth and competitiveness of the manufacturing sector with comparative advantage.

Mission Statement

To encourage the growth and competitiveness of the manufacturing sector by facilitating investments, diversification, innovations through R&D, improve business environments and compliance to international industry standards for a better market access of Vanuatu goods through partnership with relevant stakeholders.

Values

The department will value:

- a) Success and accomplishment
- b) Partnership through building of strong relationships
- c) Innovation and creativity
- d) Responsive to the demands of the wider sector in ensuring sustainability for our cultural, natural and social environment
- e) Team work through good leadership
- f) Staff excellence and integrity
- g) Equal employment opportunity

Stakeholders

The Department of Industry has its stakeholders not only in the government departments but also in most of the manufacturing and productive sectors of agriculture, fisheries, livestock, forestry including co-operatives and tourism. The related partners are:

- a) All government agencies & NGOs
- b) Training providers
- c) Local government authorities including the municipalities
- d) Donor partners
- e) Manufacturers and processors
- f) Producers of raw materials
- g) Logistics companies
- h) Exporters and importers
- i) Regional and international agencies
- j) Media organisations

Overarching Objectives

1.	Improve economic diversification and domestic <i>value added</i> through enhancing the <i>productivity, competitiveness</i> and the <i>capacity of the manufacturing sector</i> to move up the value chain.
2.	Contribute to the improvement of the merchandise trade balance and balance of payments through enhancing Vanuatu's exports, based on the country's <i>comparative advantage</i> .
3.	Create an <i>enabling environment</i> for the <i>private sector</i> as the main engine for economic growth and enhance its <i>productivity, capacity utilisation</i> and <i>trade capacity</i> .
4.	Enhance <i>linkages and spill-over</i> among economic sectors

Business & Action Plan Objectives

To achieve the overarching objectives as set out above the BAAP needs to be clearly focussed and to provide direction specifically to the action plan.

Key Business Plan Objectives

1.	A vibrant and robust department of Industry supported by technically trained and competent officers with an effective administrative system.
2.	A competent and diversified manufacturing sector throughout Vanuatu supported by a well resourced department of industry providing advice on industrial development, R&D, overseas investment, manufacturing standards and new manufacturing techniques such as Lean Manufacturing.
3.	Through an information service system provide export market access linking all the various players in the sector.
4.	Help establish an independent Manufacturing Association and consumer council to provide valued feedback to the department of industry.

Discussion

The international markets for primary commodities are volatile and controlled by large producers and highly influenced by speculation. Hence, reliance on exports of primary commodities will never bring about a sustainable balance of trade, particularly since Vanuatu's natural resources and land size will not permit large scale production. The solution is to move up the value-added chain, where mark up and income elasticity of demand is higher, price elasticity of demand is lower, international markets are relatively more predictable and stable and competition can be reduced through branding, marketing and product differentiation. *Manufacturing is the only way to increase value added exports and achieve better terms of trade.*

The challenges facing the manufacturing sector in Vanuatu are multi-faceted and crosscut several sectors and subsectors within (e.g. the primary sector that supplies the raw inputs) and around (e.g. supporting sectors such as energy, finance, shipping and transportation) production chains. Effectively addressing such challenges, therefore, requires working closely with all relevant ministries, departments and stakeholders to design and implement multi-dimensional integrated solution packages.

Support to the private sector will be *targeted* and *selective* in terms of industries and companies, and linked directly to clear criteria and indicators for developing the capacity to survive beyond the support, overall performance (*productivity, capacity utilization, return on investments, profitability, sound management, fair business and trade practices, growth and sustainability*) and contribution to value addition, exports, production and dissemination of knowledge and expertise, employment generation and inclusive growth.

Promote and prioritize the development of high-value-added, high-end niche products targeting niche export market.

Conclusion to Objectives

The thrust of our strategic approach is focusing on concrete, applicable and feasible policies, programs and actions with actual and measurable results on the ground. To bring about the successful completion of the above objectives as stated in this **Business plan** we now need to establish an **Action Plan** to guide us through this process. The **Action Plan** will be guided by key factors and actions as derived from the **overarching objectives** and the **Business plan** objectives and **must be targeted** to achieve this end. The targeted factors of the manufacturing sector are as highlighted in *italics* above and as listed below:

List of Key Factors to be addressed by the Action Plan

- Comparative Advantage
- Promote and prioritise the development of High Value Added Products and High End Niche Markets
- Productivity
- Capacity of the Manufacturing Sector
- Capacity utilization and trade capacity
- Return on investments, profitability and sound management
- Fair Business and Trade Practices
- Dissemination of knowledge

It vital that the Action Plan as follows addresses all of the above Key Factors.



Tanna Coffee

Action Plan

The above DoI Business Plan has outlined specific objectives for this Action Plan. The actions as listed below are targeted at achieving the objectives of the Business Plan.

Objective 1. A vibrant and robust Department of Industry supported by technically trained and competent officers with an effective administrative system.

Key Result Area 1: Organisational framework for the planning and implementation of policies and programs strengthened

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2017				
Establish a work plan for individual staff		Q1		250,000
Review the Department of Industry's structure and organizational framework including staff job descriptions and remuneration and finalise the DoI structure				400,000
Review the National Industry Policy by establishing an Advisory Committee to facilitate the drafting of the Vanuatu National Industry Policy				10,150,000
Establish the Eco-Industrial Park Working Committee to manage the implementation of the Eco-Industrial Park Policy (COM decision 144 of 2016)				250,000
Establishment of a Senior Management Committee to co-ordinate the implementation of the Action Plan				100,000
Liaise with the scholarships office for ensuring that there are plans for getting students trained in industrial innovation, research and development				50,000
Launch Tafea office				500,000
Negotiate with the relevant authorities in seeking out opportunities for establishing the Torba office in partnership with Policy and Administration division				2,000,000
Develop strong links with the Provincial Technical Committees members for ensuring that the operation of the established offices are well facilitated and supported by the local network				1,000,000
Year 2018				
Establish a work plan for individual staff		Q1		250,000
Secure funding for the construction of provincial offices to allow for the				200,000

implementation of the new organisational structure for the department				
Establish an IT system to computerise delivery of services to clients and partners				200,000
Revise structure to recruit supporting staff and adequately trained and skilled officers for the provisional offices. Work with provinces to provide staff accommodation				11,500,000
Year 2019				
Establish a work plan for individual staff		Q1		250,000
Transfer and recruit new staff including the Primary Industries Division into the Product Development Division of the DoI				8,000,000
Establish in-house training and up-skilling program based on skill gap analysis				500,000
Establish Penama and Shefa office				5,000,000
Total				40,600,000

Key Result Area 2: Increased efficiency in the management of administration and support services

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2017				
Revise and establish an efficient computerised filing system including upgrading administrative and clerical functions including the provisional offices as well				2,400,000
Year 2018				
Develop incentives for recruiting highly skilled and motivated qualified personnel within the Product Development Division				5,000,000
Manage staff performance and staff appraisals via the annual work plan on a six monthly basis. Senior Managers to follow up				400,000
Year 2019				
Increase technical capacity and number of staff for the R&D division, provide equipment and supplies				10,000,000
Resource provincial offices with vehicle, boat, motor bike, office equipment and stationery				5,000,000
Develop joint provincial programs with all relevant agencies and partners for the purpose of collaborative implementation of all industry development programs and sector policies				1,000,000

Total				23,800,000
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Key Result Area 3: Key partner agencies are effectively engaged through form programs

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2018				
Recruit a Quality Assurance Officer for the Department to strength the partnership with the Vanuatu Bureau of Standards to promote quality and safety of Vanuatu made products				3,000,000
Develop joint provincial programs with all relevant agencies and partners for the purpose of collaborative implementation of all industry development programs and sector policies				3,000,000
Year 2019				
Co-ordinate the implementation of joint programming with partner agencies in the service sector				2,450,000
Total				8,450,000

Key Result Area 4: Effective Workforce Performance Management

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2018				
In collaboration with the CSU undertake skill gaps analysis on all department staff				2,500,000
Establish an internal procedure manual and effective system for inducting newly recruited officers into the department (refresher training)				150,000
Develop a HRD plan to embrace performance management predicting future demands and a development facility				12,000,000
Year 2019				
Develop a HRD plan to embrace performance management predicting future demands and a development facility				2,500,000
Total				17,150,000

The main Key Performance Indicators (KPIs) for Objective 1 as above are:

Key Performance Indicator	
1	National Industry Policy reviewed
2	Organisational and planning framework established and operational
3	Departmental Business Plan Developed
4	Annual work plan for the department approved and audited regularly
5	Individual officers annual work plan sighted and signed regularly
6	Improved organisational and staffing structure for the department approved by PSC
7	Recruitment of staff according to the approved structure
8	Eco-industrial Park Committee established
9	Advisory Committee on National Industry policy established
10	Funding for construction of provincial officers secured
11	IT system for monitoring cliental delivery set up
12	Product development unit moved to DoI
13	Computerized filing system set up
14	Staff performance appraisal done
15	Senior Administration officer responsibilities include follow-up on performance appraisal
16	Internal filing system efficient and improved
17	Improved financial management skills in DoI administration
18	Asset Registry updated
19	Stationaries management improved
20	Provincial administration practices improved
21	Agreement for collaboration with relevant agencies established
22	Joint programs with partner agencies formalized
23	Joint programs with Department of Education formalized
24	Document on key partner agencies profiles completed
25	Number of internal files for key stakeholder
26	Number of filings for industrial permit holders
27	Number of filings for industrial duty exemptions beneficiaries
28	Number of outer island stakeholder and their products profiled
29	Number of in-house training undertaken in regards to skill gaps
30	Staff performance manual completed and operational
31	Staff Induction procedures manual completed and operational

Objective 2. A competent and diversified manufacturing sector throughout Vanuatu supported by a well resourced department of industry providing advice on industrial development, R&D, overseas investment, manufacturing standards and new manufacturing techniques such as Lean Manufacturing.

Key Result Area 1: Facilitate a Competent Manufacturing Sector

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2017				
Implement COM decision #144 of 2016				2,000,000
Year 2018				
Develop a capacity building program for DoI Manufacturing Officers in comparative advantage and important aspects of manufacturing techniques to implement good manufacturing practices				2,000,000
Carry out a comparative advantage study of all existing manufacturing groups in Vanuatu				3,000,000
Develop a capacity building program for industry officers on how to implement Good Manufacturing Practices				5,000,000
Work in collaboration with the ORCBDS to establish the Indigenous Business Council				50,000,000
Year 2020				
Develop training manuals and up-skilling schemes in response to the demand in the manufacturing and industry sector				6,000,000
In collaboration with the Department of Labour, develop an effective award and remuneration package for enhancing the sector				10,000,000
Provide manufacturer and exporter awards				10,000,000
Total				88,000,000

Key Result Area 2: Improve services to diversify products through value addition

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2017				
Establish eco-industrial parks and remuneration package for staff				12,350,000
Total				12,350,000

Key Result Area 3: Facilitate increase of quantity of products

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2018				
In collaboration with the appropriate authorities develop an implementation schedule for the strategies developed for the various existing industries in Vanuatu				3,600,000
Effectively link each diverse product with the potential supplier of raw materials in the effort to establish connection with suppliers and producers				2,500,000
Total				6,100,000

Key Result Area 4: Facilitate accreditation of business to comply with Industrial and Food Safety Standards

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2018				
In collaboration with Manufacturing and Policy and Administration, establish for each of the different categories of manufacturing enterprises different business licences to reflect the nature of the different categories				5,000,000
Train value added manufacturers in the relevant ISO/ASA Standards on Quality Assurance				4,500,000
Total				9,500,000

Key Result Area 5: Improved investment environment for FDI's

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2017				
In collaboration with manufacturing division, facilitate applications for industrial permits, duty exemption and compliance assessments				200,000
Implement component four of the UNIDO country program				2,000,000
Year 2018				
By use of the Vanuatu Manufacturing Model attract competent investors through				12,000,000

investment incentives for engaging in manufacturing in Vanuatu				
Total				14,200,000

Key Result Area 6: Improved Investment Environment for Local Investors

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2018				
Develop a profile of investment opportunities and incentives to formulate an investment strategy for new and existing manufacturing industries				11,000,000
Total				11,000,000

Key Result Area 7: A Research and Development Section for the Department of Industry established and operational

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2018				
Carry out R&D on Vanuatu's natural resources to determine the best unrestricted raw material for a future manufacturing industry				12,000,000
Carry out R&D on potential export markets for high-value-added, high-end niche markets				10,000,000
Establish standards for all forms of manufacturing in collaboration with the Vanuatu Bureau of Standards				8,000,000
Develop a registry of different categories of manufacturers, value adders and processors				500,000
Identify specific areas of research and product development over the next five years in particular Cluster Manufacturing and new innovative products best suited to export markets				13,000,000
Identify support funds for undertaking R&D in product diversification and improvement from relevant sources				5,000,000
Identify and establish partnership with key regional and international universities and institutions for third party testing and validating the research results for eventual production				5,000,000
Year 2019				
Strengthen research laboratory within the premises of the former FTDC-AU				4,000,000

Year 2020				
Link the manufacturing sector with the National Industrial Research and Development Centre				1,000,000
Total				58,500,000

Key Result Area 8: Increased diversification in the number of different products produced through R&D

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2018				
Develop an innovative model manufacturing industry based on Vanuatu's comparative advantage, the best available unrestricted raw material and high-value-added, high-end niche product suitable for exports				13,000,000
Conduct research in partnership with key industries for experimenting and developing new products that have been researched and developed in the R&D centre				10,000,000
Total				23,000,000

Key Result Area 9: Diverse number of micro, small and medium size manufacturing enterprises established and operational in the province

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2017				
Formulate EDF11 proposal to support micro and SME's of coconut, beef and fruit & vegetable producers and all new project proposals				100,200,000
Year 2018				
Establish industrial development cluster programs in each province under the management of industrial working groups to enhance marketing				2,500,000
Year 2019				
Align the IBC to include manufacturing activities and raise its awareness amongst indigenous business men and women				1,200,000

In collaboration with local government councils, facilitate the establishment of relevant by-laws to promote local and foreign manufacturing businesses				1,000,000
Total				104,900,000

The main Key Performance Indicators (KPIs) for **Objective 2** as above are:

Group A

Key Performance Indicator	
1	Capacity building of DoI staff in Comparative Advantage
2	R&D completed on Vanuatu unrestricted raw materials
3	R&D completed on export markets for unrestricted raw material
4	Innovative manufacturing model completed
5	National Manufacturing Standards established and operational
6	Number of investors engaged in manufacturing
7	Number of manufacturers in each categories of manufacturing
8	Training and up-skilling manual developed and implemented
9	Number of manufacturers awarded every year
10	Number of officers and manufacturers with knowledge of Good Manufacturing Practices
11	Number of manufacturing companies linked to the National Industrial Research and Development Centre
12	National Product Development Strategy completed and implemented
13	Product Development Unit of the department upgraded
14	Product Development Unit capacity improved
15	Number of products emerging from the coconut sector
16	Number of products emerging from the cocoa sector
17	Number of products emerging from the coffee sector
18	Number of products emerging from the sandalwood sector
19	Number of products emerging from the essential oils sector
20	Number of products emerging from the noni sector
21	Number of sculptures, carvers, weavers, painters, designers and artists profiled for each categories
22	Joint implementation schedule for NGER recommendation for coconut, cocoa and sandalwood sector established and implemented
23	Vanuatu joint Sea Food Program is established and operational
24	Vanuatu joint Creative Arts Program is established and operational
25	Vanuatu joint Cosmetic and Essential Oils Program is established and operational
26	Vanuatu joint Upholstery and Garment Program is established and operational
27	Vanuatu joint Pharmaceutical and Nutraceutical Program is established and operational
28	Number of new products developed
29	Number of Ni-Vanuatu manufacturing industries complying to Manufacturing and Industrial Standards
30	Provincial Industrial Development Plans develop and approved
31	Product development and quality assurance system in place
32	Number of HACCP plans developed
33	Number of products complying with international standards
34	Industry Investment facilitation officer recruited to the DoI
35	Number of small scale businesses in manufacturing
36	Foreign Investment Policy established and implemented
37	Indigenous Business Council Act established
38	Indigenous Business Council established and operational

39	Number of local business members to IBC
40	Number of business incubators established and operational
41	Number Ni Vanuatu ownership of medium to large investments (10 to 50 million Vatu)

Group B

Key Performance Indicator	
1	National Industrial Research and Innovation Policy established and implemented
2	National Industrial Research and Innovation Council established and operational
3	Research facility establish with Department of Industry
4	Number of products outcomes from National Industrial Research and Innovation Centre
5	Number of tests undertaken by universities in support to the NIRIC
6	Number of capable individuals able to be recruited for undertaking research in the NIRIC
7	Number of in-house capacity development programs undertaken by the department for strengthening NIRIC
8	Number of donors supporting the NIRIC

Group C

Key Performance Indicator	
1	All 6 provincial offices established and operational
2	Strong links with relevant agencies in the provinces with provincial industry office
3	Increased budgets for provincial officers use in the provinces offices
4	Adequately trained officers in all the provincial officers
5	Joint development programs with relevant agencies in all provinces
6	Skills development strategies for each provinces established and implemented
7	Provincial profiling for industrial developed for each province developed
8	Skill gaps for each provinces identified and properly addressed
9	Specific manufacturing officers deployed in each provinces
10	Manufacturing enterprises profiled according to their respective categories
11	Low cost mechanization deployed to each provinces
12	Market centres open in all major air strips in Vanuatu
13	Baseline information on productions and marketing for major products established
14	Number of raw material suppliers connected to value adders, manufacturers and processors
15	Number of market information workshops conducted in the provinces for specific major products
16	Number of producers cooperatives for each major product for each provinces
17	Number of brands develop for each island or provinces
18	Number of provincially based manufactured products complying with minimum standards
19	Number of radio programs per year broadcasted on industry development
20	Number of different products being displayed on main marketing sites around Vanuatu
21	Number of different Industrial Development Cluster Programs for each provinces
22	Number of industrial working groups in operation around Vanuatu

Objective 3. Through an information service system (MIS) provide export market access linking all the various players in the sector.

Key Result Area 1: Facilitate Inter-Island Trade

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2020				
Facilitate market access for all provincially produced products through introduction of provincial and island brands to enhance competition at the provincial level				2,500,000
Total				2,500,000

Key Result Area 2: Facilitate growth in export of goods regionally and internationally

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2017				
Participate in Trade Shows in Noumea, Australia and New Zealand				12,000,000
Year 2020				
In collaboration with the productive sectors and marketing division provide effective feedback from the wider community on available quantity and quality				5,000,000
Total				17,000,000

Key Result Area 3: Establish an effective network of marketing information system

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2017				
Establish the MIS, seek funding, identify and train users also develop marketing program				7,000,000
Establish a Manufacturing Theme for the DoI and integrate it into the MIS				2,000,000
Year 2018				
Establish a national marketing strategy for high end domestic products for accessing export markets regionally and internationally				2,000,000

Establish a national marketing information flow via radio broadcasts and made in Vanuatu displays on key sites around Vanuatu				1,000,000
In collaboration with partner agencies develop Made in Vanuatu brand and theme and disseminate information on “Made in Vanuatu” display units on key marketing sites around Vanuatu				1,000,000
Maintain connection with marketing outlets promoting the MIS				500,000
Carry out market research and disseminate results through training on the main products in Vanuatu today				3,000,000
Link MIS and liaise to various Departments, carry out capacity building and disseminate data				2,000,000
Year 2019				
Allocate responsibility of the MIS to a Port Vila Industry Officer to ensure data is collected regularly				1,000,000
Maintain connection with marketing outlets promoting the MIS				500,000
Link MIS and liaise to various Departments, carry out capacity building and disseminate data				2,000,000
Carry out market research and disseminate results through training on the main products in Vanuatu today				6,000,000
Year 2020				
Carry out market research and disseminate results through training on the main products in Vanuatu today				5,500,000
Convene national workshops on competitiveness within food processing SME’s				6,000,000
In collaboration with the Marketing Division and AVL introduce the sale of provincial products in all strip terminals around Vanuatu				6,000,000
Total				45,500,000

Key Result Area 4: Producers and buyers are lined to the Marketing Information System

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2018				
In collaboration with partner agencies conduct awareness programs covering outlets in rural and urban areas, regulatory requirements, criteria, post-harvest handling and align distributors to producers				4,500,000

Year 2019				
In collaboration with partner agencies conduct awareness programs covering outlets in rural and urban areas, regulatory requirements, criteria, post-harvest handling and align distributors to producers				4,500,000
Co-ordinate and organise collaboration and co-operation of producers into producers co-operatives for the purpose of increasing quantity and scale for domestic and export markets				2,000,000
Total				11,000,000

Key Result Area 5: Increased producer awareness on market expectations

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2017				
Advise partner agencies to encourage producers to engage in products with high demand markets				500,000
Total				500,000

The main Key Performance Indicators (KPIs) for **Objective 3** above are:

Key Performance Indicator	
1	Number of rural based producers linked to the MIS
2	Number of aqua farmers and fishermen whose production reflects impacts of the MIS
3	Number of producer cooperatives engaged in the MIS
4	Number of training workshops targeted at enhancing user capability on the MIS
5	Reporting on primary production collected and analysed four times per year
6	Number of different market segments available per year
7	Number of raw material suppliers linked to markets per year
8	Number of consistent suppliers of raw materials over 5 year period
9	Number of researched information released to potential domestic suppliers on local performance against regional competitors
10	Market Resilient Strategy developed and implemented
11	Marketing manual for coconut products, cocoa products and coffee products produced and reviewed biannually
12	Number of small high end producers consistently accessing high end markets
13	Number of new participants in Port Vila Trade shows
14	Number of new participants in New Caledonia “Wik Blong Vanuatu”
15	Number of new participants to PT&I funded trade shows in Australia and New Zealand
16	Number of international buyers linked to Vanuatu exporters

Objective 4. Help establish an independent Manufacturing Association and consumer council to provide valued feedback to the department of industry

Key Result Area 1: Establish a Manufacturing Association and Consumer Affairs Council

Action	Delegated Officer	Deadline	Review Date	Estimated Cost
Year 2018				
In collaboration with existing manufacturers organise a Vanuatu Manufacturers Association to include all willing manufacturers				2,500,000
Liaise with the elected committee of the Vanuatu Manufacturers Association to meet regularly and provide feedback to DoI on policy matters				1,000,000
Establish a National Consumer Affairs Council, assist in writing the Act, carry out training and relevant marketing and write a rights policy				10,000,000
Recruit staff and write a consumer protection and rights policy, ratify international convention on consumer protection				3,200,000
Total				16,700,000

The main Key Performance Indicators (KPIs) for Objective 4 as above are:

Key Performance Indicator	
1	Manufacturing Association established
2	Manufacturing executive committee established
3	Consumer Affairs Council Act established and enforced
4	National Consumer Affairs Council established and operational
5	National consumer council secretariat established
6	Consumer Protection Act established and enforced
7	National consumer protection office staff recruited
8	Consumer Protection Policy developed and implemented
9	International Convention on Consumer Protection ratified by the National Parliament

Senior Management Responsibilities

To ensure all the actions as listed above are carried out and completed on time, the senior management must:

- a) Set review and target dates with the Industrial Officer allocated to carry out an action.
- b) Set a list of KPI's for each action to ensure the action meets its objective.

Summary of Estimated Costs for each Year

Year of implementation	Estimated cost
2017	155,350,000
2018	246,500,000
2019	56,900,000
2020	52,000,000
Total	510,750,000

References

A number of discussion papers have been prepared prior to the preparation of the BAAP. These covered such topics as challenges, values and a SWOT analysis. These are available on separate documents for reference.

Summary

The Business Plan sets down the Vision, Mission, and Theme for the DoI.

The objectives set out what needs to be achieved to meet the obligations of the Vision Statement.

The Action Plan sets out the specific Actions that need to be carried out to meet the objectives of the Business Plan.

The Annual Work Plan which follows ensures that all the Actions will be carried out to a satisfactory standard and on time.

Annual Work Plan

The implementation of the Action Plan will be set out in the Annual Work Plan which follows this document. The Annual Work Plan will be prepared by Senior Management of the DoI.

The Annual Work Plan must include Monitoring, Review and Reporting on each Action as detailed in the Action Plan.



Vanuatu Woven Basket