



# Vanuatu National Employment Policy 2025-2030



# Acknowledgement

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The Ministry of Internal Affairs, through the Department of Labour and Employment Services, wishes to acknowledge with deep appreciation the valuable contributions of all partners and stakeholders who have supported the development of the Vanuatu National Employment Policy (NEP).

Special recognition is extended to government ministries and agencies, workers organisation, private sector representatives, civil society organisations and all other stakeholders involved whose insights and experiences have greatly enriched this policy.

The Government of Vanuatu also extend its sincere appreciation and gratitude to our development partners and particularly the ILO through the New Zealand Government–funded Pacific Climate Change, Migration and Human Security Phase II Programme, for their technical guidance, financial assistance, and continuous support in the formulation of this policy.

A special acknowledgement is extended to Mrs. Alumecei Kaltonga, the National Consultant of Tetra Tech International Development, whose expertise, dedication, and facilitation in drafting the Vanuatu National Employment Policy have been instrumental in ensuring that the document reflects national priorities and international best practices.

The Ministry further wishes to recognize the Commissioner of Labour, Mrs. Murielle MELTENOVEN and the staff of the Department of Labour and Employment Services for their leadership, dedication, and tireless coordination in driving this policy process to completion. Their continued commitment to promoting decent work and employment opportunities across Vanuatu is deeply appreciated.

Above all, sincere appreciation is conveyed to all stakeholders for their dedication, teamwork, and shared commitment to advancing decent work and sustainable employment opportunities for the people of Vanuatu.

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Employees Serving a Customer  
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## Foreword

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It is with great honour that I present the Vanuatu National Employment Policy (NEP), a comprehensive framework that sets the strategic direction for employment creation, labour market development, and decent work promotion in our country. Employment remains one of the most powerful drivers of poverty reduction, social inclusion, and sustainable economic growth. The NEP is therefore a key instrument in translating our development aspirations into concrete outcomes for the people of Vanuatu.

The development of this Policy responds to both national and international imperatives. At the national level, it is fully aligned with the National Sustainable Development Plan 2016-2030 (The People's Plan), which places people at the center of development and prioritizes "quality jobs and opportunities for all". It also complements sectoral policies in education, skills development, private sector growth, climate change and employment, and labour mobility. At the international level, the NEP reflects Vanuatu's commitment to the ILO Decent Work Agenda, the 2030 Agenda for Sustainable Development (SDGs), and relevant international labour standards to which Vanuatu is party.

The NEP provides a coherent framework to address critical challenges in our labour market, including unemployment and underemployment, limited formal job creation, gender inequality, youth exclusion, skills mismatch, informality, and the vulnerabilities of migrant workers.

The preparation of this Policy has been the result of a truly participatory and consultative process between Government stakeholders, private sectors, civil society and development partners. This collective effort demonstrates our shared responsibility in building a labour market that is inclusive, dynamic and resilient.

As we move into the implementation, I call upon all stakeholders to continue this spirit of partnership. The success of the NEP will depend on strong institutional coordination, adequate resources, regular monitoring and evaluation, and above all, the active involvement of the people of Vanuatu.

I wish to acknowledge the valuable contributions of ILO and all partners involved in this process and I reaffirm the Government's commitment to ensuring that this policy is not only a document of aspiration but also a practical tool that delivers real and measurable change.

Together, we can ensure that employment becomes a pathway to dignity, equality, and sustainable development for every Ni-Vanuatu.

Respectfully,

A handwritten signature in black ink, appearing to read 'Andrew', is written over a blue circular official stamp. The stamp contains the text 'REPUBLIC OF VANUATU' at the top, 'MINISTER OF INTERNAL AFFAIRS' in the center, and 'MINISTRE DE AFFAIRES INTERIEURES' and 'REPUBLIQUE DE VANUATU' at the bottom, separated by two horizontal lines. Two small stars are positioned on either side of the central text.

**Hon. Andrew Napuat Solomon**

**Minister of Internal Affairs**

**Republic of Vanuatu**

## Preface

The Vanuatu National Employment Policy (VNEP) provides an integrated and coherent vision to address labour market challenges and to stimulate the creation of decent and productive employment opportunities for all in Vanuatu's economy. It offers a comprehensive policy framework, streamlining employment objectives in Vanuatu and supporting the achievement of the NSDP 2016-2030, ensuring coherence with related policies in place or under development.

The Sustainable Development Goals (SDGs) – including SDG 8 which promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all – are stipulated in the Vanuatu 2030 People's Plan - National Sustainable Development Plan 2016-2030 (NSDP) as an overarching guide for government planning over a period of 15 years. Together they articulate a path for Vanuatu to emerge as a much stronger nation, renewing its traditions and values, and creating economic opportunities for all. Notably, the 4<sup>th</sup> Economic Pillar of the NSDP 2016-2030 promotes the creation of jobs and business opportunities.

The VNEP was developed through a consultative process that gathered inputs from a wide array of stakeholders, initially through a workshop conducted in February 2023, organized by the Department of Labour and Employment Services (DOL) in collaboration with the ILO. Key objectives were further refined through consultations between May and June 2024. A first draft of the VNEP was presented and reviewed during a workshop in October 2024, involving Ministries and other government institutions, employers, trade unions, civil society organizations and development partners. The final draft of the VNEP was validated by stakeholders at a workshop in May 2025.

The VNEP is designed to be the principle reference for employment strategies aimed at addressing existing labour market challenges and seize new opportunities. It sets key priorities and aims to enhance employment opportunities for all, including women, youth and persons with disabilities, strengthens employment services, empowers informal workers and informal enterprises, and supports high potential sectors for economic

diversification. It also addresses the balance between labour mobility and domestic labour market needs, promotes job creation linked to climate change mitigation and natural disaster resilience, and strengthens the labour market information system.

With the launch of this policy, the Government of Vanuatu, under the leadership of DOL, is committed to taking comprehensive action to foster the creation of quality jobs and to ensure that decent and productive employment is accessible to all.

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## Acronyms

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ADB	Asian Development Bank
AI	Artificial Intelligence
CIR	Customs and Inland Revenue Department
DARD	Department of Agriculture and Rural Development
DCIR	Department of Customs and Inland Revenue
DLA	Department of Local Authorities
DOL	Department of Labour and Employment Services
DODT	Department of Digital Transformation
DOT	Department of Tourism
DoWA	Department of Women's Affairs
DSPPAC	Department of Strategic Policy, Planning and Aid Coordination
DYS	Department of Youth & Sports
ECP	Economic Citizenship Program
FBOs	Faith Based Organisations
GDP	Gross Domestic Product
ICLS	International Conference of Labour Statisticians
ICT	Information and Communication Technology
ILO	International Labour Organization
IMF	International Monetary Fund

LFPR	Labour Force Participation Rate
LMIS	Labour Market Information System
LMPs	Labour Mobility Programs
MALFFB	Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity
MCC	Ministry of Climate Change Adaptation, Meteorology and Geohazards, Energy, Environment and Disaster Management
MFAICET	Ministry of Foreign Affairs, International Cooperation and External Trade
MJYCS	Ministry of Justice, Youth and Community Services
MoET	Ministry of Education and Training
MoIA	Ministry of Internal Affairs
MTTCNVB	Ministry of Tourism, Trade, Commerce, and Ni-Vanuatu Business
MOU	Memorandum of Understanding
MSME	Medium, Small and Micro Enterprises
NBS	Nature-based solutions
NEDC	National Employment Development Committee
NEP	National Employment Policy
NFIC	National Financial Inclusion Council
NFIS	National Financial Inclusion Strategy
NGOs	Non-governmental organizations

NHRDP	National Human Resource Development Plan
NSDP	National Sustainable Development Plan
NUV	National University of Vanuatu
PES	Public Employment Service
PSC	Public Service Commission
PSET	Post School Education and Training Strategy
SDG	Sustainable Development Goals
TC	Tropical Cyclone
TLAC	Tripartite Labor Advisory Council
TVET/VSP	Technical and Vocational Education and Training
VANGO	Vanuatu Association of Non-Governmental Organizations
VBoS	Vanuatu Bureau of Statistics
VCC	Vanuatu Christian Council
VCCI	Vanuatu Chamber of Commerce and Industry
VDPA	Vanuatu Disability Promotion and Advocacy
VETSS	Vanuatu Education and Training Sector Strategy
VFIPA	Vanuatu Foreign Investment Promotion Agency
VFSC	Vanuatu Financial Services Commission
VIPAM	Vanuatu Institute of Public Administration and Management
VNCW	Vanuatu National Council of Women
VNEP	Vanuatu National Employment Policy
VNPF	Vanuatu National Provident Fund

VNYC	Vanuatu National Youth Council
VPPA	Vanuatu Primary Producers Authority
VQA	Vanuatu Qualifications Authority
VWC	Vanuatu Women's Centre
VSP	Vanuatu Skills Partnership
VSPD	Vanuatu Society for People with Disability
VTUC	Vanuatu Trade Union Council
WHS	Work, Health and Safety
WILP	Women in Leadership Program

# 1. Introduction, Vision and Mission

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## 1.1. Introduction

The ILO's Employment Policy Convention, 1964 (No. 122), provides Vanuatu with relevant guidance on the National Employment Policy (NEP). The Convention calls on countries to “declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment” (Article 1). The Convention asks the ratifying countries to develop and implement a NEP based on the principles that there is work for all who are available for and seeking work; such work is as productive as possible; and that there is freedom of choice of employment and the fullest possible opportunity for each worker to qualify for, and to use his or her skills and endowments in a job for which he or she is well suited, irrespective of race, color, sex, religion, political opinion, national extraction or social origin.

Article 7 of the Constitution of the Republic of Vanuatu prescribes that every person has the fundamental duty “to work according to his talents in socially useful employment and, if necessary, to create for himself legitimate opportunities for such employment”. The Vanuatu National Employment Policy (VNEP) aims to contribute to an economic and social environment that provides the necessary conditions for the people of Vanuatu to fulfill this duty. The VNEP is Vanuatu's first-ever NEP, intended to run from 2025 to 2030, in alignment with the NSDP.

The VNEP offers a coherent, comprehensive and integrated policy framework that strives to influence the content of economic, sectoral and social policies. The VNEP will address key priorities in order to achieve objectives that are identified on the basis of empirical evidence as well as of extensive and inclusive consultations, with areas of action that include suitable measures that address challenges and leverage opportunities. The measures included in the VNEP aim to drive economic growth and development in Vanuatu through workforce development, labor market improvement, and inclusive economic participation. There are seven priorities defined as part of this policy and,

together with the areas of action embedded therein, they collectively aim to create a robust, equitable and sustainable labor market that benefits all.

The success of any employment policy requires good design and good implementation. The VNEP is a well-formulated policy with a clear articulation of key priorities, objectives and areas of action, as well as a clear view of the set of implementation mechanisms that are required.

The VNEP has five chapters and is structured as follows. The remainder of Chapter 1 presents the vision and mission of the policy. Chapter 2 offers a brief Employment Situation Analysis (ESA). Chapter 3 discusses the policy framework and refers to existing relevant legislation and policies, with which the VNEP is aligned. Chapter 4 identifies key priorities, sets objectives and describes concrete areas of action. Chapter 5 includes an implementation plan and discusses the coordination mechanism for implementation. It also introduces a monitoring and evaluation framework and discusses the financing of the VNEP.

## **1.2. Vision**

Achieve a dynamic, inclusive and safe workplace and labour market, in which everyone has the opportunity to secure decent work and in which full, productive and freely chosen employment for all has become a reality.<sup>1</sup>

## **1.3. Mission**

Pursue inclusive, coordinated and results-oriented action to:

- enhance equitable opportunities for all in the labour market
- strengthen employment services

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<sup>1</sup> The International Labour Organization (ILO) on its website (<https://www.ilo.org/topics/decent-work>) defines “decent work” as follows: “Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.”

- strengthen informal enterprises and informal workers, including through entrepreneurship and support for MSMEs
- empower high potential sectors for economic diversification and employment creation
- balance the trade-offs between labour mobility and skills shortages
- strengthen climate change and disaster risk mitigation efforts to reduce risks and streamline employment in post-disaster recovery and development efforts
- strengthen the Labour Market Information System (LMIS)

— with the objective of contributing to the achievement of the policy’s vision.

## 2. Employment Situation Analysis: Challenges and Opportunities

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### 2.1. Employment Situation Analysis

#### Economy

As one of the world's most vulnerable countries to the impacts of climate change and natural disasters, Vanuatu's economy and labour market has been challenged severely. Various recent natural disasters, including tropical cyclones (TCs) Judy and Kevin in early March 2023, as well as TC Lola in October 2023, have caused major damage. Moreover, the Port Vila earthquake of December 2024 destroyed infrastructure and buildings across the capital, and aftershocks have continued to occur to this day. Moreover, the voluntary liquidation of Air Vanuatu in May 2024 had some adverse impacts on economic growth and business confidence. The negotiations about the future of the airline, along with developments linked to the Economic Citizenship Program (ECP), is having significant economic, social, fiscal, and financial integrity implications.

According to the IMF, real gross domestic product (GDP) grew by 0.9 per cent in 2024 and is forecast to grow by 1.4 per cent in 2025.<sup>2</sup> The ADB is also projecting a 2.0 per cent modest GDP growth in 2025.<sup>3</sup> The Vanuatu Department of Finance and Treasury has reported that the agriculture, fisheries, and forestry sector remain pivotal for Vanuatu's economy, projecting a growth rate in 2024 and 2025 of 2.5 percent, rising to 3.3 percent on average from 2025 to 2029. With substantial downside risks, Vanuatu's macroeconomic situation is mixed, with fluctuations in GDP growth and a significant trade deficit. Economic growth has not been able to sustain and fairly provide employment for all. Empowerment programs for women, youth and persons with disabilities are in place but challenges for these groups on the labour market continue to exist.

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<sup>2</sup> International Monetary Fund (IMF), World Economic Outlook database, April 2025.

<sup>3</sup> Asian Development Bank (ADB), [Asian Development Outlook \(ADO\) April 2025](#).

Inflation continues to be high, with consumer prices estimated to have grown by 4.2 per cent in 2024<sup>4</sup>, creating additional incentives to join Labour Mobility Programs (LMPs). The supply of domestic labour continues to be significantly impacted by outward labour migration especially of skilled workers. Given the benefits and costs of the LMPs, the VNEP must be designed to guide the process of prioritizing strategies that leverage opportunities and address challenges of these programs.

Labour statistics play a crucial role in informing the country's development goals. Even though the latest available data points informing this VNEP are from the 2020 National Population and Housing Census and hence not most recent, the analysis of these data can point to some of the main challenges, which remain relevant until now.

## Employment

In 2020, Vanuatu had an employment-to-population ratio of 41.2 per cent, which corresponds to a relatively **low employment rate** in international comparison and can be seen as significant challenge towards the country's development.<sup>5</sup> In 2020, the working-age population (defined as population aged 15+) stood at about 184,000. The number of individuals in the labour force (defined as those individuals in employment, or available and looking for a job) was 79,000, so the labour force participation rate (LFPR) corresponded to 42.9 per cent. In total, 75,800 individuals were in employment. This implies that the unemployment rate in 2020 was 4.0 percent, where unemployment refers to those that are not in employment, but available for work and actively seeking employment. The unemployment rate alone is likely to mask the true extent of labour underutilization. In 2019, the composite rate of labour underutilization was 18.7 per cent.<sup>6</sup> This rate represents the share of the extended labour force that are either in unemployment, or in time-related underemployment, or in the potential labour force.<sup>7</sup>

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<sup>4</sup> IMF, World Economic Outlook database, April 2025.

<sup>5</sup> ILOSTAT, based on Vanuatu 2020 National Population and Housing Census. All statistics are based on the definitions adopted at the 13<sup>th</sup> International Conference of Labour Statisticians (ICLS).

<sup>6</sup> ILOSTAT, based on Vanuatu 2019 Household Income and Expenditure Survey.

<sup>7</sup> The potential labour force includes those individuals who are either currently available for work but not actively seeking employment, or actively seeking employment but not currently available for work. Time-related underemployment refers to those individuals who are willing and available to work additional hours, but are currently working fewer hours than a full-time job or their own desired level of employment.

While some of these figures might have been impacted by the pandemic, there are also structural issues on Vanuatu's labour market including limited job opportunities, lack of skills in the workforce as well as in general relatively low education levels.<sup>8</sup>

## Youth

Vanuatu has a **high youth unemployment rate** of 9.7 per cent.<sup>9</sup> The proportion of youth that is not in education, employment or training is staggeringly high at about 47.5 per cent.<sup>10</sup> The population is young, but the country is not making the most of its demographic dividend due to a persistent skills gap. Secondary, tertiary and Technical and Vocational Education and Training/Vanuatu Skills Partnership (TVET/VSP) education is identified as an area for increased uptake of skills development with a need to correlate training opportunities to labour demands.

Youth in Vanuatu face significant challenges and difficulties within society, including poor quality education, both academic and vocational, limited job opportunities and a mismatch between labour supply and demand. The Government developed a National Skills Development Policy. It is intended that this policy will guide the identification of specific skill demands in both the private and public sector labour markets.

Further engagement with youth is needed to ensure their views are being raised in policy discussions such as this, given their high proportion of the country's population.

## Women

The LFPR in urban areas was 50.5 per cent in 2020, which is considerably higher than in rural areas (40.4 per cent). In urban areas, 57.1 per cent of men participated in the labour force, comparing to 44.0 percent of women. In rural areas, 45.0 percent of men participated in the labour force, while only 35.9 per cent of women were active in the labour market.<sup>11</sup> Vanuatu's labor market generally experiences **significant gender gaps**, with women underrepresented in high-earning jobs or formal employment.

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<sup>8</sup> ILOSTAT, based on Vanuatu 2020 National Population and Housing Census.

<sup>9</sup> Youth unemployment is here defined as unemployment among the population aged 15-24.

<sup>10</sup> ILOSTAT, based on Vanuatu 2020 National Population and Housing Census.

<sup>11</sup> ILOSTAT, based on Vanuatu 2020 National Population and Housing Census.

## Persons with disability

The main policy directive of the Vanuatu Society for People with Disability (VSPD) is to ensure that all girls and boys with disabilities are given the fullest possible opportunity for education, and to provide equal opportunities for vocational training and employment for people with disabilities. One of the key strategies was that by 2012 at least 30 per cent of all vocational training programs will include persons with disabilities and provide appropriate support and job or business development services for them. The LFPR among persons with disability stood at only 25.9 per cent in 2020, relative to 43.6 per cent for persons without disability.<sup>12</sup>

## Informality

**Informality plays a dominant role** in Vanuatu, with 72.4 per cent of the country's workforce in informal employment in 2019.<sup>13</sup> The informal employment rate is slightly higher for women (73.8 per cent) than for men (71.2 per cent). The share of employment outside the formal sector stood at 69.7 per cent. There exists a clear relationship between low educational attainment and informal employment. The informal employment rate among workers with advanced education levels is only 15.8 per cent, while it is 97.3 per cent among workers with less than basic education and 80.7 per cent among workers with basic education. In terms of economic sector, informal employment incidence is the highest in the agriculture, forestry and fishery sector (96.8 per cent), followed by industry (63.1 per cent) and then services (45.2 per cent).

According to 2024 data from the Vanuatu National Provident Fund (VNPF), informal employment has picked up significantly over the past two years. The labour market has seen a significant increase in informal employment specifically in the agricultural sector, according to the Vanuatu Primary Producer Authority (VPPA), and especially among women. This significant increase is likely due to the government prioritizing investment in

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<sup>12</sup> ILOSTAT, based on Vanuatu 2020 National Population and Housing Census.

<sup>13</sup> ILOSTAT, based on Vanuatu 2019 Household Income and Expenditure Survey.

agriculture, with institutions providing training and support to promote more equal gender involvement.

Informality often comes with low wages, limited job security and poor working conditions. Informal workers and informal enterprises are contributing significantly to the economy, but workers are not receiving the same benefits as in the formal sector. An initiative led by the Vanuatu Association of Public Service Employees (VAPSE) and the Vanuatu National Workers Union (VTUC), aims to formalize existing informal sector associations, particularly those in the creative and agriculture sectors. Bringing those who are not economically active into the labour force and supporting the transition of workers and economic units from the informal to the formal economy, could enhance the sustainability of the social security systems which should include benefits to workers and their families in case of retirement, disability, death, injury or other life cycle events and risks.

## **Economic activities**

Vanuatu's domestic economy is mostly based on **agriculture and services through tourism** with a growing commercial and industrial sector and continued existence of subsistence agriculture. In terms of the distribution of the employed population by economic activities, the agricultural and the services sector each accounted for nearly 45 per cent of the employed population, with industry making up the remainder. Women are more likely to be employed in the service sector than men, especially in wholesale and retail trade and in education. Enhancing high potential sectors for diversification and boosting employment remains a challenge.

Tourism has rebound after the pandemic and the growth of tourism has encouraged the production of traditional handicrafts which are mostly taken up by women in the rural areas and building canoes by men. With the current increase in the number of flights and cruise-ship arrivals, the tourism industry is expected to retain its high contribution to the economy. The potential for a positive contribution to ecological sustainability is likely to be highest in agriculture, followed by information and communication technology (ICT) and e-commerce,

construction, and manufacturing.<sup>14</sup> ICT and e-commerce are seen as particularly conducive to green development as the sector is new and would hence lead to innovation and positive destruction.

Whilst industry makes up a small percentage of Vanuatu's GDP growth, it is an area with potential future opportunity and its contribution has been growing steadily. Hence it is important to recognize the comparative advantage of all economic sectors and strengthen their employment contribution and diversify to other potential sectors.

### **Climate change and natural disasters**

Cyclone recovery and reconstruction is a significant burden in terms of both time and cost, as shown in the TC Judy and Kevin Recovery and Resilience Plan, which is dated to 2027, with reconstruction being a multi-year process. The Earthquake Recovery and Resilience Plan defines actions to address both, medium-term recovery needs alongside long-term resilience.<sup>15</sup> The Ministry of Climate Change is working in collaboration with international organisations and other Government Ministries to address climate change impacts, implementing appropriate actions that can also boost employment. In October 2023, the Ministry of Climate Change started to engage in an ongoing project called “Restoring and Protecting Biodiversity, Coastal Landscapes and Climate Change Resilience through Nature Based Solutions (NBS), Women and Youth Entrepreneurship in Vanuatu”. The project is expected to improve climate change resilience and provide women- and youth-led NBS entrepreneurship development opportunities. This is an area of focus for the Government of Vanuatu.

Measures to boost the resilience to climate change and promote climate change adaption have a significant potential to boost employment generation, ensuring a just transition to a climate-resilient economy. Building on what is already in place through VBoS and other institutions, this will necessitate tracking job losses and business impacts and the disaggregation of data by demographics.

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<sup>14</sup> ILO 2023. Summary Report: [Workshop on National Employment Policy and Sector Selection](#), Vanuatu.

<sup>15</sup> Government of the Republic of Vanuatu 2024. [Port Vila, Efate earthquake recovery and resilience plan](#)

## Labour mobility

The Labour Mobility Programs (LMPs) with Australia and New Zealand play a critical role for the economy of Vanuatu. This was particularly the case throughout the COVID-19 pandemic, with an increase in remittance inflows from \$50m in 2015 to \$208m in 2021.<sup>16</sup> About half of all the enterprises surveyed in the Vanuatu Skills Needs Industry Report<sup>17</sup>, published by the Vanuatu Chamber of Commerce and Industry's (VCCI), noted that one or more staff members moved away, participating in the LMP. Vanuatu now notes a difficulty for the country in managing the competing demands between increased remittances as a positive factor on the one hand, and the lack of availability of workers in the agriculture and tourism sector on the other hand.

The effects of these LMP on local Vanuatu businesses were mixed. 60 per cent of enterprises reported a negative impact. Negative effects cited included low rates of return to previous positions, hence resulting in increased resources to recruit new positions, whilst positive effects included employees returning with strengthened soft and hard skills. Regardless of the net positive or negative of these LMP, what is significant is that there are increasing numbers of Ni-Vanuatu who choose to embark on these schemes in the first place, the attraction being the opportunities for travel and higher levels of remunerations for workers in agriculture and now hospitality. The demand for domestic labour continues to not being fully met, as the workforce is significantly impacted by labor migration. The recently adopted new Labour Mobility Policy accommodates and guides the management of the national labour force to cater for recent trends and is to be implemented.

## 2.2. Challenges and opportunities

- ✓ Vanuatu has a low employment rate despite economic growth, due to limited job opportunities, lack of skills in the workforce that match the labour demand, as well as generally relatively low education levels.

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<sup>16</sup> Asian Development Bank 2023. [Asian Development Outlook 2023](#) (p.263).

<sup>17</sup> Vanuatu Chamber of Commerce and Industry 2023. [Vanuatu Skills Needs Industry Report 2023](#).

- ✓ Youth unemployment in Vanuatu is high and a high share of youth is neither in employment nor in education or training. Labour force participation rates among persons with disability are relatively low. Moreover, Vanuatu's labour market is still characterized by persistent gender gaps.
- ✓ Enhancing high potential sectors for diversification and boosting employment remains a challenge for Vanuatu.
- ✓ Informal employment and the informal sector remain dominant. Despite contributing significantly to the Vanuatu's economy, informal workers are not receiving the same benefits as formal workers, and informal enterprises are facing obstacles to grow and prosper.
- ✓ Labour Mobility Programs, while generating high remittance inflows that contribute to the economy and livelihoods in Vanuatu, lead to outward labour migration, with emerging social and labour market issues, such as labour and skills shortages.
- ✓ Climate change and natural disasters impact Vanuatu, with severe economic and social challenges. There is a high potential to embed employment in climate change mitigation measures as well as in post-disaster economic recovery and development efforts.
- ✓ There is a clear need to strengthen and expand the Labour Market Information System in Vanuatu, improving availability of data, as well as coverage and dissemination timeliness.

## 3. Policy Framework

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### 3.1. Framework

The VNEP was designed, considering what can be implemented realistically and effectively in the context of Vanuatu's economy and institutions. Potential areas that need urgent reforms are highlighted as priorities to ensure that the appropriate conditions are being provided for social inclusion and employment creation. The Government of Vanuatu, in close consultation with employers' and workers' organizations, as well as other relevant stakeholders, initiated the development of its first NEP, following a series of inclusive workshops and dialogues. These engagements, alongside empirical evidence, formed the foundation for the VNEP's priorities.

A NEP is to take due account of a country's level of economic development. The policy is to be based on "the mutual relationships between employment objectives and other economic and social objectives". The policy is to take such steps as may be needed, including, where appropriate, to establish programs to implement the agreed measures. The policy is to be pursued by methods that are appropriate to national conditions and practices.<sup>18</sup> Labor market challenges in Vanuatu cover a wide range of areas and topics, including skills, the education system, occupational safety and health, wages, informality, climate change and lack of data. While the VNEP aims to address many of these challenges, it at the same time prioritizes some action areas over others, in order to remain realistic and implementable in the given time frame.

The VNEP defines actions under each priority and identifies appropriate leading institutions and implementing partners for each action, accounting for the cross-cutting nature of employment that requires collaborative efforts between institutions, thereby contributing to the NSDP (see Chapter 5.1).

The Department of Labour and Employment Services (DOL) of Vanuatu's Ministry of Internal Affairs (MoIA) will coordinate the implementation of the VNEP, which is a multi-stakeholder effort, including different government institutions as well as social partners in Vanuatu. An

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<sup>18</sup> See Employment Policy Convention, 1964 (No. 122).

effective coordination mechanism is needed for an effective implementation of the VNEP (see Chapter 5.2). DOL will moreover seek and allocate funding and liaise with line ministries and local governments (municipal councils, provincial governments), as well as with social partners, to ensure coherence of policy priorities and frameworks. DOL will also liaise with the leads of the different actions under each priority (see Chapter 5.1) and, in particular, with the Department of Strategic Policy, Planning and Aid Coordination (DSPPAC), for monitoring and evaluation (M&E) (see Chapter 5.3).

### **3.2. Supporting legislation and related policies**

Vanuatu's overall national development is guided by the NSDP. Economic policy and matters related to employment are included under the Economy Pillar which embeds the objectives of increasing the number of decent, productive employment opportunities, particularly for young women and men and people with disabilities. It also includes the objective of ensuring health and safety, employment rights and skills development of the workforce, as well as increasing labour mobility. This VNEP fully aligns with these objectives.

The VNEP will be implemented in a given legal context. Vanuatu has a number of laws governing labour rights, in particular the Employment Act; the Labour Work Permit Act; the Minimum Wages Act; the Trade Disputes Act; the Trade Union Act; the Workmen's Compensation Act; the Occupational Health and Safety Act; and the Seasonal Employment Act. The Employment Act includes provisions on wages, hours of work, annual leave, formal employment contracts and paid maternity. It further has provisions guiding the Tripartite Labour Advisory Council (TLAC) including its objectives and roles, as well as provisions related to the contract of employment, employment for women and young persons, severance, remuneration, termination, and safety and repatriation of employees.

In April 2025, the Vanuatu Society for People with Disability (VSPD) and the Vanuatu Disability Promotion and Advocacy (VDPA) jointly launched their new strategic plans. The VSPD Strategic Plan (2024-2028) and VDPA Strategic Plan (2024-2029) mark a significant step forward in the country's commitment to supporting persons with disabilities to support

disability-inclusive policies aligned with Vanuatu's National Sustainable Development Goals, aiming for full implementation by 2030.<sup>19</sup>

The VNEP is intended to complement the existing policy frameworks in Vanuatu which support and facilitate the development of specific policy objectives under the NSDP and other national policies. The economic pillar of the NSDP seeks to ensure a stable economy based on equitable, sustainable growth that creates jobs and income earning opportunities accessible to all people in rural and urban areas. The NSDP Platform is an adaptation of the UN Sustainable Development Goals (SDG) Platform which calls for integrated and transformative policies to tackle development challenges. The VNEP will be implemented in complementarity and coordination with the following related policy frameworks:

- ✓ National Labour Mobility Policy and Action Plan 2024-2027
- ✓ Education and Training Sector Strategy (VETSS) 2019-2030
- ✓ National Human Resource Development Plan (NHRDP) 2020-2030
- ✓ Trade Policy Framework Update 2019-2025
- ✓ National Gender Equality Policy 2020-2030
- ✓ National Skills Development Policy 2024-2030
- ✓ 10 Years Youth Sectoral Strategic Plan 2023-2033
- ✓ National Disability Inclusive Development Policy 2018-2025
- ✓ National Financial Inclusion Strategy (NFIS) 2024-2030
- ✓ Climate Change and Disaster Risk Reduction Policy 2022-2030
- ✓ VSPD Strategic Plan 2024-2028
- ✓ VDPA Strategic Plan 2024-2029

The Government of Vanuatu through DOL recognizes that employment is the key to socio-economic development, crosscutting in nature and must be central to the national development agenda. The VNEP is supporting this integrated and coherent vision and provides a framework linking employment objectives in Vanuatu to support the NSDP 2030. The VNEP includes seven priorities, with respective objectives and areas of action.

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<sup>19</sup> Ministry of Justice Youth & Community Services- [Strategic Shift: Disability Groups in Vanuatu Unveil Bold New Plans for Inclusion](#)

## 4. Priorities, Objectives and Areas of Action

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### 4.1. Priority 1: Enhancing equitable opportunities for all

#### **Objective: Promote inclusive economic policies through targeted employment and skills development initiatives**

Vanuatu aims to ensure equitable access to employment opportunities by addressing structural barriers and empowering diverse groups in the labour market – particularly women, youth and persons with disabilities – through targeted, inclusive interventions.

First, access to high-quality technical and vocational education and training (TVET) will be expanded to equip individuals with the skills and qualifications needed for employment. TVET institutions will strengthen their collaboration with the Vanuatu Qualifications Authority (VQA), the Tripartite Labour Advisory Council (TLAC), and align with the National Human Resource Development Plan (NHRDP) to identify priority skills. These efforts will be nationwide and inclusive of all groups.

Second, entrepreneurship and business development will be promoted through tailored training, and financial, technical, and mentorship support – particularly for populations that face structural barriers on the labour market. Long-term capacity-building initiatives will ensure these groups can effectively start and sustain business ventures.

Third, to address challenges in the school-to-work transition, the Government of Vanuatu plans to roll out a Youth Employment Support Scheme (YESS!), a wage subsidy programme that provides temporary support for youth employment in private businesses and NGOs, thereby incentivizing youth hiring in the private sector.

Fourth, leadership development will be promoted by creating platforms for diverse groups to participate in decision-making. This will foster empowerment and ensure that all voices are represented. Existing actors including Vanuatu Association of Non-Government Organization (VANGO), Youth Challenge Vanuatu, the Vanuatu National Council of Women (VNCW) and others will be coordinated with to ensure alignment and impact.

Fifth, foreign investment policies will be reviewed to promote inclusive growth, including mechanisms to ensure structured skills transfer from expatriate to local staff. Foreign investment projects will thereby directly contribute to local skills development.

Finally, partnerships will be strengthened to foster dialogue and identify proactive measures for economic inclusion. This includes support for the implementation of the VSPD Strategic Plan to empower persons with disabilities and for the Vanuatu Women's Centre in promoting women's empowerment.

Through these integrated strategies, Vanuatu can unlock the full potential of its diverse population and achieve more inclusive, equitable, and sustainable economic growth.

### Areas of action

- ✓ **Expanding access to quality TVET:** Equip the workforce, including youth, women and persons with disabilities, with the qualifications needed to secure employment.
- ✓ **Supporting entrepreneurship and business development:** Enhance entrepreneurship training, as well as financial, technical and mentorship support to entrepreneurs.
- ✓ **Implementing YESS!:** Support young people in the transition to the workforce with a wage subsidy for their employment.
- ✓ **Promoting leadership development:** Create platforms for diverse groups to participate in decision-making processes and acquire leadership roles.
- ✓ **Reviewing foreign investment policies:** Ensure skills transfer to local staff.
- ✓ **Strengthening partnerships:** Build partnerships between relevant stakeholders as crucial instrument to identify possible solutions.

## 4.2. Priority 2: Strengthening employment services

### **Objective: Establish a strengthened and effective Public Employment Service (PES)**

The improvement of employment services can play an important role in achieving the objectives of a NEP, and should therefore be considered by governments, workers' and employers' organizations, in consultation with other relevant stakeholders, when deciding about concrete policy actions that are to be part of a NEP.

The ILO's Employment Service Convention, 1948 (No. 88) calls on governments to maintain a free nationwide public employment service and provides guidance in that regard. The maintenance and/or establishment of a Public Employment Service (PES) helps improve the functioning of labour markets, notably by promoting the participation of groups who face challenges linked to gender, age, disability, race, ethnicity and migration status, among other factors. The PES provides services to promote employment in both the public and the private sector. In Vanuatu, the public institution that is mandated to provide employment services is the Department of Labour and Employment Services (DOL).

Firstly, a diagnostic report for Vanuatu will be prepared that presents the results of an all-round assessment of employment services in Vanuatu. The report will among other things map out the services currently provided by the PES as well as any other existing employment service providers in Vanuatu, including private employment agencies; the mapping will include all functions typically provided by a PES, as defined in Article 6 of ILO Convention No. 88, including:

- Job search assistance and matching, including skills matching
- Labour market information
- Referral or provisions of Active Labour Market Policies (ALMPs)
- Administration of unemployment benefits
- Regulation of private employment agencies

The overall objective of the diagnostic report for Vanuatu is to assess PES effectiveness, efficiency and alignment with national development priorities and international labour

standards. This exercise will provide a comprehensive analysis of the institutional framework, service delivery mechanisms, and operational capacity of Vanuatu's PES to identify strengths, gaps and areas for improvement. By evaluating the accessibility and inclusivity of employment services, as well as their impact on labour market outcomes, the diagnostic will offer evidence-based recommendations to enhance the PES's role in facilitating job matching, workforce development, labour market integration, and implementation of employment policies. The findings will support policy and institutional reforms aimed at strengthening the PES's contribution to employment promotion, social protection, and decent work opportunities.

Secondly, a PES strategy and action plan for Vanuatu will be prepared, which defines a vision/long-term goals alongside medium-term goals for the PES, proposes practical recommendations and measures to strengthen and improve the effectiveness of the current PES, in line with Vanuatu's context, needs and resources available; the PES strategy will be aligned with the National Employment Policy that is currently developed and will serve as an input into national social dialogue and consultations with all relevant stakeholders. When developing recommendations, emphasis will be placed on the potential role that digital technologies might be able to play, also considering current efforts of the Government of Vanuatu to establish a digital job search platform, and the potential and practical challenges that may need to be addressed to ensure that no one is left behind and that the resulting business model responds to the needs of the client employers and workers. Once the PES strategy is adopted, it will be implemented.

Thirdly, the capacity of the PES will be strengthened. A guide for PES employees will be prepared, which will serve as a reference and resource to fulfil their role within the PES effectively; the guide should reflect the current set of services provided by PES and remain open for updates thereafter. A skills needs assessment of current PES employees will be conducted, with a view to design and conduct a tailored training.

## Areas of action

- ✓ **Preparing diagnostic report:** Assess the current employment services offered by PES and private recruitment agencies and develop options for improvement and enhancement of the PES.

- ✓ **Preparing and implementing a PES strategy and action plan:** Define a vision alongside medium-term goals for the PES and propose practical recommendations and measures to strengthen and improve the effectiveness of the current PES, and the role of PES in NEP implementation, in line with context, needs and resources available.
- ✓ **Strengthen capacity of PES employees:** Prepare guide and undertake capacity building for PES employees.

### 4.3. Priority 3: Empower informal enterprises and informal workers

#### Objective: Facilitate transition to formality

To facilitate the transition of informal businesses into the formal sector in Vanuatu, a comprehensive strategy is necessary. This strategy involves simplifying business registration processes to reduce bureaucratic hurdles (including addressing license cost barriers and access to support schemes), expanding access to finance through microfinance and credit facilities, enhancing skills development through targeted training programs, promoting digitalization to enhance efficiency and market access, advocating for formalization, and strengthening data collection and analysis on the informal economy to inform policymaking and program development. The government of Vanuatu is committed to promote an enabling business environment, implement policies aimed at formalizing the informal sector, and offer incentives to reduce the dominance of the informal sector in the economy and support the transition to the formal sector as a result. The strengthening of partnerships in this context is equally vital.

By implementing these measures, Vanuatu can foster a more inclusive and dynamic business environment that benefits both informal and formal enterprises. Vanuatu will be able to better harness the potential of the informal economy, contributing to job creation, and improving the livelihoods of a significant portion of its population.

## Areas of action

- ✓ **Simplifying business registration processes:** Reduce bureaucratic hurdles for informal businesses to transition into the formal sector.
- ✓ **Providing access to finance:** Expand microfinance and credit facilities to support informal enterprises.
- ✓ **Enhancing skills development:** Offer targeted training programs to improve the productivity and competitiveness of informal workers, including support measures to enhance informal worker representation.
- ✓ **Promoting digitalization:** Encourage the adoption of digital technologies to enhance efficiency and market access for informal enterprises.
- ✓ **Advocating for formalization:** Conduct advocacy campaigns to promote formalization.
- ✓ **Strengthening data collection and analysis:** Improve data collection on the informal economy to inform policymaking and program development.
- ✓ **Strengthening partnerships:** Build partnerships between relevant stakeholders to identify and implement possible solutions.

## 4.4. Priority 4: Empower high potential sectors for economic diversification and employment creation

### Objective: Develop a highly skilled workforce in priority sectors and facilitate diversification to maximize sectoral potential

The Government of Vanuatu is committed to developing a highly skilled workforce capable of driving economic growth and taking up sustainable employment opportunities in high potential sectors. These sectors include agriculture (encompassing fisheries and aquaculture), construction, tourism, as well as sectors linked to the digital, green and blue economy. By investing in targeted skills development and training initiatives, Vanuatu aims to boost productivity, enhance competitiveness and expand job creation in these priority sectors, addressing current and future skill gaps and promoting pro-employment sectoral policies.

Comprehensive assessments to identify sector-specific labour demands and skill requirements should be undertaken. These assessments also need to consider the influence of emerging technologies, particularly artificial intelligence (AI) and automation, on workforce needs and future skills development. Findings from these analyses will provide the evidence required to drive a review of the curricula of secondary schools and TVET institutions, ensuring efficiency and optimizing resource allocation.

Public-private partnerships will be fostered to create apprenticeships and internships, offering practical experience for trainees and meeting industry needs. The Vanuatu Chamber of Commerce and Industries (VCCI) has been active to identify avenues for apprentices. Public and private partnerships are crucial to identify gaps, find solutions, drive growth in key sectors and facilitate economic diversification.

### **Areas of action**

- ✓ **Identifying sector-specific skills needs:** Conduct comprehensive analyses to determine the specific skills required in priority sectors.
- ✓ **Aligning curricula with skills gaps and needs:** Review secondary school and TVET curricula to align with identified skill gaps and needs.
- ✓ **Developing public-private partnerships:** Collaborate with private sector employers to create apprenticeship and internship programs.

## **4.5. Priority 5: Strengthen labour mobility governance in line with domestic workforce needs**

**Objective: Enhance the governance of Labour Mobility Programs (LMPs) while developing strategies to balance the benefits of overseas employment with the need to meet domestic labour market demands**

While LMPs offer significant economic benefits to Vanuatu, they also present challenges such as the high level of disengaged workers, brain drain and local expertise shortages, and potential negative social impacts. To maximize the positive outcomes and mitigate risks, robust

regulation and oversight are essential. To enhance the protection of Vanuatu workers engaged in overseas employment, strengthened labour mobility governance is essential to regulate recruitment, deployment and reintegration processes for both incoming and outgoing workers, addressing any existing inadequacies or gaps in current regulations. Implementing the Vanuatu Labour Mobility Policy and Action Plan 2024-2027 to address the challenges is important.

Additionally, effective mechanisms for monitoring the welfare of workers abroad and enforcing labour laws and regulations should be established. To facilitate the successful reintegration of returning workers, support for skills development programs and the implementation of reintegration policies are crucial. These measures will contribute to the overall well-being and economic security of Vanuatu workers engaged in overseas employment.

The negative impacts of overseas labour mobility programs are closely linked to existing skills gaps within Vanuatu and the widespread need – identified by local enterprises – for improved workforce training. Enhancing education and strengthening TVET can play a critical role in upskilling the domestic labour force, increasing the value and remuneration of local employment, and ultimately reducing the reliance on overseas labour mobility schemes. Additionally, diversifying labour mobility destinations can help distribute workforce outflows more evenly and mitigate the strain on specific sectors, thereby lessening the adverse effects currently experienced by the country.

By implementing these actions, Vanuatu can better protect its citizens working abroad, ensure fair labour practices in-country and abroad, and optimize labour supply internationally and domestically.

## **Areas of action**

- ✓ **Implementing Vanuatu Labour Mobility Policy and Action Plan 2024-2027.**
- ✓ **Establishing a comprehensive regulatory framework:** Develop clear and enforceable regulations governing recruitment, deployment and reintegration processes.

- ✓ **Strengthen mentoring and support systems, alongside the monitoring and enforcement of labour laws and regulations:** Provide mentoring services and establish effective mechanisms to monitor the welfare of workers abroad, protect families in-country that have family members engaged in labour mobility (particularly in areas of mental health and social welfare) and enforce labour laws and regulations.
- ✓ **Facilitating skill development and reintegration:** Support skills development programs for workers returning to Vanuatu and implement reintegration policies to facilitate their transition back into the domestic labour market.
- ✓ **Strengthening public-private partnerships:** Collaborate with industry stakeholders in overseas host countries to create apprenticeships and internships.
- ✓ **Strengthen support for both outgoing and incoming labour mobility workers:** Ensuring work-health and safety (WHS) as well as mental and social welfare issues are addressed, thus minimizing disengagement risk.

#### **4.6. Priority 6: Strengthen climate change and disaster risk mitigation efforts to reduce risks and streamline employment in post-disaster recovery and development efforts**

**Objective: Integrate employment in climate change and disaster risk mitigation and post-disaster economic recovery and development efforts through employment policies including job creation programs**

Vanuatu is one of the countries in the Pacific region that is most vulnerable to climate change and disaster risk, with severe challenges to livelihoods; adaptation and job creation are essential to mitigate these risks and challenges. The Ministry of Climate Change (MCC) partners with other government ministries, recognizing the importance of the relationship between enhanced climate resilience, environmental sustainability and employment.

Vanuatu needs to undertake more research to assess the employment impact of environmentally friendly technologies and patterns of production and consumption in order to inform and facilitate social dialogue on possible actions to leverage the related employment

potentials. It also needs to enhance strong partnerships among various government ministries, development partners, international organizations and the civil society to strengthen coordination mechanisms to enable environment and employment actors to work together. Moreover, Vanuatu needs to generate new school curricula to incorporate skills required for employment related to climate change and disaster risk mitigation measures to build a future-ready workforce.

To effectively combat climate change and disaster risks, the Government is committed to undertake green and blue economy investments with jobs, and also promote private and public investments in areas such as decentralized renewable energies and better water and sewage management, especially in urban areas. It is also important to incorporate an employment perspective into risk assessments and recovery programs.

Finally, it will be key to strengthen public-private partnerships to empower women, youth and persons with disabilities to actively participate in employment linked to Vanuatu's climate change and disaster risk mitigation efforts. This includes employment related to replanting trees and mangroves, weaving traditional roofing materials, laying stones and build sea walls, and building artificial drainage often used in agriculture to remove of water from farmland and other areas.

The actions above will facilitate a just transition that ensures fairness and inclusiveness in climate change and environmental policies and strategies. It builds on the SDG principle of "leaving no one behind" and calls for the creation of decent work opportunities for all.

## Areas of action

- ✓ **Undertaking research** to assess the impact of environmentally friendly technologies and facilitate social dialogue throughout the policy-making process.
- ✓ **Generating new school curricula** to incorporate skills required for employment related to climate change and disaster risk mitigation measures.
- ✓ **Undertake green and blue economy investments with jobs.**
- ✓ **Promote private and public investments** in decentralized renewable energies and better water and sewage management, especially in urban areas.

- ✓ **Strengthening partnerships** to empower women, youth and persons with disabilities to actively participate in employment related to Vanuatu’s climate change and disaster risk mitigation efforts.

## **4.7. Priority 7: Strengthening the Labour Market Information system**

### **Objective: Strengthen and expand labour market statistics**

A robust and comprehensive Labor Market Information System (LMIS) is essential for informed policymaking, effective job matching, and promoting employment opportunities. By strengthening and expanding LMIS, Vanuatu can better understand labour market trends, identify skill gaps, and develop targeted policies to address unemployment and underemployment challenges. To enhance the effectiveness of the LMIS, several improvements are necessary.

First, data collection programs and methods should be refined to ensure accurate, timely and regular information on employment, unemployment, wages, and occupational profiles. Second, the geographic coverage of the LMIS should be expanded to include provincial data. Collecting data on emerging and relevant topics such as the labour market impact of climate change and natural disasters, or labour mobility will be key as well, leveraging the upcoming Labor Force Survey (LFS) for comprehensive data collection. Third, data analysis capabilities should be strengthened to generate actionable insights and effectively disseminate information to policymakers, employers, and job seekers. Fourth, a national labour market information data repository (or set of databases) should be developed in a data warehouse using a suitable software for a web-based portal, where data for core labour market indicators needed for employment policy design and monitoring are regularly made available for the public.

Lastly, to strengthen partnerships among government agencies, the private sector and development partners, it is important to establish institutional arrangements and agreements with the aim to enhance LMIS capacity and promote data utilization and sharing under the jurisdiction of these various institutions. In that regard, the development of decentralized

data capability will be key, thereby enabling local-to-national flow of employment data. It will be important to facilitate knowledge and resource sharing dialogues particularly on the exchange of data and in order to develop the necessary expertise in the area of statistics, with financial resources for that area of work being made available accordingly. Action around partnerships may also include the co-creation of innovative employment data solutions for monitoring and evaluation purposes.

By implementing these measures, Vanuatu can create a more efficient and responsive labour market that benefits both workers and employers.

### Areas of action

- ✓ **Improving data collection programs:** Enhance data collection methods to capture accurate and timely information on employment, unemployment, wages, and occupational profiles. The Government of Vanuatu through its Bureau of Statistics (VBoS) and the Department of Labour and Employment Services (DOLES) will develop a calendar for regular data collection of labour market data using both censuses and available household surveys such as the labour force survey (LFS) and the household income and expenditure survey (HIES). Such a data collection calendar should aim at collecting core labour force statistics at least on an annual basis through diverse surveys. However considering the costs of running survey, the Government should emphasize the development and use of all existing administrative records to feed into the LMIS, using the authority given to the VBoS by the country's latest Statistics Act of 2022.
- ✓ **Expanding data coverage:** Increase the geographic coverage of LMIS to include provincial areas. Existing data collection activities should ensure that reliable indicators are produced at provincial level as well as in major urban areas. All administrative records should also be developed to ensure data are available at provincial level. There should also be efforts to collect data on emerging and relevant topics such as the labour market impact of climate change and natural disasters, or labour mobility.

- ✓ **Enhancing data analysis and dissemination:** Strengthen data analysis capabilities to generate actionable insights and disseminate information to policymakers, employers, and job seekers; raise awareness of statistical concepts including on informal employment, informal sector employment and unemployment and strengthen the link between data demand and supply.
- ✓ **Developing a national labour market information data repository:** Develop a data warehouse using a more suitable software for a web-based portal, available and accessible for the public and updated on a regular basis.
- ✓ **Fostering partnerships:** Collaborate with government agencies, private sector, and development partners on data and information required by VBoS and other users to strengthen data sharing and LMIS capacity.

## 5. Implementation

### 5.1. Implementation Plan

The success of a National Employment Policy (NEP) hinges on integrating implementation considerations from the design phase. This requires robust governance structures and effective implementation mechanisms to ensure policy effectiveness. In this regard, the Vanuatu National Employment Policy (VNEP) has been carefully formulated with clearly defined strategies and an implementation framework that outlines specific responsibilities and accountabilities (see Table 1).

Within six months of the VNEP's adoption, lead and partner agencies will develop detailed work plans for each action item outlined in the policy. These plans will include specific timelines and budget estimates to guide implementation. Actions designated as high priority will be initiated in 2025 or 2026, while medium priority actions will be considered for implementation in 2027 or 2028.

While the VNEP will primarily rely on government funding, the Department of Labour (DOL) and the Government of Vanuatu will also actively engage with development partners to mobilize technical and financial resources in support of selected policy actions. Budgetary provisions should be clearly defined for each policy area—ideally through separate budget lines or designated employment funds—to enable accurate tracking of expenditures and results.

**Table 1. Implementation plan for VNEP**

<b>Priority 1: Enhancing equitable opportunities for all</b>					
<b>Objective:</b> Promote inclusive economic policies through targeted employment and skills development initiatives					
<b>Action</b>		<b>Lead</b>	<b>Partners</b>	<b>Priority</b>	<b>Financing</b>
1	Expand access to quality TVET	MoET	DOL, VQA, TVET institutions, DoWA, VNCW, DYS, VNYC, VSPD, MJYCS, FBOs	High	General government budget,

					development partners
2	Support entrepreneurship and business development	DOL	MTTCNVB, VCCI, DoWA, VNCW, DYS, MoET, VNYC, VSPD, MJYCS, FBOs	Medium	General government budget, development partners
3	Implement YESS!	DOL	DSPPAC, DYS, VNYC, Youth Challenge Vanuatu	High	General government budget, development partners
4	Promote leadership development	DOL	VCCI, VTUC, DoWA, VNCW, DYS, VNYC, VSPD, WILP, other relevant NGOs	Medium	General government budget, development partners
5	Review foreign investment policies	MTTCNVB	VCCI, VTUC, VCCI, VIPA	Medium	General government budget, development partners
6	Strengthen partnerships	DOL	VCCI, VTUC, relevant NGOs, DoWA, VNCW, DYS, VNYC, VSPD, VWC	High	General government budget, development partners

<b>Priority 2: Strengthening employment services</b>					
<b>Objective:</b> Establish a strengthened and effective Public Employment Service (PES)					
	<b>Action</b>	<b>Lead</b>	<b>Partners</b>	<b>Priority</b>	<b>Financing</b>
1	Prepare PES diagnostic report	DOL	VCCI, VTUC, ILO, PSC, significant private sector employers	High	General government budget, development partners
2	Prepare a PES strategy and action plan, and proceed with its implementation following formal adoption	DOL	VCCI, VTUC, ILO, PSC	High	General government budget, development partners

3	Strengthen capacity of PES employees	DOL	VCCI, VTUC, ILO, PSC	High	General government budget, development partners
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<b>Priority 3: Empower informal enterprises and informal workers</b>					
<b>Objective:</b> Facilitate transition to formality					
<b>Action</b>	<b>Lead</b>	<b>Partners</b>	<b>Priority</b>	<b>Financing</b>	
1	Simplify business registration processes	VFSC	DCIR, VFIPA, VCCI, VPPA, MTTCNVB, CIR, DLA, Office of the Registrar of Co-operatives and Business Development Services	High	General government budget, development partners
2	Provide access to finance to support informal enterprises	MTTCNVB	VCCI	High	General government budget, development partners
3	Enhance skills development of informal workers	DOL	VCCI, VTUC, TVET institutions, VQA, VFIPA, VTUC	High	General government budget, development partners
4	Promote digitalization to enhance efficiency and market access for informal enterprises	MTTCNVB	VCCI, VTUC, DODT	High	General government budget, development partners
5	Advocate for formalization	VFSC	DCIR, VIPA, VCCI, VPPA, MTTCNVB, Office of the Registrar of Co-operatives and Business Development Services	High	General government budget, development partners
6	Strengthen data collection and analysis on the informal economy	VBoS	VCCI, DOL	Medium	General government budget, development partners
7	Strengthen partnerships	DOL	VCCI, VTUC, NGOs	High	General government budget,

					development partners
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<b>Priority 4: Identify and empower high potential sectors for economic diversification and employment creation</b>					
<b>Objective:</b> Develop a highly skilled workforce in priority sectors and facilitate diversification to maximize sectoral potential.					
Action	Lead	Partners	Priority	Financing	
1	Identify sector-specific skills needs	VCCI for private sector, PSC for public sector	VQA, VTUC, DOL, DOT, DARD, MoET, MoIA, VCC, VFIPA, NFIC, PSC, MALFFB, VIPAM, VANGO	High	General government budget, development partners
2	Align curricula with skills gaps and needs	MoET	VQA, VCCI, VTUC, VIPA, VCC, TVET institutions, VANGO	Medium	General government budget, development partners
3	Develop public-private partnerships	MOT	VCCI, VTUC, DOT, DARD, VIPA, DOL, VANGO	High	General government budget, development partners

<b>Priority 5: Strengthen labour mobility governance in line with domestic workforce needs</b>					
<b>Objective:</b> Enhance the governance of Labour Mobility Programs while developing strategies to balance the benefits of overseas employment with the need to meet domestic labour market demands					
Action	Lead	Partners	Priority	Financing	
1	Implement Vanuatu Labour Mobility Policy and Action Plan 2024-2027	<i>As specified in Labour Mobility Policy</i>	<i>As specified in Labour Mobility Policy</i>	High	<i>As specified in Labour Mobility Policy</i>
2	Establish a comprehensive regulatory framework for labour mobility	DOL	VCCI, VTUC, MJYCS	High	General government budget, development partners

3	Strengthen mentoring and support systems, alongside the monitoring and enforcement of labour laws and regulations, to enhance the welfare of migrant workers abroad and promote the wellbeing of their families in Vanuatu.	DOL	MFAICET, VTUC, VCCI, NGOs, VCC	High	General government budget, development partners
4	Facilitate skill development and reintegration	DOL	VCCI, VTUC, MoET, VQA, Skills Partnership (government agencies to assist)	High	General government budget, development partners
5	Strengthen public-private partnerships	DOL	DSPPAC, VCC, VCCI, VTUC	High	General government budget, development partners

<b>Priority 6: Strengthen climate change and disaster risk mitigation efforts to reduce risks and streamline employment in post-disaster recovery and development efforts</b>					
<b>Objective:</b> Integrate employment in climate change and disaster risk mitigation and post-disaster economic recovery and development efforts through employment policies including job creation programs					
	<b>Action</b>	<b>Lead</b>	<b>Partners</b>	<b>Priority</b>	<b>Financing</b>
1	Undertake research to assess the impact of environmentally friendly technologies	MCC	VCCI, DOL	High	General government budget, development partners
2	Generate new school curricula to incorporate skills linked to climate change and disaster risk mitigation, in order to prepare for work in related sectors	MCC	VCCI, DOL, MoET, NUV	High	General government budget, development partners

3	Undertake green and blue economy investments with jobs	MCC	VCCI, DOL, VFIPA	Medium	General government budget, development partners
4	Promote private and public investments in decentralized renewable energies and better water and sewage management	MCC	VCCI, DOL, MOIA	Medium	General government budget, development partners
5	Strengthen partnerships to empower women, youth and persons with disabilities	MCC	DOL, VCCI, VTUC, MOIA, MJYCS, VNCW, VWC , VANGO	High	General government budget, development partners

<b>Priority 7: Strengthening the Labour Market Information System</b>					
<b>Objective:</b> Strengthen and expand labour market statistics					
<b>Action</b>		<b>Lead</b>	<b>Partners</b>	<b>Priority</b>	<b>Financing</b>
1	Improve data collection programs	VBoS	DOL, DODT	High	General government budget, development partners
2	Expand data coverage	VBoS	DOL, DODT	High	General government budget, development partners
3	Enhance data analysis and dissemination, harmonizing existing systems	VBoS	DOL, DODT, VANGO	High	General government budget, development partners
4	Develop a national labour market information data repository	VBoS	DOL, DODT, all line ministries that collect data across government	High	General government budget, development partners
5	Foster partnerships	VBoS	DOL	High	General government budget,

					development partners
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## 5.2. Coordination mechanism

The responsibility for the overall coordination of VNEP implementation is assigned to the Department of Labor (DOL) as the VNEP lies within its core mandate. The DOL will work closely with the executive of the Ministry of Internal Affairs (MoIA) to legitimize and prioritize the implementation of the VNEP. MoIA's will ensure that the DOL is adequately equipped to fulfill this coordination role effectively.

Recognizing that employment is a cross-cutting issue , and that the VNEP's success depends on a whole-of-government approach, a National Employment Development Commission (NEDC) will be established. The NEDC will serve as an inter-ministerial coordination mechanism, with representation from all relevant Ministries and government agencies, including DSPPAC. Also local governments will be represented.

The terms of reference for the work of the NEDC will be developed and adopted within one month of the first meeting of the NEDC. The DOL will provide secretariat support to the NEDC. The NEDC will convene twice annually and will be chaired by the Commissioner of Labour. It will also determine the timing and modalities for a mid-term review of the VNEP, scheduled for late 2027 or early 2028.

Tripartite consultations will play a key role in policy implementation. The TLAC will work closely with the NEDC to address employment development issues and support policy coherence. Social partners will act as key implementing partners. Together, the NEDC and TLAC will establish mechanisms to track progress, measure policy impact, and identify areas for improvement throughout the implementation period.

### 5.3. Monitoring and evaluation

Effective monitoring and evaluation (M&E) is essential to ensuring that the VNEP achieves its intended outcomes. A strong partnership between the DOL and DSPPAC is critical for tracking progress and evaluating the impact of policy implementation.

To ensure objectivity and credibility, it is important that policy and program evaluations maintain a degree of independence, allowing findings to reliably inform necessary policy adjustments and course corrections.

At the outcome level, the forthcoming LFS will establish a baseline for assessing the current state of the labour market. Subsequent LFS, HIES and Census rounds will enable the tracking of changes over time and provide data on how the labour market evolves throughout the implementation of the VNEP.

In addition to monitoring broader labour market trends, performance indicators and targets have been developed for each area of action outlined in the policy (see Table 2). These indicators will serve as tools for measuring progress against the VNEP's strategic goals. Lead agencies for the respective action area are responsible for establishing the baseline for these indicators within the first six months of adoption of the VNEP. They are also responsible for data collection and reporting to DOL.

To ensure timely and evidence-based decision-making, DOL will compile data on the selected indicators from respective lead agencies and prepare a report to the National Employment Development Committee (NEDC), ahead of their meetings. These reports will support NEDC consultations, policy guidance, and strategic decision-making processes.

The overall M&E process will be coordinated by the DOL in collaboration with DSPPAC, with oversight and strategic direction provided by the NEDC. This M&E framework will support ongoing learning, accountability, and continuous improvement throughout the VNEP implementation period.

**Table 2. Monitoring and evaluation plan for VNEP**

<b>Priority 1: Enhancing equitable opportunities for all</b>					
<b>Objective:</b> Promote inclusive economic policies through targeted employment and skills development initiatives					
<b>Action</b>		<b>Means of verification</b>	<b>Frequency</b>	<b>Indicator</b>	<b>Target</b>
1	Expand access to quality TVET	TVET institution records, disaggregated by gender, age, and disability	Annually	Number of youth successfully completing TVET	Increase
				Number of women successfully completing TVET	Increase
				Number of persons with disabilities successfully completing TVET	Increase
				% of TVET graduates in employment after graduation	>0
2	Support entrepreneurship and business development	Training provider reports, disaggregated data	Annually	Number of total participants completing entrepreneurship training	Increase
				Number of women completing entrepreneurship training	Increase
				Number of youth completing entrepreneurship training	Increase
				Number of persons with disabilities completing entrepreneurship training	Increase
3	Implement YESS!	DOL records; Employer follow-up survey	Bi-annually	Number of youth participating in YESS!! and staying	>0

				in employment thereafter	
		DOL reports; Partnership with employers		Number of private sector enterprises or NGOs participating in YESS!!, and offering employment to youth thereafter	>0
4	Promote leadership development	Program reports and ministry records	Annually	Number of leadership platforms newly created	>0
5	Review foreign investment policies	Official policy documents	Once by 2025; monitored annually thereafter	Foreign investment policies reviewed, with skills transfer provisions added	Yes
6	Strengthen partnerships	Signed MOUs; Partnership implementation reports	Annually	Number of new partnerships created, as measured through Memorandum of Understanding (MOU)	>0
				Actions implemented as part of MOUs	>0

<b>Priority 2: Strengthening employment services</b>					
<b>Objective:</b> Establish a strengthened and effective Public Employment Service (PES)					
<b>Action</b>		<b>Means of verification</b>	<b>Frequency</b>	<b>Indicator</b>	<b>Target</b>
1	Prepare PES diagnostic report	Final report; validation workshop minutes	Once	Report produced (Yes/No)	Yes
2	Prepare a PES strategy and action plan, and proceed with its implementation following formal adoption	Strategy document; implementation tracking matrix; DOL progress reports	Once (strategy); Annually (implementation)	Strategy and action plan prepared (Yes/No)	Yes (baseline: no current strategy)
			Annually	Number of actions implemented	>0

3	Strengthen capacity of PES employees	Final guide document; distribution list	Once	PES guide prepared (Yes/No)	Yes
		Training reports; attendance sheets; post-training surveys	Annually	Number of PES employees participating in capacity building on PES and reporting increased knowledge	>0

<b>Priority 3: Empower informal enterprises and informal workers</b>					
<b>Objective:</b> Facilitate transition to formality					
<b>Action</b>		<b>Means of verification</b>	<b>Frequency</b>	<b>Indicator</b>	<b>Target</b>
1	Simplify business registration processes	VFSC registry data	Annually	Minimum time in days needed to register new business	Decrease
2	Provide access to finance to support informal enterprises	MOIA & MFI disbursement reports	Annually	Number of enterprises with access to finance	Increase
3	Enhance skills development of informal workers	Training attendance and completion certificates	Annually	Number of informal workers completing accredited skills training	Increase
				Number of female informal workers completing accredited skills training	Increase
4	Promote digitalization to enhance efficiency and market access for informal enterprises	Survey, platform analytics	Annually	Number of informal enterprises that use online platforms for sales, marketing and/or payments	Increase
5	Advocate for formalization	Campaign reports, follow-up survey	Annually	Advocacy campaign conducted (Yes/No)	Yes
6	Strengthen data collection and analysis	VBoS reports	Every 2 years	Comprehensive report on informal economy published	Yes

	on the informal economy			and used in policy design (Yes/No)	
7	Strengthen partnerships	Signed MoUs, partner reports	Annually	Number of new partnerships created, as measured through Memorandum of Understanding (MOU)	>0
		Joint action reports	Annually	Actions implemented as part of MOUs	>0

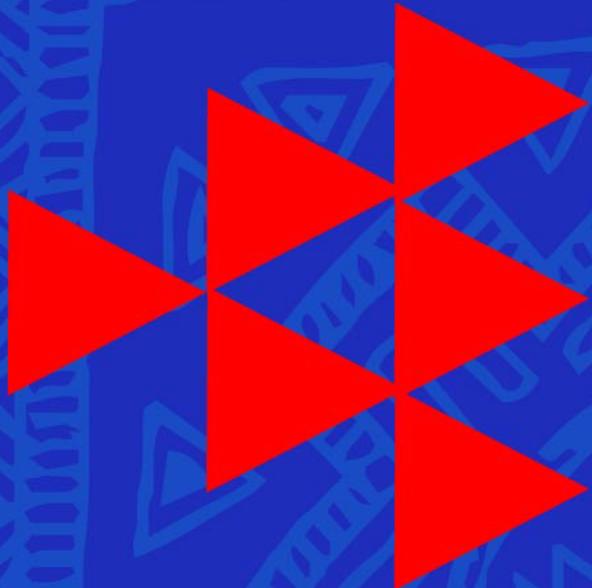
<b>Priority 4: Identify and empower high potential sectors for economic diversification and employment creation</b>					
<b>Objective:</b> Develop a highly skilled workforce in priority sectors and facilitate diversification to maximize sectoral potential.					
	<b>Action</b>	<b>Means of verification</b>	<b>Frequency</b>	<b>Indicator</b>	<b>Target</b>
1	Identify sector-specific skills needs	Skills assessment reports; validation workshop records	Once per priority sector	Number of sector-specific skills needs assessments published	>0
2	Align curricula with skills gaps and needs	Revised curricula documents; MoET and TVET records	Every 2 years	Number of secondary or TVET programs revised to address priority skills	>0
3	Develop public-private partnerships	Signed MoUs; internship/apprenticeship reports; partner feedback	Annually	Number of new partnerships created, as measured through Memorandum of Understanding (MOU)	>0
		Implementation reports; internship/apprenticeship tracking	Annually	Actions implemented as part of MOUs	>0

<b>Priority 5: Strengthen labour mobility governance in line with domestic workforce needs</b>					
<b>Objective:</b> Enhance the governance of Labour Mobility Programs while developing strategies to balance the benefits of overseas employment with the need to meet domestic labour market demands					
<b>Action</b>		<b>Means of verification</b>	<b>Frequency</b>	<b>Indicator</b>	<b>Target</b>
1	Implement Vanuatu Labour Mobility Policy and Action Plan 2024-2027	Progress reports	Annual	Policy fully implemented (Yes/No)	Yes
2	Establish a comprehensive regulatory framework for labour mobility	Approved legal/regulatory documents	Once	Regulatory framework established (Yes/No)	Yes
3	Strengthen mentoring and support systems, alongside the monitoring and enforcement of labour laws and regulations, to enhance the welfare of migrant workers abroad and promote the wellbeing of their families in Vanuatu.	Monitoring system reports; mentoring program records	Annual	System to monitor welfare of workers abroad is in place (Yes/No)	Yes
4	Facilitate skill development and reintegration	Training completion records; reintegration program data	Annual	Number of returnees participating in skills development	Increase
5	Strengthen public-private partnerships	Signed MoUs; placement program data	Annual	Number of new partnerships created, as measured through Memorandum of Understanding (MOU)	>0
		Apprenticeship/internship tracking	Annual	Number of apprenticeships or internships as result of MOUs	>0

<b>Priority 6: Strengthen climate change and disaster risk mitigation efforts to reduce risks and streamline employment in post-disaster recovery and development efforts</b>					
<b>Objective:</b> Integrate employment in climate change and disaster risk mitigation and post-disaster economic recovery and development efforts through employment policies including job creation programs					
<b>Action</b>		<b>Means of verification</b>	<b>Frequency</b>	<b>Indicator</b>	<b>Target</b>
1	Undertake research to assess the impact of environmentally friendly technologies	Published research reports	Annual	Number of research studies produced	>0
2	Generate new school curricula to incorporate skills linked to climate change and disaster risk mitigation, in order to prepare for work in related sectors	Curriculum documentation from MoET/TVET	Every 2 years	Skills linked to climate change mitigation measures incorporated into curricula (Yes/No)	Yes
		Implementation reports from schools and TVET institutions	Annual	Number of institutions applying these curricula	>0
3	Undertake green and blue economy investments with jobs	Investment project documentation	Annual	USD value of investments (and Vatu equivalent)	>0
		Project funding and completion reports	Annual	Number of funded projects	>0
		Employment monitoring reports (DOL, partners)	Annual	Jobs created through funded projects	>0
4	Promote private and public investments in decentralized renewable energies and better water and sewage management	Investment reports, private sector updates	Annual	USD value of investments (and Vatu equivalent)	>0
		Project funding and completion reports	Annual	Number of funded projects	>0
		Employment monitoring reports (DOL, partners)	Annual	Jobs created through funded projects	>0
5	Strengthen partnerships to empower women,	Signed MoUs; partnership records	Annual	Number of new partnerships strengthened, as measured through Memorandum of	>0

	youth and persons with disabilities			Understanding (MOU)	
		Activity reports from MoU implementation	Annual	Actions implemented as part of MOUs	>0

<b>Priority 7: Strengthening the Labour Market Information System</b>					
<b>Objective:</b> Strengthen and expand labour market statistics					
<b>Action</b>		<b>Means of verification</b>	<b>Frequency</b>	<b>Indicator</b>	<b>Target</b>
1	Improve data collection programs	Data collection calendar; survey schedules; admin data updates	Annual	Data collection improved (Yes/No)	Yes
2	Expand data coverage	Survey and admin data reports; geographic disaggregation in reports	Annual	Data coverage improved (Yes/No)	Yes
3	Enhance data analysis and dissemination, harmonizing existing systems	Usage analytics from LMIS system; institutional feedback	Annual	Number of institutions using labour market data	Increase
4	Develop a national labour market information data repository	Web-based portal logs; technical documentation	Annual	Repository created (Yes/No)	Yes
5	Foster partnerships	Signed MoUs; stakeholder engagement reports	Annual	Number of new partnerships created, as measured through Memorandum of Understanding (MOU)	>0
		Activity reports from MoU implementation	Annual	Actions implemented as part of MOUs	>0



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**PACIFIC CLIMATE CHANGE MIGRATION AND HUMAN SECURITY (PCCMHS) PROGRAMME PHASE II**

