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VFIPA paving the way for a much more Conducive Investment Environment in Vanuatu

By Howard Aru
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It's been an exciting past 12 months, though mixed with challenges and frustrations posed largely by Covid-19 and other setbacks such as TC Harold up north. VFIPA has undertaken various reforms to reposition the agency while the country manages our borders against the deadly pandemic. Covid has been a blessing in disguise, allowing us to rebuild back better from the past.

The reforms we have undertaken at VFIPA couldn't have been possible without the support of other line agencies and our development partner agencies (DPAs), notably the Australian Government's Governance for Growth (GfG) program, the Enhanced Integrated Framework (EIF) – a multi-donor trustfund established to support developing countries like Vanuatu and the Asian Development Bank's Private Sector Development Initiative (ADB PSDI). To these we are forever grateful.

VFIPA'S ROLE?

People have asked and still wonder with mixed feelings today about VFIPA's role. Some have intensively campaigned in the media in recent weeks indirectly against 'foreign investment' and present to us a kind of utopian way of life which is practically unreal in a country like Vanuatu which is integrated to the outside world. They indirectly tell us we don't need FDI, yet they don't necessarily offer us solutions as to how parents will find jobs so they can pay for their kids' school fees, groceries, clothes, water, electricity and rental bills, public transportation, fuel, etc. They are surrounded with and benefit from all these, yet preach to the contrary. They own leased land, sleep on leased land, plant on leased land, yet campaign relentlessly against leasing land for development and investment.

Having said the above, I hasten to add though that indeed there have been bad investments in the country over the years, though not necessarily all created by VFIPA. We are working to address this through a clearly outlined national investment policy (NIP) so we do not repeat the same mistakes of the past, especially when it comes to the whole issue of land. Vanuatu is already part of the global economy. We cannot go back to living in the past. We have agreed to a National Sustainable Development Plan (NSDP) – The People's Plan – which is aligned to the UN's 17 Sustainable Development Goals (SDGs) established in 2015 and the 2030 Agenda for Sustainable Development.

VFIPA's role in Vanuatu's economic development is crucial. In order to achieve this, the agency has worked tirelessly over the past 12 months on various reforms to help prepare the groundwork to facilitate a more conducive investment environment. A lot more work is yet to be done. Progress to date follows.

SUMMARY ACHIEVEMENTS OF VFIPA FOR THE YEAR

Clear-The-Deck

Our staff have filed and tidied up several hundred files of unimplemented/pending projects dating back to 1998 to tidy up VFIPA's database. This exercise took over four months to complete.

Diagnostic of ICT Infrastructure

It was necessary to undertake this exercise with a view to help position the agency where it can better deliver on its work post-Covid-19 to harness and embrace our growing digital economy.

A Future-Fitting Organisation Structure

We have had to redraw the agencies organisational structure to allow for staff permanent recruitments and other future recruitments as the agencies grows into the next 5-10 years ahead.

Online Registration Process

The Minister of Trade James Bule sought support from the ADB's PSDI for this very important project. Once the various technical issues have been resolved, VFIPA will advance with the project's implementation with the hope of bringing it to fruition by end of 2021 or early in the first quarter of 2022 so our our foreign investors can register anywhere in the world to do business in Vanuatu.

National Business Forum (NBF)

VFIPA proactively participated in the pre-event preparations leading up to and during the NBF in late September/early October 2020. The outcomes of this resulted in the establishment of the regular High Level Leaders Meetings (HLLM) which formed a crucial platform for ongoing consultations into 2021 between the private sector and our national leaders, co-Chaired by the Hon Prime Minister and the President of the Vanuatu Chamber of Commerce (VCCI).

Land Reform consultations

We have laised very closely with the Government on its ongoing land reform plans so at least VFIPA knows how the future will be mapped out in terms of access to land for FDI.

Salvaging of Major Investments

We've worked very closely with the Government to salvage a number of major investors that had issues with certain government agencies. We reached mutual understanding through intensive negotiations and have managed to safeguard these investors/investments so they can continue to contribute to the country's economy (jobs, taxes, etc.) during these very difficult times.

Investment Promotion & Marketing Strategy

During the final quarter of 2020 the Board and Management team commenced on the groundwork preparations toward this very important task.

Remote Workers ('Digital Nomads')

VFIPA has worked tirelessly with numerous agencies of Government, notably the Ministry of Internal Affairs to advance support for it. Further discussions, consultations and support will be effected in the coming weeks to operationalise this scheme to encourage visitors and investors alike.

Policy Advocacy in support of FDI

We undertook intensive work to advocate for recognition and protection of our existing and new investors and to provide a more conducive and enabling environment for FDI in the country, for instance on the challenging issue of reserved occupations which has thankfully now been resolved with the highest level of support from our national leaders.

Company Visits / Investor After-Care

We undertook various company visits to listen to some of our key investors (both foreign and local) in order to solicit support for them and thus help them expand to grow the economy in a very challenging economic climate.

Publicity and Visibility

VFIPA has produced several newsletters thus far and a revamped website with the aim of improving on news dissemination and increasing the visibility of the agency's work to its clients, the Government and all other stakeholders – locally and abroad.

NEXT STEPS

Over the remaining 6 months of 2021, VFIPA wants to embark heavily on addressing Vanuatu's challenging (poor) global ranking on Ease of Doing Business. It will complete and launch a brand new national investment policy (NIP) together with the associated National Investment Policy Statement (NIPS). We want to ensure the long-discussed Remote Workers scheme is up and running by year's end. And we will embark on the preparations of the country's first ever (post-Covid) investment promotion and marketing strategy (IPMS).

Our company visits will intensify jointly with other line agencies as part of VFIPA's after-care and facilitation support to FDI notably where the 'growth forecasts for this and year and next remains positively strong...driven by the Industry Sector' as revealed this week by our seasoned Head of Investment, Mr. Raymond Vuti.

We will also be hosting an Investment Forum focused on the needs of investment in order to further advance the promotion and facilitation of FDI in the country. We remain optimistic. We will get there!