Vanuatu Parliament approves VeSW Project Phase III Budget

Following the successful completion of Phase II of the Vanuatu electronic Single Window (VeSW) Project in December 2022, the Project is fortunate to receive further assistance from the Vanuatu Government to fund the 3rd phase of the Project.

For the past 2 years, the Vanuatu Trade Facilitation Steering Committee (TFSC) has made numerous efforts to secure external support for the 3rd phase of the Project, but with not much success. The Ministry of Trade (MTTCNVB) therefore stepped in to submit a National Project Proposal (NPP) to the Government’s Ministerial Budget Committee (MBC) to secure funds to further extend this important trade facilitation project.

The NPP was unanimously approved by the MBC, and the budget was subsequently tabled during the 1st Extraordinary Session of Parliament in March 2023, by the Minister of Finance, Hon. John Salong Dahmassing (MP).

The Government’s dedication to supporting the VeSW Project is not new; the Government initially supported the 1st phase of the project (2016-2018), as well as provided in-kind support during the 2nd phase of the project (2019-2022). This ongoing support is a clear testimony of the Government’s commitment to using modern technology to facilitate cross-border trade.

Vanuatu Government is very much grateful to the Enhanced Integrated Framework (EIF) and the Australian Governance for Growth (GfG) program for the generous support towards phase II of the Project.

Work has since began with the project’s phase III activities.
Work commenced on the Pharmaceutical Module

Following the parliamentary approval of the phase III budget, preparatory work has began on the Pharmaceutical module to be used by the Ministry of Health.

Similar to past VeSW modules, this new module will facilitate online application and processing of import permits for medicines and drugs, as administered by the Office of the Principal Pharmacist at the Ministry of Health.

This very crucial regulatory work has always been administered manually with no effective linkages with the Customs clearance process.

To begin with, the concept of the VeSW project and system was introduced to the Health Officials, who are very keen to become a user of this electronic system to assist with their operations. The National Project Team (NPT) has made preliminary assessments of the governing legislations and procedures of issuing pharmaceutical import permits by the Principal Pharmacist.

NPT is now using this information to draft the System Requirement Specification (SRS) document which will be shared with UNCTAD experts to develop the module prototype.

The inclusion of the Pharmaceutical module will bring the total number of VeSW modules to seven (7), as utilized by eight (8) regulatory agencies.

“Developed by the United Nations Conference on Trade and Development (UNCTAD), ASYCUDA Programme in collaboration with the United Nations Office for the Coordinator of Humanitarian Affairs (OCHA), ASYREC would facilitate and speed up the processing of international humanitarian relief in the event of a crisis, ensuring that humanitarian response would be logistically efficient and effective.

“ASYREC was launched by the Department of Customs and Inland Revenue (DCIR) in partnership with the National Disaster Management Office (NDMO) and the Australia Governance for Growth (GfG) Programme during the Customs Modernization Workshop hosted by the Oceania Customs Organization (OCO) in Port Vila on 21 April 2023. ASYREC would be automatically activated when the affected country makes a request for international assistance or accepts an offer of international assistance. It would make it easier for customs authorities to identify and separate humanitarian shipment from non-humanitarian goods.

“For Vanuatu Government, the module would enable better management and control of humanitarian relief consignments and would minimize unsolicited goods through the identification of priorities at an early stage and updated during emergency situations. It would also enhance coordination and cooperation between Customs and eligible organisations, providing real-time emergency related information to all associated organizations.

“For the Humanitarian community, ASYREC would provide consistency, improve accountability, allow faster clearance time, and promote best practice while ensuring that processing of humanitarian relief was according to the provisions of Vanuatu’s Customs laws and other health and safety regulations. With ASYREC, shipments of identified needs by eligible organizations would be prioritized during emergencies, minimizing delays and reducing congestion at the border.” - UNCTAD
VeSW participates in regional & national events

During the months of March and April, the VeSW Manager was invited to participate in several regional and national events, and making presentations of the VeSW project and system. Here are some of these events:

Above: UNCTAD Digitalization & Digital Transformation workshop, 27-28 March, Nadi, Fiji

Right: National e-Commerce Committee Meeting, 24th April, Luganville, Santo

Below: Oceania Customs Organisation Modernisation workshop, 18-21 April, Warwick Hotel, Port Vila
Customs sees four-fold revenue increase with new electronic system

Daily Post: Vanuatu’s Department of Customs and Inland Revenue (DCIR) has reported an impressive increase in revenue collection from VT4 billion to VT16 billion since the implementation of the Vanuatu Electronic Single Window system in 2016.

This web-based computerised system was issued by the United Nations (UN) seven years ago to all the Least Developed Countries (LDC) in the world, including Vanuatu, for the purpose of reforming and modernising each country’s administration in the issued countries. Director of Customs and Inland Revenue, Harold Tarosa, explained the benefits of the system, stating, “the system was used in the country to collect revenue and reduce tax frauds that occurred during those days.”

He added that there has been a significant increase in taxation, collection revenue, and deduction in tax fraud since the implementation of the system. “And more and more, we have seen agencies working up to this single window environment,” he continued. Another achievement of the reform and modernisation in Vanuatu through this system is that it has assisted to take the country from LDC status to Developing Country status. The Director informed the Vanuatu Daily Post that the positive outcome of the implementation of this electronic window system has attracted other Pacific Island Countries (PICs) who have decided to endorse it in their respective countries.

NTDC welcomes VeSW Phase III

Dubbed as the “Vanuatu Trade Parliament”, the National Trade and Development Committee (NTDC) welcomed the commitment of all Government arms responsible for formalising phase III of the VeSW Project. This support was emphasised by the committee during its 1st meeting of 2023 in Luganville, Santo, on 26th April.

Chaired by the Minister of Trade, Hon. Matai Seremaia Nawalu, the Committee also called for finalisation of the project paper with UNCTAD, as the Project’s implementing partner. The finalised phase III Project paper will allow for funds to be disbursed and for the agreed activities to commence. The NTDC is the highest governing body, of which the VeSW project reports to.
Vanuatu first country for the PACCom Trade Database

“Vanuatu is set to be the pilot country for a new database that will improve insights on trade to enable better policy and business decisions. Vanuatu’s Director of Customs and Inland Revenue, Mr Harold Tarosa and SPC Director of the Statistics for Development Division, Mr Peter Ellis, signed a Data License Agreement (DLA) on 21 April at the Oceania Customs Organisation’s Workshop that allows the Pacific Community (SPC) to access Vanuatu’s international merchandise trade data for the pilot.

“The new database will automate the compilation of relevant and timely information from customs administrations on goods that are imported and exported. It will enable governments, international agencies and donors to be more targeted in their response towards current challenges around food security, non-communicable diseases, negotiations on preferential trade agreements and economic management. The database will also help researchers and other non-government parties better understand trade flows and development.

“The project, a collaborative effort of the Pacific Community, the Pacific Islands Forum Secretariat, the Oceania Customs Organisation and the Melanesian Spearhead Group is assisted by the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Trade and Industry Statistics Section.

“If the pilot is successful, the data will be stored in the Pacific Community’s Pacific Data Hub Indicator database and content will be harvested and displayed in the Pacific Data Hub main catalogue with direct access provided to all users.

“The Pacific Data Hub (PDH) is a central repository and gateway to the most comprehensive collection of data and information about the Pacific and for the Pacific across key areas, including economic and population statistics, fisheries science, climate change adaptation, disaster risk reduction and resilience, conservation of plant genetic resources for food security, public health surveillance and human rights.” -SPC

Following the signing of the DLA, the VeSW team and UNCTAD launched the first template of the data content in front of the OCO regional participants. The VeSW and the SPC technicians will now finalise this template before the data can be published on the Pacific Data Hub in the next couple of weeks.

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The overall objective of the Vanuatu Electronic Single Window project is to expand Vanuatu’s GDP through increased exports. The project outcome is to increase Vanuatu’s competitiveness through the reduction of cost and time of trading across its borders. Phase II of the Project was kindly funded by the Enhanced Integrated Framework (EIF) and the Australian Government. Phase I and the current Phase III of the Project are being supported by the Vanuatu Government.

The main implementing partner in the Project is United Nations for Trade and Development, UNCTAD.