



Monday 30<sup>th</sup> March 2020

**Hon. Gaetan PIKIOUNE (MP), Minister of Finance & Economic Management-  
Government of the Republic of Vanuatu**

Dear Hon. Minister,

**DECISION N°016: VANUATU GOVERNMENT RECOMMENDED FINANCIAL &  
ECONOMIC STIMULUS – COVID 19.**

The Council of Ministers (COM) held its second Urgent (2nd) meeting on Monday 30<sup>th</sup> March 2020.

Here are the decisions made during this meeting:

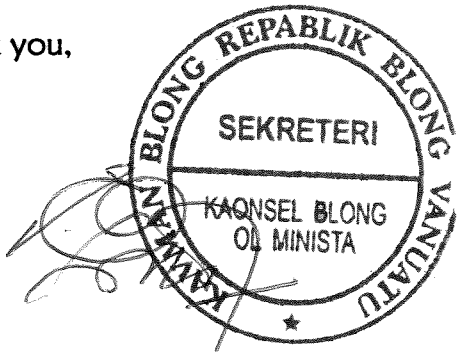
1. COM agrees the economic stimulus measures as described in Table 1 in the Financial Implications and Annex B, both of revenue and expenditure;
2. COM agrees to continue the Citizenship Program, subject to further review, in light of COVID-19 and other economic factors;
3. COM agrees to present a supplementary appropriation bill to Parliament as a matter of urgency requesting an additional 2% of the 2020 appropriation, amounting to VT 1,143 million, to fund the economic stimulus package. COM notes that this must be done before the end of April to ensure the government has sufficient cash flow to implement stimulus measures and that supplementary appropriations legally cannot be passed beyond the end of June 2020.

4. COM agrees to avoid taking on any further external loans but to issue domestic bonds in the order of VT 3.9 billion to help finance the stimulus response;
5. COM agrees to engage lenders to request deferral of payments of principal and interest on external loans until 2021;
6. COM agrees to authorise the amounts to be drawn down from the Public Fund under the Financial and State of Emergency provisions of section 34 C of the PFEM Act amounting to VT 857 million (1.5% for State of Emergency);
7. COM agrees to implement a coordinated communication strategy to ensure the above-mentioned decisions are well understood (The Ministry of Finance & Economic Management to oversee the success of its implementation);
8. COM agrees to authorise the Director General of Finance & Economic Management to work with SLO to enact necessary law to give effect to these decisions;
9. COM agrees to direct NDMO to consult with the Department of Customs regarding the clearance of imported health equipment and facilities that are directly related to COVID -19;
10. COM agrees to note that the Minister of Finance and Economic Management has temporarily suspended requirements for low value procurements in order to accelerate spending by agencies. This suspension may be extended and also applied to high-value procurement if necessary.
11. COM instruct the Ministry of Infrastructure & Public Utilities to accelerate implementation of the total VT 5.0 billion being for infrastructure development fund.
12. COM agrees to cancel the following taxes and charges for 2020 (No refund if already paid).
  - i. Road Tax
  - ii. Work Permit
  - iii. Business licence (other than commercial banks)
  - iv. Residence permit
  - v. Rent Tax
  - vi. Tuition fee exemptions capped to a maximum level of VT42,000 per annum per student for all schools for the whole year 2020;

13. COM agrees for the Government extend the copra subsidy scheme to the following commodities including Kava, coffee and cocoa.

14. COM has considered and agreed on directions N°5 to be issued by Director of NDMO under the State of Emergency (SOE) regulation Order N° 35 of 2020.

Thank you,



Esther Rory  
Acting Secretary

CC: Hon. Prime Minister  
Hon. DPM  
All Hon. Ministers  
All DGs  
All 1<sup>st</sup> PA  
Attorney General  
Chairman of the Public Service Commission  
Acting Director, Finance  
Treasury Unit  
DSPPAC  
PRO