



Project Location:
Banks and Torres Islands, Vanuatu

Funding Source:
Australian Agency for International Development (AusAID) – 50%,
Marine Consultancy Services - 50%

Project Start Date:
1 January 2009

Total Grant Funds Approved:
A\$750,000

Updated December 2012

Marine Consultancy Services – Inter Island Shipping In Vanuatu

ABOUT MARINE CONSULTANCY

Marine Consultancy Services is based in Espiritu Santo, Vanuatu. Prior to the ECF project the company was operating scheduled freight and passenger shipping services between Santo and the capital Port Vila.

THE PROJECT AND HOW IT WORKED

The ECF grant allowed Marine Consultancy Services to purchase a second vessel. This boat has provided scheduled sea freight and passenger services to the remote and under-serviced Banks and Torres island groups of Torba province in the north of Vanuatu. The project also involved the expansion of Marine Consultancy Services' storage and transit facilities at Luganville.

There are an estimated 9,000 inhabitants in the remote Torba province and nearby islands and prior to the ECF support to Marine Consultancy Services these communities were poorly serviced by inter-island shipping companies.

THE RESULTS

- A total of 18 new jobs have been created at Marine Consultancy Services.
- Marine Consultancy Services operated 11 trips to Banks and Torres in 2010 but there was no significant increase in the outward freight from the islands. Freight volumes to the islands were impacted by increased competition on the route.
- There are now 3 shipping/trading companies servicing the Banks and Torres island groups on a regular basis. While this has presented commercial difficulties for Marine Consultancy Services, local businesses and communities have greatly improved access to vital goods and services.

- The first mobile phone service has been introduced at Banks and the introduction of regular and reliable shipping services was an important factor in the decision to install this equipment and plan for future maintenance.
- The additional Marine Consultancy Services vessel, when not travelling to the northern islands, provides a new return freight service for businesses and communities on the island of Malekula.
- Companies in Vanuatu have reported improved freight consolidation and transit facilities in Luganville as a result of Marine Consultancy Services' expansion.

The stimulation of new business activity and the expansion of livelihood opportunities in Banks and Torres have, however, been slower than expected. Inadequate local transport logistics and freight consolidation facilities, as well as limited business support services, have proved to be limiting factors.

A key lesson from this project is the importance of adequate local transport services and consolidation facilities in remote locations before potential suppliers can properly utilise improved inter-island shipping services. Also, communities that have been isolated for some time are likely to require guidance and financial services to take advantage of better freight services and to increase their incomes.

HOW ECF FUNDS WERE USED

Obtaining a commercial loan in Vanuatu for this type of project is difficult and Marine Consultancy Services did not have the resources to purchase an additional boat.

The ECF grant was used to part fund the cost of the second boat. Marine Consultancy Services was responsible for ongoing operating costs and the expansion of the storage facilities in Luganville.