



REPUBLIC OF VANUATU · VANUATU NATIONAL BUREAU

# Sovereignty as a productive national asset

Why small island states must invent new revenue — and how  
Vanuatu's National Bureau turns trusted, digitally delivered sovereign  
services into non-tax income, without selling citizenship and without  
taxing its own people.

OFFICIAL BRIEF · THE MODEL

## Four constraints no policy can repeal

Every small island developing state lives with the same four facts. They cannot be legislated away — they can only be answered.

### Remote by geography

Thousands of kilometres from major markets, with some of the highest transport and trade costs on earth — the scale economies continental states assume simply do not exist.

### Small by population

Around three hundred thousand people — a tax base smaller than one district of a large city, carrying every function of a modern state.

### Cyclones, earthquakes, volcanoes

Vanuatu sits where the South Pacific cyclone belt crosses the Ring of Fire. The World Risk Index has repeatedly ranked it the most disaster-exposed nation on earth.

### A narrow revenue base

Tourism, import duties and aid — each volatile, none decided in Port Vila. The budget rises and falls with forces the nation does not control.

## The lived ledger of a single decade

YEAR	EVENT	WHAT IT TOOK
2015	Cyclone Pam — Category 5	Damage and losses near two-thirds of GDP; around 65,000 people displaced
2017–18	Ambae (Manaro Voui) eruptions	An entire island evacuated — about 11,000 people, twice
2023	Cyclones Judy & Kevin — twin Category 4s, 48 hours apart	Around four in five Ni-Vanuatu affected
2024	Port Vila earthquake — magnitude 7.3	Direct damage near a fifth of GDP; the international submarine cable severed

Figures from official post-disaster assessments by the Government of Vanuatu and international partners, including the World Bank's rapid damage estimate (2025).

## 02 THE ARITHMETIC

### The calculation large economies rarely see

In a country of fifty million taxpayers, one point of tax is a budget instrument. In an archipelago of three hundred thousand people, it is neither meaningful revenue nor a harmless lever: the same adjustment raises little — and what little it raises, it takes from a private sector already carrying the world's highest costs of distance.

The running costs of a state do not shrink with population, but the base that must carry them does. Each disaster cuts national income at the exact moment costs surge — and every recovery is financed from the same narrow base the disaster has just damaged. The gap has to be closed from outside the tax system, or it does not close at all.

A small state cannot tax its way to resilience. It has to earn its way there.

## 03 THE INVENTION

### From constraint to invention: non-tax revenue

What a small island state lacks in taxpayers, it possesses in something rarer: full sovereignty — the lawful power to confer status, identity, registration and standing that the wider world values. Delivered digitally and to international standards, those services become national income that does not depend on the weather, the harvest or the flight schedule.

Estonia showed a small state could earn from digital trust; Palau carried the idea into the Pacific; Vanuatu's National Bureau is the first attempt to legislate the complete model — integrity rules, independent oversight and a citizenship firewall included — so the income is durable and the nation's name is protected.

## The first complete, legislated model

One framework Act establishes the institution, one common regulatory rulebook, and two programmes in Schedules:

### Vanuatu National Status

A defined legal status for vetted non-citizens, with its own ICAO-standard Non-Citizen Travel Document. It is not citizenship, confers no nationality, and is written that way in the law itself.

### Vanuatu Digital Residency

A digitally delivered identity and registration for the global digital economy — sovereign trust as a service, governed by the same integrity rulebook.

<b>Established by</b>	Council of Ministers Decision N°273 of 6 October 2025 — the programmes, the Bureau, and a Task Force under the Prime Minister's authority
<b>The firewall</b>	Nothing in the programmes confers citizenship or nationality of the Republic of Vanuatu — a deliberate pivot away from the contested "sale of passports" of the past
<b>Where capital goes</b>	The National Development Fund and the Strategic Bond Deposit — independently managed, regulated, audited and publicly reported; amounts in Vatu (VT), set by regulation
<b>Integrity</b>	AML/CFT vetting and ICAO standards written into the Act; every final decision rests with the Government of Vanuatu
<b>Resilience</b>	Registries built digital, to international standards, with redundancy — critical national systems must not depend on one island, one line or one season

## Built to be studied

Across the world, thirty-nine small island developing states — Vanuatu among them — share the same arithmetic: small populations, narrow tax bases, and disasters that can erase a year’s income in a night. The underlying model answers a problem all of them share: a small state earning non-tax revenue by serving the world with trusted, digitally delivered sovereign services, rather than by taxing a small population harder.

The framework is written to be studied — a working blueprint other small island states can adapt, with Vanuatu holding the advantage of having built it first. The jurisdiction that sets the standard becomes the one others measure against.

### Reading further

- **[vnb-website.pages.dev](http://vnb-website.pages.dev)** — the programme website (English & French): the full case in eight pages, from the institution to the application.
- **MP Handbook 2026** — the complete programme case with the draft Bill annexed, available on the website’s legal and press pages.

### Contact

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Briefings for Members of Parliament and officials are arranged through the COM-approved Task Force, Port Vila.

Status: the Vanuatu National Bureau Bill 2026 is being finalised for presentation to Parliament; programmes open upon commencement of the Act. This brief describes the Bill in plain language for general information — in any case of doubt, the text of the Bill as presented to Parliament governs. Nothing in this document confers any status, document or right. © 2026 Government of the Republic of Vanuatu.