

CONDITIONS PRECEDENT TO YEAR 2 QUARTER 1

Quarter ¹	Project/ Activity ²	Condition Precedent	Status ³	Relevant Documentation	Request for Deferral/Waiver and Justification
Program – Administrative					
Prior to each disbursement beginning Year 1 Q3	Schedule 1	Environmental and Social Impact Officer for MCA-Vanuatu, to be located in the Ministry of Lands-Environment Unit, is selected and approved by MCC and remains engaged; or, in the event the position are vacant, MCA-Vanuatu is actively recruiting for the position	Satisfied	Contract Agreement signed between ESI Office and MCA-Vanuatu represented by Chairman of the MCA Steering Committee	Request that MCC waive requirement that the ESI Officer be located in the Ministry of Lands Environmental Unit because the ESI Officer is located with MCA Vanuatu Program Management Unit as agreed with MCC.
Prior to each disbursement beginning Year 1 Q2	Schedule 1	MCA-Vanuatu has adopted a Fiscal Accountability Plan approved by MCC, and such Fiscal Accountability Plan remains in full force and effect	Satisfied	Fiscal Accountability Plan	
Prior to each disbursement beginning Year 1 Q2	Schedule 1	MCA-Vanuatu has adopted an Audit Plan approved by MCC and such Audit Plan is current and updated	Satisfied	Audit Plan	
Quarter immediately following the applicable date of such report	Section 3.3 b)	An audit report, providing financial information and review of compliance with the Fiscal Accountability Plan and Procurement Guidelines, in accordance with the Compact, Audit Plan and Audit Guidelines for the prior six (6) month period (to be delivered as a condition precedent for the quarter immediately following the applicable date of delivery of such report, as set forth in the current Audit Plan). Upon MCC's request, MCA-Vanuatu shall ensure simultaneous delivery by the Auditor of the audit report to MCA-Vanuatu, MCC and the Inspector General	Not satisfied	Audit report	Requested deferral until 30 days after MCC Disbursement for Year 2 Quarter 2
	Section 3.5 a)	There has been no material negative finding in any Audit report delivered under Section 3.3	Not Satisfied		Request deferral until 30 Days until year 2 quarter 2, after an Audit report has been delivered so that the findings can be determine.

¹ This column will display relevant Disbursement Period applicable to the MCC Disbursement Request.

² Table will follow the projects and activities set forth in the Disbursement Agreement.

³ Indicate whether condition is “satisfied,” “partially satisfied,” or “not satisfied.”

	Section 3.5 b)	The conditions to which MCA-Vanuatu has certified in the MCA-Vanuatu Certificate under Section 3.2(b) have been satisfied and are true and correct as of the date of such MCC Disbursement	Satisfied		Procurement plan approved by MCC and posted on Vanuatu website All notices of procurements actions have been posted on the MCA Vanuatu website in accordance with the Procurement guidelines All reports (including financial reports) and other documents have been posted on the MCA-Vanuatu website by Annex 1 of the compact
	Section 3.5 c)	There has been satisfactory progress on the Work Plans for any relevant Projects or Project Activities related to such MCC Disbursement, including actual compliance with any additional conditions precedent to such disbursement set forth therein and substantial compliance with the other requirements of such Work Plans, including any applicable reporting requirements for the relevant Disbursement Period	Partially satisfied		Work in progress.
	Section 3.5 d)	There has been (i) substantial compliance with the M&E Plan for the Program and (ii) actual compliance with the targets related to the M&E Plan specified in Schedule 1 to this Agreement, including any applicable reporting requirements for the relevant Disbursement Period	Partially satisfied		Request deferral until Year 2, Quarter 2
	Section 3.5 e)	There has been satisfactory compliance with the Procurement Plan, including any applicable reporting requirements under the Procurement Agreement for the relevant Disbursement Period	Satisfied		
	Section 3.5 f)	There has been satisfactory compliance with the Audit Plan, including any applicable reporting and auditing requirements under any Auditor Agreement for the relevant Disbursement Period	Not satisfied		Request deferral until Year 2, Quarter 2
	Section 3.5 g)	MCA-Vanuatu has provided a satisfactory written response to any audit findings that have been issued prior to thirty (30) days before the date of the MCC Disbursement Request	Not satisfied		Request deferral until Year 2, Quarter 2
	Section 3.5 h)	The Government has agreed to fund any environmental mitigation and resettlement costs not already included in the Detailed Financial Plan	satisfied		
Prior to each disbursement beginning in Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted a Procurement Plan approved by MCC, and such Procurement Plan remains in full force and effect	Satisfied	Procurement Plan	
Prior to each disbursement for any Project Activity beginning in Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted a bid challenge system approved by MCC and such system remains in full force and effect	Satisfied	Bid Challenge System	MCA-Vanuatu has already posted Bid Challenge system on to website.

Prior to each disbursement for any Project Activity beginning in Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted procurement operations manual(s) approved by MCC and such manuals remain in full force and effect	Not satisfied		Deferral requested until Year 2, Quarter 2. Work in progress.
Prior to Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted bidding and proposal documents approved by MCC	Partially satisfied	Bidding and Proposal documents	Deferral requested until Year 2, Quarter 1
Prior to Year 1 Q3	Schedule 1	MCA-Vanuatu has procured the Data Quality Auditor	Not satisfied		Deferral requested until Year 2, Quarter 2 MCC approved procedures for the evaluation of submissions
Prior to Year 1 Q4	Schedule 1	MCA-Vanuatu has adopted and MCC has approved reporting forms and data management procedures consistent with the M&E Plan (i.e. for data collection, quality control and reporting)	Not satisfied		Deferral requested until Year 2, Quarter 2
	Section 3.3 c)	A performance review report on compliance with the M&E Plan for the prior six (6) month period (to be delivered as a condition precedent for the quarter immediately following the applicable date of delivery of such report)	satisfied	Quarterly progress report	The Quarterly Progress Report includes M&E reporting of activities which will be delivered 10 days after end of each quarter.
Prior to each disbursement beginning in Year 1 Q2	Schedule 1	MCA-Vanuatu shall execute an implementing entity agreement with the Department of Public Works in a form acceptable to MCC, which agreement shall be in full force and effect	Not satisfied		Deferral requested until Year 2, Quarter 2
Prior to each disbursement beginning Year 1 Q2	Schedule 1	MCA-Vanuatu shall execute an implementing entity agreement with the Ministry of Lands - Environment Unit regarding the ESI Officer, in a form acceptable to MCC, which agreement shall be in full force and effect	No longer applicable		Request that MCC waive this condition precedent because the ESI Officer is located within the MCA Vanuatu Program Management Unit. The IEA is no longer necessary and MCC approved the ESI Officer's employment agreement.
Institutional Strengthening Activity					
Prior to disbursement in Q4 of Year 1	Schedule 1	PWD Service Performance Contract shall be executed and in full force and effect	Not satisfied		Deferral requested until Year 2, Quarter 2

Infrastructure Activity					
Prior to disbursement for any Infrastructure Activity in Q2 of Year 1	Schedule 1	MCA-Vanuatu provides certification from the Ministry of Finance indicating that the Government will fund any environmental mitigation costs during the Compact Term not already included in the Financial Plan	Satisfied	Minister of Finance and Economic Management signed letter.	MCA-Vanuatu has received a letter from the Minister of Finance and Economic Management on November 28 2006 confirming Vanuatu Government's commitment in meeting the mitigation costs.
	Section 3.3 a)	A performance review report on compliance with the Environmental Guidelines (as amended from time to time) and environmental and social safeguards described in the Compact and any relevant Supplemental Agreement	Not satisfied	Environmental Report	Request waiver
Prior to disbursement for any construction activity in Q4 of Year 1	Schedule 1	All HIES enumeration and data entry completed	Partially satisfied	Data enumeration and Data Entry ongoing	Deferral requested until Year 2, Quarter 2. Data enumeration has been completed. Data entry is still on-going
Project 2A- Efaté Ring Road					
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activity, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable	Not satisfied		Deferral requested until initial disbursement for this infrastructure sub-project activity is requested. Still awaiting engagement of required contractors in order to facilitate the issuing of such permits.
Project 2B- Santo East Coast Road					
Prior to each disbursement for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activity, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable	Not satisfied		Deferral requested until initial disbursement for this infrastructure sub-project activity is requested. Still awaiting engagement of required contractors in order to facilitate the issuing of such permits.
Project 2C- Tanna Whitesands					

Road					
Prior to each disbursement for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activity, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable	Not satisfied		Deferral requested until initial disbursement for this infrastructure sub-project activity is requested Still awaiting engagement of required contractors in order to facilitate the issuing of such permits.
Project 2D – Malekula Norsup- Lits Lits Road					
Prior to each disbursement for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activity, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable	Not satisfied		Deferral requested until initial disbursement for this infrastructure sub-project activity is requested. Still awaiting engagement of required contractors in order to facilitate the issuing of such permits.
2E- Pentecost North South Road					
Prior to each disbursement for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activity, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable	Not satisfied		Deferral requested until initial disbursement for this infrastructure sub-project activity is requested. Still awaiting engagement of required contractors in order to facilitate the issuing of such permits.
2F- Malo Roads Up-Grade					
Prior to each disbursement for this Infrastructure Subproject	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activity, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable	Not satisfied		Deferral requested until initial disbursement for this infrastructure sub-project activity is requested Still awaiting engagement of required contractors in order to facilitate the issuing of such permits.

2G- Lolong Wharf					
Prior to each disbursement for this Infrastructure Subproject	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activity, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable	Not satisfied		<p>Deferral requested until initial disbursement for this infrastructure sub-project activity is requested</p> <p>Still awaiting engagement of required contractors in order to facilitate the issuing of such permits.</p>
2H- Remaining Four Infrastructure					
Prior to each disbursement for this Infrastructure Subproject	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activity, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable	Not satisfied		<p>Deferral requested until initial disbursement for this infrastructure sub-project activity is requested</p> <p>Still awaiting engagement of required contractors in order to facilitate the issuing of such permits.</p>