

FORM OF MCC DISBURSEMENT REQUEST

Section 1. Request Summary	
Country	Republic of Vanuatu
Projects	MCA-Vanuatu
Compact Date/ Entry into Force	March 2, 2006/ April 28, 2006
Compact Number (noted on exchange of letters required for Entry into Force)	COM05VAN06001
Accountable Entity	MCA-Vanuatu
Fiscal Agent	Department of Finance
Request Date	June 9, 2006
Disbursement Period Beginning Date	April 28, 2006
Disbursement Period End Date	September 30, 2006
Disbursement Request Number	1
Currency	US Dollars
Exchange Rate used to calculate U.S. Dollar equivalent of any local currency balance for purposes of this MCC Disbursement Request	USD = 108
A. Disbursement Request: The undersigned hereby requests the Millennium Challenge Corporation to disburse funds under the Compact as follows:	
1. Cash requested from the Millennium Challenge Corporation (amount in USD):	US\$ 1,574,624
2. Amount requested in words (in USD):	One Million Five Hundred Seventy four Thousand six Hundred and Twenty four US Dollars
B. Compliance. The undersigned confirms that the MCC Disbursement requested hereby is in accordance with the terms and conditions set forth in the Compact, the Disbursement Agreement (as defined below) and each Compact Document (as defined in the Disbursement Agreement), including the limitations on the use or treatment of MCC Funding set out in Section 2.3 of the Compact.	
C. Authorization: The undersigned acknowledges that funds disbursed in accordance with this request will be deposited in a Permitted Account in accordance with the wiring instructions provided pursuant to Section 1(a)(iii) of the Disbursement Agreement dated as of [April 25, 2006] by and among the Ministry of Finance and Economic Management, on behalf of the Government of the Republic of Vanuatu, the Millennium Challenge Corporation and MCA-Vanuatu (the "Disbursement Agreement").	
D. Certificates. Attached hereto are the certificates required under Article III of the Disbursement Agreement.	
E. Definitions. Capitalized terms used herein shall have the meanings assigned to such terms in the Compact by and between the Government of the Republic of Vanuatu and the United States, acting through the Millennium Challenge Corporation, dated March 2, 2006 and entered into force on [April 28, 2006].	

MCA-Vanuatu

By: _____ /S/

Name: Lennox Vuti

Title: Director, MCA-Vanuatu Program Management

As Authorized Principal Representative of MCA-Vanuatu

Date: June 9, 2006

Certified by the Chair of the Steering Committee of MCA-Vanuatu

By: _____ /S/

Name: Jean Sese

Date: June 9, 2006

The Department of Finance of Government, as the Fiscal Agent

By: _____ /S/

Name: Benjamin Shing

Date: June 9, 2006

Signing only for the purposes of Sections 2(B) through 2(F) and Sections 3-5 of this Request.

Section 2. Programmatic and Financial Progress Update

- A. Program and Project Progress Reports required in the M&E Plan, Work Plans and other Components of the Implementation Plan, including the Management Discussion and Analysis Report (as described in Section 3.2(a) (ii) of the Disbursement Agreement)**

This section is not relevant for first disbursement.

B. Total Program Financial Plan Adjustment Request Form					
Transport Infrastructure Projects Project Activities	Original Program Multi- Year Financial Plan in Compact	Current Approved Multi-Year Financial Plan (From Sch. C)	Proposed Adjustment		Proposed Adjusted Multi-Year Financial Plan 2+3-4
			Increase	Decrease	
	1	2	3	4	5
1. Infrastructure Activities	54,470,000	54,470,000			54,490,000
2. Institutional Strengthening Activity	6,220,000	6,220,000	-	-	6,220,000
3. Monitoring and Evaluation	1,370,000	1,370,000		32,000	1,338,000
4. Program Administration and Control	3,630,000	3,630,000	238,418	226,418	3,642,000
Program Total	65,690,000	65,690,000	258,418	258,418	65,690,000

C. Summary of Financial Plan Adjustments to Date					
Transport Infrastructure Projects	Original Program Multi-Year Financial Plan in Compact	(Date) Adjustment Report/ Approved	(Date) Adjustment Reported/ Approved	(Date) Adjustment Reported/ Approved	Current Approved Multi-Year Financial Plan
Project Activities	1	2	3	4, ect	5
1. Infrastructure Activities	54,470,000				54,470,000
2. Institutional Strengthening Activity	6,220,000				6,220,000
3. Monitoring and Evaluation	1,370,000				1,370,000
4. Program Administration and Control	3,630,000				3,630,000
Program Total	65,690,000				65,690,000

D. Quarterly Financial Plan Adjustment Request Form				
		Proposed Adjustments to Cumulative Quarterly Financial Plan Through Next Period		
Transport Infrastructure Projects	Current Approved Cumulative Quarterly Financial Plan Through Current Period	Increase	Decrease	Proposed Cumulative Quarterly Financial Plan Through Next Period 1+2-3
Project Activities				
	1	2	3	
1. Infrastructure Activities	0	0	0	0
2. Institutional Strengthening Activity	0	0	0	0
3. Monitoring and Evaluation	0	0	0	0
4. Program Administration and Control	0	0	0	0
Program Total	0	0	0	0

E. Commitment and Expenditure Report							
	Cumulative Actual Re-disbursements as of the Beginning of the Current Period	Projected Re-disbursement for the Current Period	Projected Cumulative Re-disbursement Through the Current Period (1+2)	Projected Unliquidated Commitments as of the End of the Current Period	Projected Cum. Commitments and Re-disbursements End of Current Period	Current Proposed Multi-Year Financial Plan	Projected Balance Multi-Year Financial Plan-End of Current Period (6-5)
Transport Infrastructure Projects	1	2	3	4	5	6	7
Project Activities							
1. Infrastructure Activities	0	0	0	0	0	0	0
2. Institutional Strengthening Activity	0	0	0	0	0	0	0
3. Monitoring and Evaluation	0	0	0	0	0	0	0
4. Program Administration and Control	0	0	0	0	0	0	0
Program Total	0	0	0	0	0	0	0

F. Projected Program Cash Requirements for Next Disbursement Period			
Transport Infrastructure Projects	Projected Cumulative Re-disbursement Through the current Period (Sch. E, Col 3)	Projected Cash Requirements for the Next Disbursement Period	Projected Re-disbursement Through the Next Disbursement Period (1+2)
Project Activities	1	2	3
1. Infrastructure Activities	-	-	-
2. Institutional Strengthening Activity	-	-	-
3. Monitoring and Evaluation	-	253,000	253,000
4. Program Administration and Control	-	821,624	821,624
Program Total	-	1,074,624	1,074,624

Section 3. Cash Reconciliation		Date: 9 June 2006
1. Cash Balance From Beginning of Current Period		\$ -
<i>2.a Add: MCC Disbursement Received and Date Received</i>		
<i>2.b Interest Earned and Received</i>		
<i>2.c Amount and Source of Other cash Received</i>	\$ -	
3. Total Sources of Cash This Period, Lines 2.a+2.b+2.c		\$ -
4. Total Cash Available, Lines 1+ 3		\$ -
<i>5.a Less: Total Program Re-Disbursements</i>		
<i>5.b Interest Returned to the US Government</i>		
6. Total Uses of Cash This Period, Lines 5.a+5.b		\$ -
7. Cash Balance at End of Disbursement Period, Lines 4 - 6		\$ -
Section 4. Disbursement Request		
1. Total Forecasted Program Cash Requirements - Sch F, Col 2		\$ 1,074,624
2. Interest to be Returned to the US Government Next Period		
3. Working Capital Balance		\$ 500,000
4. Total, lines 1 + 2 + 3		\$ 1,574,624
5. Cash Balance at End of Current Period - Section 3, Line 7		\$ -
6. Disbursement Request From MCC 4 - 5		\$ 1,574,624
Section 5. Interest Summary		
1. Cumulative Interest Earned and Received as of Beginning of Current Period		
2. Interest Earned and Received During the Current Period		
3. Total Interest and Earned as of End of this Period, Lines 1 + 2		\$ -
4. Cumulative Interest Returned as of Beginning of Current Period		
5. Interest Return the Current Period		
6. Total Cumulative Interest Return During the Current Period, Lines 4 + 5		\$ -
7. Interest Due to Be Returned, Line 3 - 6		\$ -

Section 6. Conditions Precedent (Including Expected Performance Milestones)

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Conditions Precedent and Key Milestones

Some of the conditions precedent and key milestones that have already been achieved are;

1. Completion of employment contracts
2. Certificate of tax exemptions
3. Permitted account has been establish
4. Fiscal Agent Agreement sign
5. Procurement Agent Agreement Sign
6. Bank Agreement Sign
7. Procurement Agreement Sign
8. Completion of financial plan
9. Completion of interim procurement plan
10. Completion of interim fiscal accountability plan
11. M&E plan completed

Other conditions precedent that will be done during the second quarter are;

1. Audit plan
2. Fiscal Accountability Plan
3. Procurement Plan

4. 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

Notes:

1. Re-disbursement of funds to National Statistics Office, Public Works Department and the Ministry of Lands will not be done until implementing entity agreements are sign with the institutions
2. Conditions for disbursement request for quarter two has been waive by MCC so that the request covers the period from April 28, 2006 to September 30, 2006.