

Conditions Precedent Report

Year 3, Quarter 3

Quarter ¹	Project/ Activity ²	Condition Precedent	Status ³	Documentation Required by MCC as Evidence for Verification ⁴	Status of Required Verification ⁵	Request for Deferral/Waiver and Justification
Program – Administrative						
Prior to initial disbursement	Schedule 1	Director and Analysts of Program Management Unit of MCAVanuatu are selected and approved by MCC and remain engaged, or in the event the position(s) are vacant, MCA Vanuatu is actively recruiting for the position(s)	Satisfied		Positions for Director and Engineer/infrastructure Analyst have become vacant and have been nationally advertised with a closing date of 12 September. SC has established a selection panel.	
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	Employment Contract	Environment and Social Impact Officer for MCA-Vanuatu remains fully engaged. Copy of the contract is kept within MCA-Vanuatu.	
Prior to each disbursement beginning Year 1 Q 2	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	A copy of the Fiscal Accountability Plan can be obtained from MCA-Vanuatu and also the website	
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	A copy of the Audit Plan can be obtained from MCA-Vanuatu	
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	Up-dated Procurement Plan July to December 2008	Updated procurement plan can be sourced from MCC and MCA-V and the MCA-V website	
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	A copy can be obtained from MCA-Vanuatu and downloaded from the 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	satisfied	Procurement Operations Manual	A copy can be obtained from MCA-Vanuatu	
Prior to Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted bidding and proposal documents approved by MCC	Satisfied	Bidding and Proposal Documents	A copy can be obtained from MCA-Vanuatu	
Prior to Year 1 Q3	Schedule 1	MCA-Vanuatu has procured the Data Quality Auditor	Satisfied	Contract for Data Quality Auditor	A copy is kept within MCA-Vanuatu	
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	Satisfied	Implementing Entity Agreement for PWD	Implementing Entity Agreement was signed on 12 December 2007. The agreement can be obtained from MCA-Vanuatu and PWD	
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	Satisfied	Latest audit for July-December 2007 has been distributed to all relevant parties	A copy can be obtained from MCA-Vanuatu and will be posted on the website	
	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	Satisfied	MCA-Vanuatu Work Plan	A copy can be obtained from MCA-Vanuatu	
	Section 3.5 d)	There has been substantial compliance with the M&E Plan for the Program	Satisfied	Updated Monitoring and Evaluation Plan	A copy can be obtained from MCA-Vanuatu and MCC and will be placed on the MCA-V website	

	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	Satisfied	comments are provided for the audit findings	A copy of the audit can be obtained from the Fiscal Agent and MCA	
1. 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	Satisfied	Service Performance Agreement	The Service Performance Agreement was signed on 10 March 2008. A copy of the agreement can be obtained from MCA-Vanuatu and PWD	
Performance targets linked to annual disbursements in Q 1 of Years 2-5 (timing will depend on performance review and budget cycle)	Schedule 1	PWD Performance Contract: (i) PWD compliance with Service Performance Contract and annual action plan of the previous year	Satisfied		MCA-Vanuatu and Department of Public Works can provide copies of monthly reports prepared under the SPA. Comments on quarterly compliance will be provided in the next QPR.	
Performance targets linked to annual disbursements in Q 1 of Years 2-5 (timing will depend on performance review and budget cycle)	Schedule 1	PWD Performance Contract: (ii) The Government, via appropriation, to allocate adequate budgetary resources for road maintenance. The amount to be allocated will be based on the requirements specified in the in the Implementing Entity Agreement and be based on the progressive annual capacity requirements of PWD. This figure should also correspond with that provided in the detailed financial plans and the M&E plan and any amendments thereof	Satisfied	Government of the Republic of Vanuatu- Budget 2008 Government of the Republic of Vanuatu – Budget 2008 Fiscal Strategy Report	A copy can be obtained from MCA-Vanuatu or Fiscal Agent	
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	Certification: Millennium Challenge Compact - Environment Mitigation Costs	A copy of the certificate can be obtained from MCA-Vanuatu	
Prior to disbursement for any construction activity in Q4 of Year 1	Schedule 1	All HIES enumeration and data entry completed	Satisfied	HIES Report	The report can be sourced from MCC, MCA-Vanuatu and National Statistics Office	

Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Finalized HIES Report completed, approved by the Data Quality Auditor and submitted to MCC (including raw data files)	Satisfied	HIES Report	The report can be sourced from MCC, MCA-Vanuatu and National Statistics Office	
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Finalized Road-side Enterprise Survey report completed, and submitted to MCC (including raw data files) for the <i>Efate Ring Road sub-project</i>	Satisfied	Raw data files and report	The report can be sourced from MCC and MCA-Vanuatu.	
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Finalized Road-side Enterprise Survey report completed, and submitted to MCC (including raw data files) for the <i>Santo East Road Sub-project</i>	Satisfied	Raw data files and report	The report can be sourced from MCC and MCA-Vanuatu.	
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Finalized Tourism Surveys and Report completed, and submitted to MCC (including raw data files)	Satisfied	Final Tourism Survey Report	The report can be sourced from MCC and MCA-Vanuatu.	
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Baseline Traffic count survey data collected as described in the M&E Plan and summary tables prepared, and submitted to MCC for the <i>Efate Ring Road sub-project</i>	Satisfied	Data and summary tables	Data and tables can be sourced from MCC and MCA-Vanuatu	
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Baseline Traffic count survey data collected as described in the M&E Plan and summary tables prepared, and submitted to MCC for the <i>Santo East Road Sub-Project</i>	Satisfied	Survey data and summary tables	Survey data and summary tables can be sourced from MCC and MCA-V	
Project 2A-Efate Ring Road						
Prior to disbursement in Q1 of Year 2, or the revised construction commencement date	Schedule 1	<u>Community Maintenance Contracts</u> : Establishment of Maintenance Contracts with community representatives (with rural villages)	Satisfied.	Community Maintenance Contract from beginning of Japanese Aid Road to Rentapao.	MCA-Vanuatu and Department of Public Works can provide.	
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that any required resettlement action plan has been completed and implemented in accordance with WB Involuntary Resettlement Policy (OP 4.12), in a manner acceptable to MCC	Satisfied	RAP for the construction of first 5 kms of Efate Ring Road.	RAP for the construction of the First 4 km is available from MCA-V and MCC. RAP for the remaining sections of the Efate Ring Road will be developed in accordance with the Design and Build schedule	

Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that the environmental assessment for the Infrastructure Subproject Activities have been completed and are acceptable to MCC	Satisfied	Environment and Social Assessment for the whole of Efate Ring Road	Environment and Social Assessment for the whole of Efate Ring Road is available from MCA-V and MCC.	
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that the Environmental Management Plans for the Infrastructure Subproject Activities have been completed and are acceptable to MCC	Satisfied	Environment and Social Management Plan for the whole of Efate Ring Road	Environment and Social Management Plan for the whole of Efate Ring Road his available from MCA-V and MCC.	
Prior to any disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence of continued compliance, satisfactory to MCC, with Environmental Management Plans	Not Applicable		Construction is yet to commence. Monitoring and reporting is established.	
Prior to any 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	Satisfied	1) Quarry Permit - Material to build the Barge Landing 2) Written approval for access to PWD Quarry 3) Water Works Permit for the First 4 km 3) VEU Approval 4) Ministerial Consent for Environment and Social Assessment Report	All permits and approvals relevant to construction of the first 4 km of the road are available from MCA-V and MCC	
Project 2B- Santo East Road						
Prior to disbursement in Q1 of Year 2, or the revised construction commencement date	Schedule 1	<u>Community Maintenance Contracts:</u> Establishment of Maintenance Contracts with community representatives (with rural villages)	Not Satisfied		Will be provided prior to construction of the Santo East Coast road	
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that any required resettlement action plan has been completed and implemented in accordance with WB Involuntary Resettlement Policy (OP 4.12), in a manner acceptable to MCC	Not Applicable		Will be provided prior to construction of the Santo East Coast road	

Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that the environmental assessment for the Infrastructure Subproject Activities have been completed and are acceptable to MCC	Not Applicable		Will be provided prior to construction of the Santo East Coast road	
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that the Environmental Management Plans for the Infrastructure Subproject Activities have been completed and are acceptable to MCC	Not Applicable		Will be provided prior to construction of the Santo East Coast road	
Prior to any disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence of continued compliance, satisfactory to MCC, with Environmental Management Plans	Not Applicable		Will be provided prior to construction of the Santo East Coast road	
Prior to any 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 Applicable		Will be provided prior to construction of the Santo East Coast road	

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 and list all the CPs for the Compact -- both those that apply and those that do not apply for that period.
3. Indicate whether condition is "Satisfied," "Not Satisfied", or "Not Applicable (N/A)" as of a specific date. "Partially Satisfied" is not acceptable as status.
4. This column will list the specific documentation required for verification that CP has been "satisfied", including the party responsible for providing documents and source of that documentation.
5. This column will indicate status of the required verification documentation (i.e. "EMP approved by MCC in email dated April 15, 2006")