

REPUBLIC OF VANUATU
Millennium Challenge Account
Vanuatu Unit
Ministry of Finance & Economic
Management
PO Box 192
Vanuatu (South West Pacific)



REPUBLIQUE DE VANUATU
L'Unité de Vanuatu de Compte de
Défi de millénaire
Ministère des Finances et de la
Gestion Economique
PO Box 192
Vanuatu (Pacifique Sud Ouest)

MCA-Vanuatu Steering Committee Meeting Minutes

Type of Meeting: Regular Steering Committee
July 7th 2006, 4pm

Department of Economic & Sector Planning
Conference Room

Board Members:

Present:

Chairman	Director-General, Prime Ministers Office
Member	Director General, Ministry of Foreign Affairs
Member	Government Statistician, National Statistics Office (NSO)
Member	Director, Department of Finance
Member	Acting Director, Department of Economic & Sector Planning
Member	Director, Public Works Department (PWD)
Representative	Public Works Department

MCA Vanuatu Program Management

Director
Economics Analyst
Infrastructure Analyst
Secretary & Support Staff

Observers

MCC Resident Country Director

Apologies:

Director General of the Ministry of Lands

Absent:

Member	Secretary General VANGO Civil Society Representative
Member	General Manager, Chamber of Commerce
Vice-Chairman	Director General Ministry of Finance & Economic Management
Member	Head of Development Cooperation Ministry of Foreign Affairs
Member	Director Department of Strategic Management

Quorum present? Yes

The meeting was quorate.

Representative from Public Works Department, Acting Director from the Department of Economics & Sector Planning and Director General to the Ministry of Foreign

Affairs left during the course of the meeting.

Person Acting as Chairman: Director General to the Office of the Prime Minister

Person Acting as Secretary: Director of the MCA Program Management

Proceedings:

Meeting called to order at 3pm by Chairman

The Chairman noted that the notice of this meeting was sent out by the Program Management via email and through personal mail delivery. Attendance was confirmed by some members.

No members of the Steering Committee attending the meeting or those who did not attend objected to the calling of the meeting or the items on the agenda.

I. Discussion and Action Items

Introduction

The MCC Team was in Vanuatu from Saturday June 24 to Saturday July 1st, 2006. The purpose of their mission was to kick-off the implementation phase and establish logistical arrangements to facilitate implementing the program. The Team met with PWD, NSO, Environment, Procurement Agent, Fiscal Agent and the MCA Vanuatu Program Management staff. Implementing Entity Agreements with PWD, NSO and Environment were discussed. These agreements are being prepared and will be subject to negotiations between Vanuatu and MCC in the near future.

During the same period, the Parsons Brinckerhoff Consultantsⁱ were also here, particularly to assist the Procurement Agent and MCA Vanuatu in finalizing bidding documents, discuss further implementing entity agreements and provide insights into the design and build contract for the civil works.

Agenda Items Discussed

A: Steering Committee's Approval of Request of Expression of Interests of Five Procurement Actions

MCA Program Management brought to the SC, the approval of the following Expressions of Interest;

- MCA13-01 PWD TA for Supervision
SC approved EOI with amendments.

- MCA18-04 Tourism Survey
SC approved the Expression of Interest of Tourism Survey.

- MCA18-03 Data Quality Auditor
SC approved the Expression of Interests for a Data Quality Auditor.

- MCA13-02 Environmental & Social Assessments
SC approved the Expression of Interests of ESA consultant.

- MCA18-02 Database Expert
- SC approved the Expression of Interests for a Database Expert.

The Director Program Management clarified that all REOIs will be addressed to the Director Program Management but actually received by the Procurement Agent. All addresses, email addresses, telephone, etc placed on the REOI are those of the Procurement Agent. Enquiries and requests for further information will be managed by the Procurement Agent.

The SC unanimously approved all REOI with amendments.

B: Replacement of Team Leader of Procurement Agent

The Chairman requested the Program Management to brief the SC on this agenda item. The Director revealed to the SC issues MCA Vanuatu faced in regards to the activities of the Procurement Agent.

The SC unanimously endorsed the communication between BCEOM and the Program Director; and accepted the way forward as pointed out in the Director's email of June 30, 2006 to BCEOM.

C: Procurement Specialist Resignation and a Replacement

Program Management reported to the Steering Committee that the identified Procurement Specialist has resigned. His resignation letter was received. The Program Management has requested for an immediate replacement of the Specialist.

A CV was forwarded to the Program Management. The Program Management requested the Steering Committee's approval of the CV. However, the SC felt that there needs to be more than one CV, and recommended that the Program Management communicate with Procurement Agent requesting more CVs.

D: Procurement Agent Advance Payment guarantee

The Steering Committee was provided with a copy of the said Guarantee as required under the PA agreement Exhibit C, Section 2.2. The deadline given to produce a guarantee was June 29, 2006, and the Program Management clearly explained to the SC the delay in the PA in complying with the agreement.

The SC Meeting resolved that the Program Management verify with the Bank whether this Advance Payment Guarantee labeled Performance Bond is the same, and to check with MCC this is acceptable.

E: Procurement Agent Issues – Program Director's email to Principal Representative

The Program Management's email of June 30, 2006 addressed to BCEOM remains unanswered to date, one week after the mail was sent. The Director of the PMU explained that as soon as a response is received, it will be forwarded to all SC Members.

The Steering Committee endorsed the Program Management's letter to BCEOM by email and also agreed on the strategy to progress procurement actions.

F: PWD and NSO requests for Budgetary Support

During the course of MCC's meeting with PWD and NSO the two institutions have requested for budget support. The MCC Team and the Program Management had several meetings on this matter. Implementing entity agreements have been discussed with PWD and NSO, as well as with the Environment Unit. Both NSO and PWD have noted budget constraints and requested consideration be given to funding incremental costs of project administration. The Program Management had cautioned the SC that should this approach be acceptable by the Steering Committee other departments of Government who will have some role in project implementation and administration will follow suit. MCC alluded to the principle of not financing recurrent costs. The new positions created in Labour, Customs, Environment are new positions that are not normally PSC established positions, thus MCC's agreement to finance them.

MCC have suggested that some guiding principles should be established for considering such funding, and suggested that such funding could be considered in principle, for two types of incremental costs:

- Additional staff
- Additional vehicles, equipment and materials required for project implementation.

Recurrent costs such as fuel, or travel should not be considered for funding except where already agreed by MCC.

The Program Management advised that regarding staffing shortages each agency (of Government) could consider three options:

- Contracting out such incremental operations to a consultant;
- Undertaking such incremental operations through existing staff – this will not be funded using MCC funds, and
- Undertaking such incremental operations through newly recruited staff, as is being done in Customs Department, Labour and Department of Finance.

The SC also advised that the PWD raised issues in regards to top up salaries for PWD staff with the Public Service Commission, pursuant to usual PSC rules regarding extra responsibility allowances. Normally extra responsibility allowances had to be approved by PSC for all civil servants irrespective of where the funds originate. PSC's response to this matter should be reported to the SC. The SC instruct the Director of PWD to pursue this matter with PSC

G: Termination of MCA Staff by PSC

The Director Program Management informed the SC that the Infrastructure Analyst, Economics Analyst and Support Staff were terminated from being employees of the Government of Vanuatu by the PSC Secretary. Copies of the termination letters were circulated to all members of the SC.

The SC resolve that the Chairman will communicate with PSC Chairman & Secretary and will report back to Steering Committee regarding the status of the two Analyst who a Public Servants.

H: Environmental and Social Impact Officer to Move from Environment Unit to Program Management Unit

The Program Management advised the SC that after consultations with the MCC it is best that the ESI Officer should now be based with MCA Vanuatu and be part of the MCA Vanuatu structure instead of being based at the Environment Unit. MCC has agreed to this proposal the PMU is seeking an approval from the SC. The Director of the PMU also presented a case to hire an Office Assistant to be based at MCA-Vanuatu Office to assist the Support Staff in cleaning and other essential work. During discussions it was the SC felt that the move of the ESI Officer to MCA-Vanuatu is acceptable for logistic and monitoring. The SC instructed the Director of the PMU to discuss with the Director of DESP to utilize the services of DESP's Cleaner.

The SC unanimously approved the transfer of the ESI Officer from the Environment Unit to the PMU. The PMU can start the recruitment process.

I: MCA Vanuatu Website

The Program Management informed the Steering Committee that in the past an address, www.mcavanuatu.gov.vu was used. In a latest correspondence with the Department of Finance, he was advised members of the SC in consultation with MCC have agreed to the website address to be www.governmentofvanuatu.gov.vu. If this was the understanding he was prepared to go along with it.

The SC unanimously approved the use of the Vanuatu Government website for the posting of all MCA-Vanuatu documents.

J: MCA Vanuatu Internet Facility – direct to TVL

Due to the unreliability of the Government Email system, MCA Vanuatu requested for approval from the Steering Committee for a stand alone system and a teleconference facility. This received overwhelming support from members.

The SC unanimously approved the installation of a teleconference facility and a direct ADSL Line to the MCA-Vanuatu office.

K: Training

The Program Management informed the SC that some international courses had been identified for training of staff to better equip them to address issues during the implementation of the Program. The courses were discussed with MCC and MCC felt that it is a good idea and would also inform other countries of the courses. The PMU propose to the SC if two members of the PMU can attend the courses in 2006. during discussions the SC thinks that courses are good to help with the implementation of the program however given the timing of things at the moment it is best that the courses be attended next year.

The Steering Committee resolved that the staff of the PMU defer the training to 2007 given the tremendous amount of task yet to complete.

F. Other Business

No other business was discussed.

The MCA Vanuatu Steering Committee meeting officially closed with a prayer by the Government Statistician @ 6.30 pm

Certified by: _____ /S/ _____
Secretary, MCA-Vanuatu

Acknowledged by: _____ /S/ _____
Chair of the Steering Committee
