

**Millennium Challenge Account
Vanuatu**

Constitution Building
Lini Highway
PO Box 192
Port Vila, Vanuatu
Tel: (678) 26918 / 26415
Fax: (678) 26419



Compte de Défi de Millénaire Vanuatu

Bâtiment de Constitution
Lini Route
BP 192
Port Vila, Vanuatu
Tel: (678) 26918 / 26415
Fax: (678) 26419
Email: mcavanuatu@vanuatu.gov.vu

MCA-Vanuatu Steering Committee Meeting Minutes

Type of Meeting: Regular Steering Committee

18th January 2008

9:00am

MCA Vanuatu Conference Room

Board Members:

Present:

Chairman	Director-General Prime Ministers Office
Member	Director General Ministry of Foreign Affairs
Member	Acting Principal Statistician
Member	Chamber of Commerce
Member	Acting Director Department of Public Works
Member	Acting Director of Department of Strategic Management
Member	Director General, Ministry of Infrastructure Public Utilities
Member	Director, DESP
Director	Acting Director Department of Finance

MCA Vanuatu Program Management:

Director Program Management:
Environment & Social Impact Officer:
Economics Analyst:
Infrastructure Analyst:
Administrative Support Staff:

MCC Representative:

MCC Country Resident Director
MCC Deputy Country Resident Director

Absent:

Vice-Chairman Director General of Ministry of Finance & Economic Management
Head Development Cooperation
Secretary General Vanuatu Non Government Organizations

Quorum present? Yes

The meeting was quorate.

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

Person Acting as Secretary: Director MCA Program Management

Proceedings:

The meeting called to order at 9:00am by Chairman

Welcome and Introduction by Chairman

The Chairman welcomed members to the first meeting of this year 2008. Agenda was circulated to SC members last week. Members were given the opportunity to add on or delete items on the agenda. However, the agenda was accepted as it was with some additions being made to Other Matters.

I. Discussion and Action Items

1: MCC's proposed Restructuring of Vanuatu's Compact

The Program Director provided an overview of the intended restructure and mentioned that during Dr Frances Reid's last visit she mentioned the intention to restructure the Vanuatu compact based on the bid submissions to be higher than the budgeted allocation. MCC viewed the Vanuatu Compact (along with other 5 MCC-countries) to be seriously experiencing implementation problems and that they must be subjected to reviews and restructure, in early 2008. An Action Memo is being prepared for submission to MCC by January 25, 2008. This Memo will be considered by MCC on March 12, 2008. Once, the Action Memo is finalized the SC will be issued a copy.

The Chairman reiterated the PM's statement to Dr Reid (during her recent Vanuatu visit) that Vanuatu is committed to the program.

2: MCC/MCA Conference Call – Thursday January 17

The MCA Program Director and MCC Resident Country Director provided an overview of the Conference call they had with MCC. The Procurement Agent was also present at the Conference call. The aim of the conference call was to discuss the way forward and agree on a set of question to be used in the 'debrief' session with bidders. Procedures were also discussed. The Chairman concurred to have the Program Director take the lead in the 'debrief' discussion with ex-bidders.

The Chairman suggested that PWD, Fiscal Agent to be included as part of the team for the 'debrief'. He emphasized the need for MCA/MCC to work as a team on this matter. The SC would like to know the best way forward after the 'debrief, the Program Director assured the SC that the SC will be informed on details of moving forward.

3: Program Officer

Mr Tony Sewen (MCA Economist) gave an overview of the evaluation report of the Program Officer position. It was recommended that the SC approve the report and that Ms Primrose Toro be appointed as the Program Officer. The Acting Director of Finance intervened and requested MCA Vanuatu to ask Ms Toro whether she is willing to move to MCA Vanuatu. She stated that she is being offered positions within Finance. The SC agreed that MS Primrose Toro be granted the position but the Chairman to speak to Ms Toro about being offered position within Finance.

4: Legal Counsel

The Program Director reported that a contract is with the lawyer concerned for review. MCA Vanuatu is ready to sign the document, however changes were proposed by the lawyer and these changes were being reviewed by MCA and MCC. Once these changes are agreed to, the contract can be executed.

5: Evaluation of Report TA to PWD

This procurement was evaluated a few times as requested by MCC. The first evaluation report was objected to by MCC, and they requested that the Technical Evaluation Panel reconvene. The second Evaluation Report has been produced and forwarded to MCC for formal review and no objection. MCC responded with comments and objected to the second evaluation report. The Procurement Agent and the Evaluation Panel must review MCC's comments and redraft the report.

The Steering Committee took note of progress.

6: Bidding Document for Procurement of Equipment for PWD

The Program Director briefed the Steering Committee as regards progress of this procurement. DG Wilson responded to the suggestion of using second hand equipment by asking what guarantee we have that these machinery are useable and can last in our environment. The suggestion for purchase of used equipment for PWD was not received well, and the SC requested that Director General of MIPU, Director of PWD and MCA Program Management to review the suggestion.

7: ESA Consultant

An Evaluation Panel has been approved by the SC and is currently evaluating the bid submissions. The Technical Evaluation Report will require SC's endorsement prior to it being forwarded to MCC for no objection.

8: Upcoming MCC Visit

The Program Director explained that a large MCC and US Army Corps of Engineers contingent is expected in the country on February 9, to review the way forward. This visit is an important one as it will assist MCC to finalize its decision on an option forward. A detailed program of their visit will be circulated, in the near future, once it is received from MCC.

9: Engineer Support Unit

The Program Director reported that after the 5 positions (with PWD's ESU) were advertised only four positions were filled, that of Senior Project Manager, Project Manager, one Site Supervisor and the Secretary. The position of one more Site Supervisor has been re-advertised and recruitment process is being pursued. The staffs hired are being paid out of PWD's recurrent budget until finalization of the SPA.

10: Other Matters

a) MCA Work Plan

The Work Plan was distributed to all members. This work plan was developed with close association with the MCC Resident office.

The Steering Committee appreciated the initiative, and noted the work plan.

b) MCA Steering Committee Meetings 2008.

A 2008 Calendar of Meetings for 2008 was distributed to all members and were asked for these to be placed next to their office desks. It was agreed that SC meetings be held every third week of every month on Mondays at 2pm. Members were asked to note times for meetings.

c) Communication with Ministry of Finance & Economic Management.

The Acting Director of PWD suggested that communication with the Minister of Finance be arranged in such a way that he does not issue slanderous statements to the media and the public as he has made in the recent past. The Minister should be encouraged to seek information from the MCA first.

The Program Director reported that he submits a monthly report (out of his own initiative) to the Minister. From time to time, the Minister requests briefing notes in writing and also through his Director General, and the Program Director has responded positively to the requests. The Program Director has drafted for the Minister Parliamentary statements on the MCA Program progress and has contributed written briefs for the Minister. He has also requested regular briefing sessions with the Minister, but the Minister has declined this. He suggested that the DG Finance arranges such meetings.

d) **Allegations of Misuse of MCA Vehicle advocated by Media and Minister of Finance**

After the press coverage on alleged misuse of the MCA vehicle by the Program Director, the Chairman brought this matter to the attention of the SC. The Chairman wants to know the basis of the Minister of Finance's complaint and the allegations he has raised. He would like to know the Minister's concern. It is very unfortunate that the Director General of MFEM is present at this meeting when we're discussing this matter. The Chairman stated that the role played by the Program Director is critical. The Chairman is concerned that the press coverage was critical of the program and the Steering Committee.

The Program Director indicated that the use of vehicle is provided for in his Employment Contract. He has forwarded the allegations of misuse to the independent auditors for their review and he expects to receive their opinion for circulation to SC members. He has also sent a letter of explanation to the Minister of Finance.

The meeting concluded with a prayer contributed by the Acting Principal Statistician.

The next Steering Committee meeting will be held on 18th February 2008.

The MCA Vanuatu Steering Committee meeting closed at 4.20pm

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

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