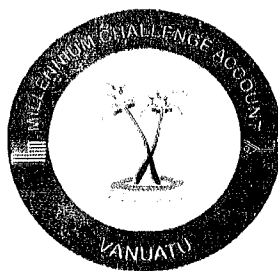


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MCA-Vanuatu Steering Committee Meeting Minutes

Type of Meeting: Regular Steering Committee

2:32pm, 13th October 2008

MCA Vanuatu Conference Room

Board Members:

Present:

Simeon Athy	Chairman	Director-General Prime Ministers Office
Gregoire Nimbtk	Member	Director of Strategic Management
George Maniuri	Member	Director General Ministry of Finance & Economic Management
Wilson Vuti	Member	Director General, Ministry of Public Utilities
Michael Busai	Member	A/cDirector, Economic Research Analysis Expenditure Unit
	Representative	National Statistics Office
Alexine Charlie	Representative	Department of Finance
Allen Faerua	Member	Director of Public Works

MCA Vanuatu Program Management:

Tony Sewen	Acting Director & Economist
Catherine Malosu	Environment & Social Impact Officer
Dolsie Amos Kalo	Administrative Personnel

MCC Representative:

Chris Cookson	MCC Deputy Country Resident Director
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ESA Consultant:	Mandy Fittchet
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Downer EDI Works	Peter Murr
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TA to ESU PWD	Paul Cox Martin
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Absent:

Henry Vira	Member	Secretary General, Vanuatu Non Government Org.
John Aruhuri	Member	General Manager Chamber of Commerce

Apologies:

Russel Nari	Member	Director General, Ministry of Lands & Natural Resources
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Quorum present? **Yes**

The meeting was quorate with agreement to go ahead with approvals through flying minutes of all members especially the Non Government agencies, VCCI & VANGO

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

Person Acting as Secretary: Acting Director, MCA Program Management

Proceedings:

The meeting called to order at 2.32 pm by Director General of the Prime Minister's Office who is also the Chairman of the MCA Vanuatu Steering Committee

Welcome and Introduction by Chairman

- 1) **Tanoliu Social, Environment and Design Issues, Costs and Options**
- 2) **Review of Steering Committee**
 - a) **Stakeholders Committee**
- 3) **Approval of MCC's Response to MCA Disbursement Request**
- 4) **Progress on MCA Vanuatu**
 - a) **Program Director**
 - b) **Engineer Position**
 - c) **Program Officer**
 - d) **Environment and Social Impact Officer for PWD**
 - e) **Bonus System**
- 5) **Other matters**
 - a) **Evaluation Panel for the Financial Audit**
 - b) **Realignment**
 - c) **Quarry**
 - d) **Utilities**
 - e) **Government Instructions on Sub Projects**

A: Approval of Agenda

Agenda approved unanimously with amendments to other matters add on d) and e)
d) Utilities & e) Government instructions on Sub Projects

Members agreed to discuss Agenda subject to flying minutes to be issued to members for approval.

1) Tanoliu Social, Environment and Design Issues, Costs and Options

Downer EDI Works Representative, ESA Consultant, TA to ESU/PWD were present only for the first agenda

- a) A presentation from MCA Management, Catherine Malosu, ESA officer highlighted Tanoliu as a 'hot spot' social issues and coastal erosions around the Tanoliu is currently an issue. The team MCC, ESA Consultants, QCPP, Downer EDI technical people gave some options to MCA Program Management on the best cost effective approach.

MCA presented to Steering Committee on options as follows that best addresses the Tanoliu issue.

- a) Upgrade and Seal existing Road
- b) Realign the Road 7 metres inland
- c) Defer the Tanoliu Section
- d) Upgrade the Village Road through road

Option 2 best addresses the Tanoliu village requests and increases the life of the road by reducing the current risk from coastal erosion. It avoids substantial costs and potential delays related to forced relocation of enterprises. Option 2 can be funded from the road budget contingency.

The Steering Committee took note of the issues presented and the cost options for Tanoliu, Moved by Director General to the Ministry of Public Utilities and Seconded by Director General to the Ministry of Finance & Economic Management to accept option 2 and potential use of contingency budget to fund the option.

The Steering Committee also mandated the Acting Program Director of the MCA to work with Stakeholders including Tanoliu Village to finalize the option to allow for design to commence on the section.

b) Other issues with cost implication on Efate Ring Road:

(i) Dry Creek:

Big flooding during rainy days, forestry activities are happening in land therefore causes heavy flooding which causes road closes on rainy days. Further work needs to be done to assess the cost implications which will be brought to the Steering Committee for final decision.

(ii) Stability of Clems Hill

Concerns were raised about the Stability of the hill. The Director to PWD suggested if Cost & Design could be in placed to push back hill and use only one lane. A suggestion from the EDI Downer to wait for a later time to come back and design & construct. The Steering Committee felt that the risk of doing the hill is worth taking as no one really knows if a disaster will happened now or in a hundred years.

The Steering Committee agreed to have the Cost & Design of the Hill done so that a budget is allocated for the hill.

2) Restructuring of MCA Vanuatu Steering Committee

Due to the continuous lack of quorum and the current stage of project implementation it is important that the structure of the Steering Committee be review to make it more effective. It is felt that the committee be reduced to a smaller committee who have executive powers to make decisions and another bigger committee to be consulted regularly to keep them informed of the project progress.

(a) Review of Steering Committee

The Acting Director of the Program Management proposed the Steering Committee be reviewed as a result of continuous lack of quorum and effective and quick decision making as the project is entering the construction phase. Currently there are 13 Voting members, 3 non voting members which require a quorum of 7 voting members. The program management has had difficulties in getting every members together therefore proposed for 7 Voting members and 3 non Voting members and a quorum of 4 members.

The approved members of the new Steering Committee are;

Voting members:

1. Director-General of the Office of the Prime Minister (Chairman)
2. Director-General of the Ministry of Finance and Economic Management (Deputy Chairman)
3. Director-General of the Ministry of Infrastructure and Public Utilities
4. Director-General of the Ministry of Lands, Geology and Mines
5. Director, Finance
6. Director, Public Works Depart
7. Director, Strategic Policy and Planning

Non-Voting Observers:

1. MCC
2. Manager, Vanuatu Chamber of Commerce and Industries

3. One representatives selected by the Stakeholder Committee, whom must be a female

It was also agreed that the Vice Chairman of the Steering Committee be the DG of the Ministry of Finance and Economic Management.

Director General to the Ministry of Finance Moved to accept the proposal to review the Steering Committee seconded by the Director of Public Works. All members agreed unanimously.

(b) Stakeholders Committee

In order to have a transparent and accountable decision making process another consultative body is created to be known as the Stakeholders Committee. The Stakeholder Committee will represent the interest of beneficiaries and other constituencies engaged in the implementation of the program. The Stakeholder Committee will comprise of 11 members, consisting of the Government officials, Private Sectors, Non Government and Public Sector. This Committee will not be a decision making committee, there will not be any quorum and will meet quarterly or every three (3) months.

The steering Committee agreed to have a 15 member committee by including a representative of the Land Transport Association and Department of Woman's Affairs. The approved members of the Stakeholder Committee are;

1. Director, Environment Unit
2. Director, Department of Lands
3. Surveyor-General, Department of Lands
4. Director, National Statistics Office
5. Principal Economist, Economic Research & Expenditure Analysis Unit
6. Head of Aid Coordination Unit
7. Director, Department of Agriculture
8. Director, Department of Woman's Affairs
9. Manager, Vanuatu Tourism Office
10. Provincial Planning Officer
11. Representative, Land Transport Association
12. CEO, VANGO
13. CEO, VNCW
14. Representative, Vaturisu
15. Representative, Transparency International Vanuatu

The Director of Strategic Management moved to accept the proposal while the Representative to National Statistics office Seconded.

3) Approval of MCC's Response to MCA Disbursement Request for Qtr 3 Yr3.

The Acting Director of the MCA briefed to the members the outcome of the Disbursement Request and thank everyone for they contribution in preparing the Disbursement Request. MCC has provided its No Objection to the Disbursement request; however there are some condition precedents that needed the Steering Committee's attention. The following were raise in the response letter from MCC:

a) Program Director Position

MCA has no program Director since June 2008 therefore all necessary steps need to be taken to fill the position. It is becoming a concern to MCC that no one has been appointed to the position since the termination of the former director. It was reported to the SC that evaluation of applications has taken place and two candidates were shortlisted. However it is felt that a larger pool of professionals is require so that the best candidate can be picked.

The Steering Committee mandated the evaluation panel to decide on whether to re-advertise or go ahead and interview the candidates already shortlisted.

b) Infrastructure Analyst Position

It is also important that the position of the Engineer be filled as soon as possible. Cyrille Mainguy is currently filling the position however there is a need to have a full time person. The position has been re-advertise on October 4, 2008 and will close on October 17, 2008.

The Steering Committee noted the re-advertisement of the position and will try and expedite the evaluation process when the application closes on Friday the 17th of October 2008.

c) Program Officer Position

The applications are yet to be evaluated due to the unavailability of panel members. The Steering committee noted that it is important that the panel meet quickly to evaluate the applications

The Steering Committee instructed the panel members to evaluate the applications as soon as possible.

d) Environment & Social Impact Officer PWD

Two applications were received for the position and an evaluation panel will convened this week to assess the applications received.

The Steering Committee instructed the evaluation panel to meet quickly and evaluate the applications and report back to the Steering Committee on the outcome of the evaluation.

e) Bonus System

The committee appointed to look into the bonus system has yet to finalize their findings and options. This is mainly due to work commitments outside of the country.

The Steering Committee instructed the Committee to expedite the process and make an offer to the MCA staff in order to resolve the issue.

Following the review of all the issues raised in the response letter the Director of Strategic Policy and Planning moved to accept the letter and have the Acting Director to the MCA program Management signed off the letter. Director General to the Ministry of Public Utilities Seconded.

4) Other Matters

a) Evaluation Panel for the Financial Audit

The Acting Director of the Management unit briefed the Steering Committees of the Procurement of the Financial Audit. BDO is the only firm that is invited to submit a bid for the assignment. The Audit period consist of one base period and 5 Options period. The Steering Committee is required to approve an evaluation panel. The Steering Committee approved the following persons to evaluate the bid;

- (i). Nirose Silas, Internal Audit of the Department of Finance,
- (ii). Primrose Toro, Chief Accountant of the Department of Finance, and
- (iii). Tony Sewen, Acting Director of the MCA Vanuatu

The Director of Strategic Management moved to accept the panel, seconded by the Representative of the Finance Department.

b) Realignment

The Steering Committee was briefed on a meeting held last week consisting of PWD, MCA, TA to PWD and Ministry of Lands regarding realignment. The purpose of the meeting was to set a procedure to be followed by anyone who wishes to have any realignment on his/her land. The meeting resolved that in order for someone to have do realignment on their land, the person initiating the realignment must submit a written application to the PWD for its consideration. The application should describe the propose realignment and the existing alignment and its benefits to the community including;

- Civil engineering drawings to PWD standards showing proposed alignment and existing alignment;
- Survey drawings to PWD standards showing proposed alignment and existing alignment;
- Environment and social assessment report in accordance with Vanuatu government environmental guidelines.

PWD will consider the application and provided its decision before any work can start on the alignment. If the realignment is approved in the case of developers, there have to liaise with the Department of Lands to amend they lease.

The Steering Committee resolved that the Government should not to entertain realignments as it is already late to consider any realignment given the stage of construction and also because of potential cost implications. The Steering Committee also approve the procedure for applying for realignment and also agree that a notice should be put on the papers to advise the public that new realignments will not be accepted given the stage of construction.

c) Quarry

The Chairman of the Steering Committee briefed the members of the issues of Quarry. At the same time mentioned the current process to obtain quarry is maintained. The acceptable approach is that Downer applies for the license to the commissioner of Mines. The issue of MOU and MOA with current license operators should be put to a stop for the national interest. It is paramount that issues with quarry should be resolved quickly to avoid any delays to the project which may have financial implications.

The Steering Committee agreed to the following:

- (a) cancel the MOU with the quarry operators;
- (b) cease any further progress in the MOA with Downer; and
- (c) seek the Commissioner of Mines continuous assistance in facilitating the quarry application for Downer.

d) Utilities

The meeting with Unelco has not cement any final conclusions on the issue of who will finance the removal of post lists in the 'right of way'. The Director of Public Works Department mentioned his concern over the Unelco Post lights at the 'Government right of Way' Unelco claimed for 800,000VT for removal of these posts. The claims by Unelco should not be entertain as any financial compensation may trigger a chain reaction by other property owners for compensation.

The Steering Committee agreed to talk with Unelco and convince the company that this will be part of their contribution to the project. The Steering Committee agreed for Director General PMO, Director General Ministry of Finance, Director General to the Ministry of Public Utilities, and the Director Strategic Policy and Planning to meet with Unelco regarding this matter.

e) Government Instructions on Government Sub Projects

MCA Vanuatu is yet to receive a letter from the Government instructing MCA to cease any design work on subprojects that will no longer be funded by MCA. This instruction will enable MCA to instruct the Contractor to cease any design work on other subprojects, thus saving some money which can be used on the two main projects.

The Steering Committee instructed the Director of Strategic Policy and Planning to draft the letter and get it sign by the Prime Minister's Office for delivery to MCA.

f) Job Advertisement in the Downer EDI WORKS.

Concerns were also raised by the Director of PWD that some individuals are selling the employment forms distributed by Downer EDI works. The implication is that those paying for the form may have the impression that they are guaranteed a job with Downer.

The Steering Committee agreed that the Program Management publicize a notice in the news papers to discourage the public from paying for the forms.

The meeting closed with agreement that the flying minutes be issued by the Program Management Unit for the approval of all Steering Committee members.

The MCA Vanuatu Steering Committee meeting officially closed 5:20pm by a prayer.

Certified by:

Secretary, MCA-Vanuatu

Acknowledged by:

Chair of the Steering Committee

