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Reducing Poverty through Improved Infrastructure

MCA-Vanuatu Steering Committee Meeting Minutes

Type of Meeting: Special Steering Committee Meeting No.04042409

2pm 24th April 2009

MCA Vanuatu Conference Room

Board Members:

Present:

DG MFEM , George Maniuri
A/Director, Finance, Letlet August
Director, PWD, Allen Faerua
Director, DSM, Gregoire Nimbtik

MCC Representative

Chris Cookson, MCC Deputy Country Resident Director

MCA Vanuatu Program Management:

Johnson Wabaiat, Director MCA
Catherine Malosu, Environment & Social Impact Officer
Alexine Charlie, Senior Development Account, FA

Apologies:

Simeon Athy, Chairman
Wilson Tarivuti, DG, MIPU

PROCEEDINGS:

The meeting called to order at 2.00pm by the Acting DG PMO and Acting SC Chairman.

Welcome and Introduction by Chairman

Approval of Agenda

- 1. Santo East Road Ground Breaking Ceremony**

2. **Santo & Efate RAP Report**
3. **Inter Agency Agreement (IEA) for SANMA & SHEFA Provincial Government Council**
4. **MCA – Vanuatu Support Staff Contracts**
5. **Financial Audit Findings (BDO Draft Report)**
6. **Utilities Report (TVL Survey – Efate Ring Road)**
7. **AOB**
8. **Date of next SC Meeting**

1. **Santo Ground Breaking Ceremony**

The decision for Ground Breaking ceremony was earlier made that there would only be one Ground Breaking for both projects on Efate and Santo and the ceremony was held on the village of Emua in August 2008. Then at later date as preparation were underway for Santo construction works to commence the Sanma Provincial Government Council made an official request on behalf of the Sanma People for second ground breaking ceremony. The request was considered favorably for the event to take place on 30th April 2009 with an estimated budget cost of VUV 2,800,000 which is equivalent to USD 28,000 to be shared by Vanuatu Government, MCA-V, and Sanma Provincial Government as detailed below:

| | | |
|---|---|---------------|
| • Air transport cost to be met by Van Gov | - | VUV 1,300,000 |
| • Preparation costs including logistics | - | VUV 1,000,000 |
| • Other local costs, land transport | - | VUV 500,000 |

Discussions

SC was informed of the consultation and preparation made to date for Ground Breaking Ceremony as planned with the necessary logistical arrangements prepared for the day. SC also noted and was encouraged to be informed that Sanma Provincial Government played the lead role in the organization and is keen to participate as indicated in the Council's funding commitment.

Recommendations:

The SC noted and approved that:

- The proposed budget of USD 28,000 is used for Santo East Coast Ground Breaking ceremony with the cost to be shared by the Vanuatu Government, MCA-V and the Sanma Provincial Government Council.
- MCA-V to administer the funds and to present the financial report of the event.
- Sanma Province to liaise with private business houses for additional assistance as required.

2. **Santo & Efate RAP Report**

SECR and ERR Resettlement Action Plan (RAP) Report were presented to SC by the team to obtain SC approval before the document can be forwarded to MCC to seek No Objections based on MCC guidelines. SC also acknowledged the collective effort made by RAP team which comprises of representatives from MCA-V, MCC-V, Contractor and the PWD team. This exercise was an important milestone required for MCA-V to meet one of the condition precedents that needs to be done before construction works can commence.

The RAP team also presented some pressing issues as expressed by contractor which immediately required Vanuatu Government's attention to avoid any construction delays particularly for the utilities installed within the right of way or the easement.

Recommendations:

SC considered and approved the RAP report presented for Efate Ring Road and the Santo East Coast Road projects and endorsed for MCA-V to forward the documents to MCC and to seek No-Objections

3. Inter Agency Agreement (IEA) for SANMA and SHEFA Provincial Government Council.

The Compact provides for MCA-V to enter into agreements with different government agencies directly involved with the two projects to facilitate smooth implementation and the two decentralized governments of Sanma and Shefa Provincial Government Councils are amongst the list for SC consideration. The agreement required for the two councils vary from providing logistic assistance to awareness raising to ensure active participation and ownership at different levels of the community is observed. Similar agreements were made between MCA-V and other government departments to enable collective efforts in the implementation phase of the two projects.

Recommendations

SC considered and approved in principle that:

- MCA-V to liaise and consult the relevant agencies and to finalize the IEAs for Sanma and Shefa Provincial Government Councils and to forward to MCC for No-Objections.
- Utility issues are revisited immediately by the taskforce members endorsed by SC to liaise and to finalize action plans.

4. MCA – Vanuatu Contract Support Staff

MCA-V has engaged a local contract with Ms. Mandy Fitchet on a short term basis to assist ESA office in meeting the requirements of the Compact as provided in the Compact guidelines for engagement of local contracts. This arrangement was also made due to cancellation of contract engagement with Maunsell.

The terms of current contract has lapsed and may require a further extension for the remaining work to be completed. MCA-V has approached MCC to seek No Objection for the extended period and was concurred with TOR amended. Forward planning was presented to SC with identification of other environmental areas required to be address.

Discussions:

SC members made interventions and concur with the proposal for a further extended period in order to meet the Compact requirements and to address some of the CPs yet to be dealt with by MCA-V.

Recommendations:

SC considered the proposal and approved that:

- The extended local contract for Ms. Mandy Fitchet is endorsed for a further term.
- Upon completion of the term specified there will be no further extension and that MCA-V to consider engagement of 2nd ESI officer
- Final payment of invoices for the contract is made upon receipt of the Final Report.

5. Financial Audit Findings (BDO Draft Report)

The SC was presented with the Financial Auditors Report on audit findings for the period June – December 2008. The issues raised in the findings included the following matters.

- Outstanding claims by Air Vanuatu for unpaid bills carried from previous going years to date which included both domestic and international travels made by MCA-V.
- Fraud and corruption issues relating to misappropriation of Compact funds from certain MCA-V personnel without being properly accounted for.
- Long delays for retirement of Imprest funds exceeding the required retirement periods by MCA-V staff.

Discussions:

SC discussed the matter at length and considered some of the findings to be of serious nature MCA-V will have to review its ongoing operations and the way in which management matters should be addressed in accordance with the Compact and MCC guidelines. SC further went on to reiterate the importance of

ensuring that procurement arrangements also follow the procurement guidelines and not outside the system established with suppliers and services providers.

Recommendations:

SC considered the findings to be serious and approved that:

- MCA-V and FA to liaise and resolve the outstanding claims with the Airline and where necessary to reconcile records to ensure that the compact funds are appropriately used.
- The alleged officer's action is further investigated and reported for appropriate discipline action to be executed in accordance with the terms and conditions of the signed employment agreement.
- Stringent financial control is in place for better management of Imprest funds for timely reporting and retirement of the funds.

- Future incidences of fraud and corruptions be reported immediately to the appropriate authorities an following the Compact guidelines.

6. Utilities Report (TVL Survey – Efate Ring Road)

The matter was brought to the attention of SC as road construction works have commenced and the contractor is faced with situations where the utility services for the communication company, Telecomm Vanuatu Limited made claims to damages done to the existing cable lining in of compensation. SC further deliberated on the existing provisions of the Vanuatu Law particularly in regards to the installation of utility services within the right of way or along the road easement to ensure that future claims are in order.

Recommendations:

SC considered the report and approved that:

- PWD played a lead role in liaising and seek advice from the State Law Office (SLO) on the existing Vanuatu Laws to immediately address all utility matters
- The task force appointed to assist and facilitate further negotiations with the Utilities companies to continue the process for both projects.

The Chairman Officially closed the meeting at 5:45pm with a closing prayer.

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

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