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Reducing Poverty through Improved Infrastructure

MCA-Vanuatu Steering Committee Meeting No. 7b

Type of Meeting: Steering Committee Meeting

2:00pm Monday 6th July 2009 (Continue from 15th June 2009)

MCA Vanuatu Conference Room

Board Members:

Present: Chairman, Director General, PMO, Simeon Athy
Director General, MIPU, Wilson Tari Vuti
Director, Public Works Department, Allen Faerua
Alternate Director of Finance, August Letlet
Acting Director, DESP, Michael Busi

MCC Representative
Chris Cookson, Deputy Resident Country Director

NZ Aid Representative
None

MCA Vanuatu Program Management
Johnson Wabaiat, Program Directors
Allen Faerua, Project Engineer
Catherine Malosu, Environment Social Assessment Officer

Quorum present? Yes

PROCEEDINGS

The Meeting was called to order at 2:00pm by the Chairman of MCA-Vanuatu Steering Committee.

Welcome by Chairman

Chairman welcomed all and outlined the Agenda Items for discussions as detailed below.

Agenda Item:

1. Public Works Department (PWD) Compact Obligation
2. Steering Committee Response to MCC's Response to the Disbursement Request Package (DRP):
3. AOB
4. Date for next SC Meeting

The Agenda was adopted.

1. Public Works Department (PWD) Compact Obligations:

- a. The SC resumed their June discussions of PWD's issues in meeting compact obligations. Both the Ministry of Infrastructure and the PWD representatives on the Steering Committee (SC) were in attendance. PWD's role in guaranteeing the sustainability of the roads and the investment in them was reviewed. A paper jointly developed by MCA-V and MCC-V: "Towards a MCA-V and MCC Position on the Role of PWD in the Vanuatu Compact" was used as the basis of discussion. A summary table from this paper is reproduced as an attachment to these minutes.
- b. DG MIPU advised that the compact had been a big learning experience and a great challenge.
- c. Program Director, MCA-V noted increased support from Allen Faerua as Director of PWD.
- d. There was a detailed discussion of PWD's 2008/ 2009 reports and plans against the compact and Service Performance Agreement (SPA) requirements and the areas of weakness were identified. Director Faerua admitted that there was a work culture problem at PWD. He hoped that the new AusAID-funded Vanuatu Transport Sector Support Program (VTSSP) might be able to assist with a longer-term approach.

- e. Allen reported on community consultations to explain the concept of community road maintenance contracts. He noted that AusAID liked the community contract concept required by the compact and were providing assistance to build on these.
- f. Allen noted that the SANMA PWD (using new equipment provided under the compact) had set a record to maintain 1 km of road per day to trafficable standards so that Section A could be handed to the road contractor for the commencement of the Santo road-works.
- g. A follow-up meeting between MCA-V, MCC-V and PWD was scheduled for July 7, 2009 to discuss progress with filling PWD vacancies; outsourcing options; use of the Government's 2009 road maintenance allocation; and PWD arrangements and support to the Santo East Coast Road project.

2. Steering Committee Response to MCC's Response to the Disbursement Request Package (DRP):

The SC discussed MCC's response to the DRP, and noted MCC's concerns to ensure disbursement targets are met and road-works continue to be fast-tracked. It was noted that a meeting was scheduled with the Independent Engineer for July 7, to discuss concerns with the contractor's schedule.

Acting Director DESP stated that he was confident that the road-works would make a major difference, boost the economy and attract more investors.

Attachment: Key Concerns with PWD's Performance Against Compact Agreements. This table was taken from a paper jointly prepared by MCA-V and MCC-V, June 2009

Agreed Contribution under MCA-V Compact	Original Timeline	Progress at March 09
<u>Conditions Precedent</u>		
1. Execute an Implementing Entity Agreement (IEA) and keep in full force and effect.	By September 2006.	IEA executed on 12 Dec 2007 but the following items not yet in force or experiencing shortcomings: <ul style="list-style-type: none"> • ESU not yet fully established. No approvals for 2 positions. • PWD not consistently attending meetings to supervise the D&B activities. • Ongoing help with surveys, finding quarries, permits, and EMP monitoring. • Two equipment lots cancelled because of poor performance over several CPs.
2. Execute Service Performance Agreement (SPA) and keep in full force and effect.	Within 6 months of EIF, that is	SPA executed on 10 March 2008 but the following not yet in force: <ul style="list-style-type: none"> • SPA states GoV to increase road maintenance funding

<ul style="list-style-type: none"> • Compliance with annual maintenance action plan. • Progressively build capacity to utilize GoV allocation for road maintenance which should match amount specified in the IEA, DFP, and M&E Plan. 	<p>October 2006. Later, changed to by March 2007.</p>	<p>progressively over 4 years to approx. Vt550million. No evidence of expenditures has been provided by PWD or Finance. No plans for 2009 received.</p> <ul style="list-style-type: none"> • Report for parts of 2008 received from PWD dated 3 Feb 2009 indicating targets not met primarily due to lack of funds/ delays in funding. Road inventory is not completed. PWD environmental and social policy and procedures are not in place. Unknown progress re filling critical PWD vacant positions to build maintenance capacity. • As a result, MCA has been unable to provide any 6 monthly reports to the SC or MCC on PWD's performance as per Annex 1 of the IEA, or a score against this indicator under the M&E Plan.
<p>3. Documented community maintenance contracts for road maintenance: Efate Ring Road</p>	<p>Prior to construction.</p>	<p>Satisfied.</p>
<p>4. Documented community maintenance contracts for road maintenance: Santo East Coast Road</p>	<p>Prior to construction.</p>	<p>Satisfied.</p>
<p><u>D&B Contract Obligations/ SC Requests</u></p>		
<p>5. Handover Efate Ring Road in trafficable condition</p>	<p>Prior to construction.</p>	<p>Satisfied.</p>
<p>6. Handover Santo East Coast Road in trafficable condition</p>	<p>Prior to construction.</p>	<p>Satisfied for Section A.</p>
<p>7. Assist with written agreements with UNELCO and TVL re relocation of poles and cables at their cost and on time to meet D&B schedule</p>	<p>Prior to construction June 2008.</p>	<p>Not satisfied.</p>
<p>8. Relocate fences/ structures from RoW under the RAP</p>	<p>Prior to construction.</p>	<p>Has required constant monitoring, not timely, and resulting in grievances.</p>

Meeting close 5:00pm

Certified by:

_____/_____
Secretary, MCA-Vanuatu

Acknowledged by: _____/_____
Chair of the Steering Committee