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Reducing Poverty through Improved Infrastructure

MCA-Vanuatu Steering Committee Meeting No.08080509 Minutes

Type of Meeting: Special Steering Committee Meeting

2pm, 5th August 2009

MCA Vanuatu Conference Room

Board Members:

Present:

Chairman, DG Prime Minister's Office, Simeon Athy
DG, Finance and Economic Management George Maniuri
Director, Finance, Benjamin Shing
Compact Liaison Officer, PWD, Harrison Luen (Alternate to PWD Director)

MCC Representative

Chris Cookson, MCC-V Resident Country Manager
John Claasen, NZAID Representative

MCA Vanuatu Program Management:

Johnson Wabaiat, Program Director MCA
Hans Euscher, Project Manager/ Advisor
Catherine Malosu, Environment & Social Impact Officer
Tony Sewen, Economist
Marie Jo Bani, Administrative Personnel

Absent:

Gregoire Nimbtik
Russell Nari, DG, Lands
Wilson Tari Vuti, DG, MIPU

Quorum present? Yes

PROCEEDINGS:

The meeting was called to order at 2.00pm by the Director General of the Prime Minister's Office who is also the Chairman of the MCA Vanuatu Steering Committee (SC).

Welcome by Chairman

The SC Chairman welcomed all members and representatives present at the meeting and outlined the Agenda Items for discussions as detailed below.

1. **SC Membership Alternates**
2. **Road Design and Construction:**
 - A. **Klehms Hill options**
 - B. **Final road designs and Lump Sum Price**
 - C. **Hand-over arrangements for completed sections**
3. **Stakeholder Committee**
4. **Environmental Social Impact (ESI) Support**
5. **Implementing Entity Agreement with State Law Office (SLO)**
6. **Director's report**
 - a. **Progress re signing of 2009 performance plans by 31 July 2009**
 - b. **Progress with recruitment of Admin Staff and Program Officer**
 - c. **Customs Officer approvals**
 - d. **Financial Year 10 (Oct 09 to Sept 2010) disbursement targets**
 - e. **Contractor performance observations and report**
 - f. **Visit by MCA's data quality auditor (Tony to provide summary)**
 - g. **Preferential treatment issues**
7. **Follow up to Francis Reid's recent visit (to be considered at next meeting. 07/09/09)**
8. **MCA-Vanuatu Data Quality Audit**
9. **Any Other Business**
10. **Establishment of Fixed Dates for SC 2009 Meetings.**

Discussions:

The agenda items for the meeting were presented and discussed with an agreement that the first item of the Agenda be deferred to the next meeting due to the list of items for discussion.

Recommendation:

Sc approved the Agenda Items for discussion as amended.

1. SC Member Alternates

The MCA-V Program Director presented the paper stating that following the amendments to the recently amended Governance Agreement, SC meetings have progressed well, and members have occasionally been represented by their alternates. However, it was recommended that members regularize their nominated alternates in

writing to ensure full compliance with the Governance Agreement and to facilitate a proper quorum being reached.

Recommendation:

The SC considered the paper presented and approved that:

- Each SC member provides the names of their alternate officers to MCA-V secretariat in writing.

2. Road Design and Construct:

The SC was briefed on the progress and activities of the MCA-V Road Infrastructure Development Projects of the Efate Ring Road and the Santo East Coast Road. The report updates the SC members on levels of development and will also be the basis of a report to the Council of Ministers and stakeholders on the program.

a) Klehms Hill Options:

The SC was briefed on the construction issues related to the Klehms Hill section and the materials to be used as possible options. The engineering analysis of the material to be used, the climate, and the steep gradient of the said hill (20% plus) indicate that having the hill sealed may only be a short term solution and not the safest outcome. Though the SC had earlier made a decision for seal based on limited funds available, savings have been made from the revised design and Lump Sum process which enable reconsideration of the preferred option for concrete pavement on Klehms Hill. This is further made possible following the NZAID Multi-Year Contribution Agreement to supplement the shortfall from the Compact resources.

Discussions:

SC members questioned the report to obtain assurance from the MCA-V Project Manager on the Engineering cost analysis and the technical explanations. The option for reinforced concrete pavement of two sections of the Road on Klehms Hill and Lelepa Landing (1.5km) with gradient above 20% was endorsed as presented, as the preferred option.

Recommendations:

The SC considered and approved the progress and technical report that:

- MCA-V pursues the reinforced concrete pavement options for Klehms Hill and part of the Lelepa Landing Hill based on the advice that sufficient funding will be available.
- MCA-V proceed to discuss with the contractor to vary the contract by including reinforced pavement for Klehms Hill and Lelepa Landing at an agreed sum of between USD 12,300 – USD 12,525 from within the existing resources.

c). Final Road Designs and Lump Sum Price

The Design & Build road project had a slow start with insufficient attention to the design process and cost savings. The new Program Director and Project Manager/Advisor have given high priority since they commenced in February 2009 to working closely with the Contractors and the Engineer to better

review designs, approaches and costs. This has brought about significant changes to contractors claims and the operative plans for May to December 2009. The final Designs for Efate Ring Road on Sections 1-3 and Section A of the Santo East are progressing, while preliminary designs for remaining sections of the two projects are underway.

MCA-V continues to work with the Engineer (QCPP) and the Contractor in the negotiation process for the Final Design and Lump Sum Price and this process is progressing well. After much discussion between MCA-V, Engineer and Contractor for both projects to be completed within the Compact period, the Contractor has reviewed its operation plans and schedules, brought in additional resources, and subcontracted Flame Tree to construct the Santo East Coast Road Project.

Recommendations:

The SC noted the progress report and approved the approach for MCA-V to proceed with the negotiations and for the Final Lump Sum Price to be agreed on.

d). Hand-over arrangements for completed sections

The SC was briefed on the contractor's revised program indicating the projected completion dates for Efate Ring Road by 14 December 2010 and Santo East Coast Road by 1st September 2010.

3. Stakeholder Committee

The SC considered a paper to finalize the membership of the Stakeholders Committee and to convene the initial meeting. There was a discussion that the current membership of the Stakeholders Committee had not included some key stakeholders and government agencies. To make an adjustment to the Governance Agreement to reflect any membership changes would require a formal amendment through the normal government approval processes. This requires a Council of Ministers paper to be prepared and presented through the Development Committee of Officials (DCO) then on to the Council of Ministers (COM).

Recommendations:

The SC noted and endorsed the membership of the Stakeholder Committee and the initial meeting. Further consideration will be given for proposed membership changes to be made and approved through changes to the Governance Agreement and Stakeholders Committee Members, after consultation with the State Law Office.

4. MCA-V Staff Complement: ESI Support, Administrative Office Assistant, Program Officer

The SC was briefed that while the program is progressing as planned there is also a growing demand for follow up matters and approval processes to be undertaken by the ESI section of MCA-V. This has prompted a need to engage a 2nd ESI officer to assist in addressing the backlog of issues that need urgent attention as further delays in approval process could result in delayed construction works and

potential costs to the program. The SC also noted that there is a great need to finalize advertisements and appointment of remaining MCA-V positions yet to be filled which include the Administrative Office Assistant and Program Officer. The Compact conditions precedent requires the SC to maintain a full staff complement at MCA-V. It was noted that funds for these positions are available from within the budget and from savings allowed for ESA consultancies.

Recommendations:

The SC noted the increasing demand of work required and approved that:

- An additional position of ESI Officer 2 be established and recruited.
- Recruitment of the positions of the Administrative Office Assistant and Program Officer.
- That MCA-V liaises with the Procurement Agent to assist with advertisement and selection with immediate effect.

5. Implementing Entity Agreement (IEA) with the State Law Office (SLO)

The SC was briefed that in addition to previous IEAs signed with line ministries and departments, including the two Provincial Government Councils, there is a need for a similar agreement to be negotiated and signed with the SLO. The proposal came about after MCA-V has experienced a series of poor performance by contracted local legal counsel. MCA-V has established a close and more effective working relationship with the SLO on a number of issues including legal advisory assistance. It is proposed that MCA-V enter into an IEA with the SLO to provide local legal counsel on litigation issues.

Recommendation:

The SC considered the proposal and approved that MCA-V work to develop a draft IEA with SLO for SC and MCC approval.

The remaining Agenda items 7-10 were deferred to the next meeting. The Chairman then closed the meeting at 5.30pm.

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

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