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## Reducing Poverty through Improved Infrastructure

### MCA-Vanuatu Steering Committee Meeting No. 05

Type of Meeting: Special Steering Committee Meeting

9.30 am Tuesday 29 July 2010

Chantilly's' On the Bay Conference Room

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#### Board Members:

Present: Chairman, DG MFEM, George Maniuri  
Director of PWD, Willie Watson  
Acting DG MIPU, Jotham Napat  
Director of DSPPAC, Gregoire Nimbik  
Alternate Representative of DG, PMO, Jerry Lapi

MCC Representative  
Chris Cookson, MCC Resident Country Manager

NZ Aid Representative  
John Claasen, NZAID Manager

MCA Vanuatu Program Management  
Johnson Wabaiat, Director MCA  
Hans Eusher, Project Management Advisor  
Serah Toara, Financial Management Officer  
Jason Raubani, 2<sup>nd</sup> Environmental Social Impact Officer  
Juliette Hakwa, Monitoring & Evaluation Officer  
Marie Jo Bani, Administrative Personnel

Absent: DG, Lands

Quorum present? Yes

## PROCEEDINGS

The Meeting was called to order at 9.30am by the Vice - Chairman of MCA-Vanuatu Steering Committee.

Welcome by Chairman

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

### Agenda Item:

1. Minutes of previous meeting
2. Matters arising from Minutes
3. Revised M&E Plan
4. Road Update (Variation)
5. CCP Version 1.8
  - a. AOB
    - MCA-V Stakeholder Committee
    - Quarry-Royalty payment
    - Revised Fiscal Accountability Plan (FAP)
6. Date of next SC meeting

The Agenda was adopted.

1. Resolution of previous minutes and 2. Matters arising from minutes

The Chairman presented minutes of previous Minutes No. 1, 2, 3 and 4 of previous meetings to the members of the SC and all minutes were approved.

Minutes No. 1 of 27 January 2010 was approved by the SC as a true record of the meeting and with no matters arising.

Minutes No. 2 of 4 March 2010 was approved, by the SC as true record of the meeting and with no matter arising.

**Minutes No. 3 of 11 March 2010**, was approved by the SC as a true record of the meeting. The MCA-V Secretariat was requested to check with the Council of Minister Secretariat in regards to the progress of policy directions to inform the Compact Closure Plan.

## Discussion points on Minutes no. 4 of 8 June 2010

### **Agenda no. 2 – Work Plan**

SC noted that the Work Plan (Jul to December 2010) was given in-principle approval with further amendments and improvement to include activities that were not captured in the initial draft. The secretariat noted the comments made and changes were made to the Plan. Corrected plan presented to SC for information.

### **Agenda No. 7 - Progress Report**

Additional variation for the SC to consider and was approved by the SC with amendments. The additional variations are:-

- a. Variation 7 – Hog Harbor Drainage for \$188,783.50;
- b. Variation 8 – Creek Ai Concrete Ford for \$4,727;
- c. Variation 9 – Reconstruction of Lakenasua Floodway for \$32,534.50; and
- d. Variation 10 – Onesua Coastline Protection for \$5, 690

### **Matters arising agenda no. 8. Bonus payments**

The meeting noted MCC's objection to the SC's earlier decision (Minutes no. 3 of 11 March 2010) concerning approved bonus payments for 2009 to MCA-V officers concerned and has endorsed the reassessment for reduced percentage payments. The SC further approved that the repayments arrangements are dealt with by notifying the concerned officers and reimbursement arrangements are to be executed as soon as practical.

### **On Agenda no. 9. Quarry – Royalty payments**

The SC was updated on the Quarry payments and the status of the paper which is to be prepared by SLO in regards to the "Deed of Agreements on Disputed and Undisputed Lands". Only the Kakola quarry on Efate and the Lopelope quarry are on the list of the undisputed lands and custom land owners should be ready to receive their payments.

### **On Agenda no. 13. MCA-V Stakeholder Committee**

The SC was made aware that there was only one meeting last year, and the SC strongly recommend that the Secretariat should arrange another meeting, since works are nearly to completion.

**On Agenda no. 14. Audit Cost for NZAID funds contributed to the program.**

The SC was informed of a quotation submitted by the Financial Auditors Barrett and Partners for the Audit Cost for an amount of USD 5,000. The quoted cost was reduced from USD 5,000 to USD 2,750 as a result of further discussions held with the auditors.

**Recommendation**

The SC approved that the audit cost of USD 2,750 will be drawn from NZAID funds.

**Any other Business**

MCC Team's visit to Vanuatu and the US Delegation participation at the Donors Forum. This was to inform the SC of their arrival and the purpose of these visits to Vanuatu.

**The SC then returned to selected priority items on the Agenda for the 29<sup>th</sup> July meeting.**

**Agenda 3. Revised M & E Plan**

SC was briefed on the revised M & E Plan (June 2010 version) and noted that further changes are required before final submission to seek no objection from MCC. A useful discussion of the M&E Plan followed, with SC members noting:

- The revision of the M&E Plan is overdue and urgent.
- The Indicator Tracking Table (ITT) was revised based on recommendations made by the Data Quality Auditor who has made two visits so far and the ITT requires further work.
- Strong interest by DG MIPU in the traffic count surveys and noting of the need to improve the PWD indicators.
- Need to plan the final evaluations and ad hoc surveys.
- Changes to the procurement plan to reflect the activities detailed in the M&E Plan.
- It was noted that NSO needed additional funds to complete their contributions to the M&E Plan.
- Director DSPPAC requested increased cooperation with DSPPAC and integration with national M&E efforts.
- The SC requested that MCA staff arrange a workshop with relevant Government departments (DSPPAC, MIPU, and PWD) on the approved Revised M&E Plan.

## **Recommendation**

The SC endorsed for MCA-V to make necessary changes and to submit to the M&E Plan to SC again for information and MCC for no objection. .

## **Agenda 5. Road updates**

The SC was given an update on the road construction. Despite wet weather conditions the contractor still managed to maintain progress aiming for hand-over in the middle of October 2010.

On the Efate Ring Road a total of 24.5km of road is still unsealed at the end of June 2010. Concrete slabs on the Klems Hill and Lelepa Rise have been completed. Expected hand over of these specific sections should be around August 2010. PWD through the community contracts have continued working on the sections taken over in Santo. First round of maintenance and grass cutting already carried out for the Santo Road. For Efate no work is done yet as community contracts are not yet finalized by PWD. Pavement has been completed up to km90 of the Efate Ring Road and first coat sealing has reached km68.

On the Santo East Coast Road, the sub-contractor Flametree has made reasonable progress. Clearing has now reached Port Olry and pavement construction has now reached km51. Drive ways and access ways have completed up to km52. Loreseri quarry has now been rehabilitated. Progress is now showing an expected completion date of mid October 2010.

All variations approved at the last SC meeting have been carried out. Approach to Creek Ai fall is completed. Lakenasua floodway was almost completed at the end of June and then washed away by flood. Onesua coastal protection has now been completed.

## **Variations**

Proposed variation no. 11 Seal Widening on SECR Section B2 & C on Santo and variation no. 12 Seal Widening to SECR Sections A & B1, to widen the road seal from 5 meters to 6 meters.

Another variation (No.13) was submitted by the Contractor in relation Dry Creek crossing. Heavy rainfall on the 29<sup>th</sup> of June 2010 caused crossing to be washed away. The northern side of the culvert structure was eroded and the adjoining road pavement was washed away. MCA-V has considered the proposals submitted by the Contractor and in all cases considers them to be reasonable and necessary to protect the works. It is recognized that “No Objection” have not yet been obtained from MCC, however in view of the urgency for these variations to the Works, MCA-V strongly recommends to the Steering Committee to approve the issue of the Variation Instructions described above, subject to receipt of “No Objection” being received from MCC.

## Recommendation

SC considered and approved the variations No. 11, No. 12 and No. 13 to be funded from the program funds as proposed and subject to MCC's no objection. Moved by DG MIPU and seconded by Director DSPPAC.

## **Agenda 6. CCP Council of Minister's Paper**

PD gave a brief overview on the CCP paper. As it is the paper has been commented on a few times by MCC and MCA Stakeholders and it has gone back and forwards. There are still more changes to come as time goes and before compact end. The reason behind presenting the CCP again to SC members is to get a decision on the acceptance of the recommendations and for the SC members to agree to take on the policy issues that needs Council of Ministers endorsement. Agreements within PWD and ESU on the supervision and monitoring on the Defects Notification Period after the Handing Over certificate have been issued and will need to be revisited again to ensure that PWD understands its obligations on the DNP. There is also the issue of engaging an engineer to represent the FIDIC, which, will need the contractor's consent. Other issues also include the role of the MCA-V unit after the Compact Closure date and Monitoring and Evaluation activities that are to be undertaken after the Compact closure date.

The SC discussed Version 1.8 of the MCA-V Compact Closure Plan. It was noted that:

- State Law input and legal opinion is still required.
- M&E tables are not complete.
- A comprehensive plan is needed to cover engineer functions to contract end in 2012, for which MCA-V is seeking to use NZ funds and FOREX savings – subject to NZ's agreement. NZAid has provided in-principle agreement and NZAid Manager explained the process which would need to be followed to formalize this.

MIPU/ PWD want to understand their roles and obligations as the compact closes. PMA MCA-V explained what was proposed in the CCP.

The SC noted the time urgency of the Government's 2011 budget processes and papers for the Council of Ministers. The Program Director was requested to work closely with the DG Finance to finalize the information for these documents.

## Recommendation

SC considered and endorsed the CCP Version 1.8, subject to MCC's no objection, and endorsed MCA-V to re-submit the Council of Minister's paper to the Chairman for the

Minister of Finance's signature to be obtained prior to presentation at the Council of Ministers meeting.

### **Any other Business**

#### **1. Proposed meeting of MCA-V stakeholder committee**

SC approval was sought for changes to the membership of the stakeholder committee. The reason why MCA-V is proposing these changes is because the current members are committed and attendance is poor. The next meeting is proposed to be held on August 9<sup>th</sup> 2010.

### **Recommendation**

SC Approval was given. Moved by DG MIPU and seconded by Director DSPPAC. Meeting to convene with the new members where MCA-V sees fit.

#### **2. Quarry - Royalty payments**

The SC was updated on the issue of the land owners and made known that no payments have been made to any land owner. The chairman suggested that he will liaise with his colleague the DG of Lands on this issue to facilitate payment to land owners with no land dispute in their respective lands.

#### **2. Fiscal Accountability Plan - Revised as of June 2010**

Changes were made on the FAP and revised FAP was presented to the SC members by the FMO. Explained the changes and requested SC's approval subject to MCC's No Objection.

### **Recommendation**

SC approved the changes of the June 2010 version and will be further submitted to MCC for No Objections.

**Meeting close 4:00pm. The next meet will be on Tuesday 7 August 2010.**

Certified by: \_\_\_\_\_ /S/ \_\_\_\_\_



Secretary, MCA-Vanuatu

Acknowledged by: \_\_\_\_\_/S/\_\_\_\_\_  
Chair of the Steering Committee