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Reducing Poverty through Improved Infrastructure

MCA-Vanuatu Steering Committee Meeting No. 08

Type of Meeting: Steering Committee Meeting

2.00pm Thursday 25th November 2010

Sanma Province Conference Room, Santo

Board Members:

Present: Chairman and Director General, PMO, Simeon Malachi Athy
Director of DSPPAC, Gregoire Nimbtk
Director PWD, Willie Watson
Alternate Director Finance, Letlet August

MCC Representative

Chris Cookson, MCC Country Resident Manager

NZ Aid Representative

John Claasen, New Zealand Aid Program Manager

MCA-Vanuatu Program Management

Johnson Wabaiat, Director MCA
Hans Euscher, Program Manager/Advisor
Serah Toara, Financial Management Officer
Catherine Malosu, ESA Officer 1
Jason Raubani, ESA Officer 2

Observers

Francois Kavirere, Chamber of Commerce & Industry of Vanuatu
Patrick Vurobaravu, Vanuatu Tourism Office
SG Sanma Province

Apology: DG FMEM, George Maniuri

Absent: DG, Lands

Quorum present? Yes

PROCEEDINGS

The meeting was called to order at 2:00pm by the Chairman of the Steering Committee.

Welcome by the Chairman

Welcome remarks and a brief introduction made by the Chairman of the Steering Committee. Chairman thanked everyone who could make it to Santo for the meeting.

Special thank you to the Sanma Secretary General for making the Sanma Province Board Room available for the meeting to take place in Sanma premises.

Adoption of Agenda

Agenda was then presented to the SC members and it was generally accepted. Director DSPPAC moved and seconded by the Director PWD.

Agenda Item No. 1 - Minutes of Previous Meeting

Director DSPPAC commented that the department is DSPPAC and not DSPPACME.

Apology from Chairman not in the minutes. Needs to be added.

Pg.5. point number 5 second sentence 'full stop'. Delete the other 'full stop'.

Pg. 5. Line 8 from the bottom should be 7.5 meters and not 7meters.

Pg.6. MCC rep. mentioned that on the 'power poles removal' there was an unrecorded understanding and mention of using Government Royalty Funds. If all efforts fail, the Government will use some of the Government's fund under the Government Royalty Funds to fund the removal of the power poles. Also they could be used for other safety issues.

Pg.6 correct DSPPAC and not DSPPACME.

Pg.7. Gabions near the Mele Maat Bridge and not 'Mele Bridge'

Traffic count variation is number 19.

Pg.8. 2nd Paragraph – Include NGOs on the National Road Safety Council

Pg.8. Last Para. But variations could be workable provided that they do not involve too much structural work.

Pg.9 – Mis-spelling on Hog Harbour. Change.

Pg.9 Change NZaid to NZ Aid Programme – Also change the comments for ceremonies (consecutive celebration or back to back)

MCC representative commended the tremendous effort made by MCA-V on completing such detailed minutes and presenting it to the Steering Committee for approval.

Recommendations

Minutes no.7 of 19th October 2010 moved by Alternate Director of Finance & seconded by Director DSPPAC with changes to be made. Minutes approved.

Agenda no. 2 - MCC Disbursement Request Response Letter – Update on issues highlighted and actions taken

MCA-V briefed the SC on the update of actions taken on issues raised in the MCC Response

Malarua Stockpile

Preliminary Assessments already carried out and a report has been done. Consent will need to be obtained from the owner of the property to, which the stockpile will be relocated. MCC will be notified once the consent is signed. While the contractor is in demobilization mode, MCA-V has already advised the contractor to use their loader to remove the stockpile. The work of relocating the stockpile is expected to be carried out next month – December 2010. Again this will depend very much on the clearance of all formalities.

Power Poles Removal

Advice from SLO has been received and they have assisted MIPU to prepare a letter for the Minister to Unelco in that regard. PWD indicated they will follow up with the minister. The costs will still remain with Unelco on the encroachments as per the current understanding.

Quarry Royalty Payments

MCA-V briefed SC on the advice of SLO. PD advised SC that MCA-V and SLO will need to work together with the Lands Department to push the disputes through as MCA-V have very limited powers to go further. MCA-V would need the Steering Committee's urgent support to draft an action plan. This was mentioned in the last meeting but it never happened. PD stressed that it is important that we show some progress in dealing with this matter as it could become a critical item that will hold up the final QDRP disbursement.

MCC rep confirmed that a meeting should be organized with some of the quarry owners to clarify the process by which their Royalties can be paid. From MCC's point of view, monies unspent and sitting on the trust account may need to be returned to the US Government.

MCC stressed that MCC do not want to remove any monies from the trust fund and leaving custom owners nothing to claim. Also failure to pay the custom owners could cause reputational damage.

Alternate Director Finance questioned whether something could be done with the lawyers to process the payments.

MCC responded that there has been an ongoing action in MCA-V to develop a simple process and get all the quarry owners together and explain the process. The advice from the SLO office is that land disputes should be cleared firstly with the Lands Tribunal before it goes to SLO to process the Deed of Release and payment can then be released to custom land owner.

MCA-V clarified that it is a process that State Law Office advised that all land disputes should be cleared by the Lands Tribunal before a deed of release can be made.

Director PWD questioned whether payment to the Government Trust Account is already recognized as a transaction.

Alternate Director Finance responded that money in the trust account can still be drawn out and he understood it would be MCC's wish to see the money paid to the land owner.

Chairman intervened to say that the SC needed to make some recommendation on the way forward to deal with this problem.

Director DSPPAC commented that there is no need to make any further recommendations. Recommendations were made in the last meeting for a meeting to be called with the Director General of Lands and Director General of Justice on how to sort these issues. He went on to say that in the last quarry meeting the lands tribunal promised to draw up an action plan going forward with the issue.

PD MCA-V responded that the action plan was never received by MCA-V and insisted that this SC meeting must set a firm date for a meeting with the key partners (DG Lands, DG Justice and Commissioner of Mines) urgently as time is running out. It has to be within the next week.

Alternate Director Finance proposed that the DG of PMO together with DG Finance and PD MCA-V convene the meeting on Tuesday 30th November 2010. PWD and SLO will need to be part of this meeting.

Chairman noted the proposal and requested if the Financial Management Officer could act as minute taker to take note of the date and arrange meeting with parties concerned on the date proposed.

Moved by Director DSPPAC for meeting to convene on Tuesday 30th November 2010 and seconded by Director PWD.

Agenda no. 3 - Presentation of Parts of QDRP Package for final Quarter 20:

a. MCA-V Work Plan for January 2011 till August 2011

PD presented the SC with the Compact Closure Workplan. Hans mentioned corrections on page 2 to correct TA TMM to TA RAMM.

Director DSPPAC moved that the Work Plan to be approved seconded by Alternate Director Finance. Work Plan approved.

b. Conditions Precedent (CP) Report

PWD reporting on page 5 will need to confirm that budget has been made. Alternate Director Finance confirmed that an additional 50 million Vatu was approved and added onto the 500 million Vatu already made for the FY2011.

MCC RCM was pleased to note the provisions made in the National Budget for the maintenance and that the information will be communicated to the MCC. Alternate Director Finance has offered to provide a copy of the approved budget document to MCC RCM.

Director DSPPAC questioned if the Quarry Payments outstanding issue is a CP related item and that if it is an issue to MCC. PD MCA responded that yes it was raised in the MCC Disbursement Response Letter and we have addressed it in Agenda item. No.2. PD MCA stressed that if MCA-V could show MCC that some steps are taken to address the issues then it is a good sign.

MCC stressed that although the CP report looks satisfied, the status needs to be updated especially on the M&E section.

The CP report was approved in principle subject to further changes on the status column.

Moved by Director DSPPAC and seconded by Director PWD.

c. Procurement Plan

PD briefed SC on the Procurement Plan. All procurements have been made except for the last few ones, which relates to the M&E.

Director PWD moved the plan to be approved, seconded by Alternate Director Finance.

Agenda no.4 - Contract Modifications:

a. QCPP Contract

PD informed the Steering Committee that the services of QCPP will still be needed after the MCC Compact end date. QCPP accepted the extension. MCA PA advised that the contract increase is based on Ambatha as the Engineer's representative. An email will be sent to QCPP confirming the proviso made.

Recommendation

For the services of QCPP to continue, with assistance to be provided by the ESU. New Zealand Aid Programme to be requested to extend the draw down period by one year to allow funding the extended services of QCPP.

b. Procurement Agent Contract (GRM)

See attachment with recommendations.

c. Fiscal Agent Agreement

- i. Extended period till Compact Closure Date, August 26, 2011;
- ii. FA and MCA-V to carry out PA Role after Compact End Date, April 28, 2011; and
- iii. Extension of FA Officers contracts till Compact Closure Date

d. Extension of MCA-V Officers Contracts:

- i. ESA Officer (1) to Compact End Date, April 28, 2011
- ii. Program Director to Compact Closure Date, August 26, 2011

- iii. Financial Management Officer to Compact Closure Date, August 26, 2011
- iv. M&E Officer to Compact Closure Date, August 26, 2011
- v. Project Manager/Adviser to Compact Closure Date, August 26, 2011

Comments

Chairman suggested if the recommendations paper attached be looked at directly for this agenda item. 4. All SC members agreed and so the recommendations paper was reviewed by the Steering Committee. Recommendations were reviewed and generally agreed to the recommendations.

Except for recommendation no.7 where Program Director mentioned that Director Finance will need to be consulted before it can be agreed. To further clarify that the proposal made is to include the Fiscal Agent to act as the Procurement Agent.

Agenda item 4 moved by Director PWD, seconded by Director DSPPAC with further consultations to be conducted by MCA-V PD with Director Finance.

Agenda no.5 - Progress Update to include Variations for additional works construction (Project Manager/Adviser)

MCA PA requested if possible to go straight and present the variations as time is running short. Chairman and members agreed.

PA went on to present the variations 23, 24, 25, 26, 27, 28 & 29 (noting that variation 29 amount will go up to \$50,000 since two more villages were found on the SECR in the morning during the monthly management site meeting).

Chairman commented on variation 28 and the experiences Efate had with people removing the reflectors on the road.

Alternate Director Finance moved the variations 23 to 29 approved and seconded by Director PWD.

Agenda no. 6 - TA RAMM inception Report (Robin Workman)

Robin presented the Inception Report and briefly explained his role in the PWD. Robin briefed about how the maintenance strategies he is working on link with other assets of the Government.

Issues identified in the inception report – overlap with the current VTSSP project ongoing within the PWD.

It is recommended that PWD should have its own maintenance section to maintain all Govt. assets.

Baseline survey will need to be done now to be able to assess the performance of the Road in the future

Update PWD inventory to be able to establish a good maintenance plan.

Chairman commented that maintenance has been an issue within the Government and not only PWD for a very long time. And that it is a good step taken by MCA-V to have come up with the maintenance plan.

MCC commented that they encouraged this report to be presented to the SC so that if there's any costs implications that needs to be considered in the QDRP 20 it will need to be made.

MCA PA gave the SC a further explanation of the organization that Robin was recruited from and the experiences that he brings with him to support MCA-V.

PWD Director commented that Robin's engagement is a plus for PWD. However there are other projects like VTSSP who are currently doing the same thing. PWD wish to see collaboration between all development partners to establish a system that is workable for PWD.

MCC rep confirmed that MCC as an organization is looking forward to learn from the work of Robin.

Agenda no. 7 - Electronic Scanning Services and Records Keeping (Archives)

- b. TOR for the Services required
- c. Composition of Panel members
 - i. MCA-V PD
 - ii. Senior Development Accountant FA
 - iii. Web Developer FA
 - iv. Finance IT Expert Brendon
 - v. PA

DG DSPPAC moved that this TOR and the processes involved in recruiting the TA, seconded by Director PWD.

PD requested an in-principle approval from the SC and changes will be made after agreement with MCC. Director DSPPAC moved and seconded by Alternate Director Finance.

Agenda no. 8 - TOR for M&E Compact Completion Report

Chairman moved to next SC meeting of the 7th December 2010 since time is running short.

Agenda no. 9 - AOB

Director DSPPAC mentioned and reminded members of the information paper that needed to go to the Council of Ministers meeting.

Agenda no. 10 - Next Steering Committee Meeting

Next meeting to convene on the 7th of December 2010 at MCA-V conference room. Closing prayer by Director DSPPAC and meeting closed on 17:30pm.

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

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