

Millennium Challenge Account Vanuatu
Constitution Building
Lini Highway
PO Box 192
Port Vila, Vanuatu
Tel: (678) 26918 / 26415
Fax: (678) 26419
Email: mcavanuatu@vanuatu.gov.vu



Compte du Défi du Millénaire Vanuatu
Bâtiment de Constitution
Lini Route
BP 192
Port Vila, Vanuatu
Tel: (678) 26918 / 26415
Fax: (678) 26419
Email: mcavanuatu@vanuatu.gov.vu

Reducing Poverty through Improved Infrastructure

MCA-Vanuatu Steering Committee Meeting No. 06 of 2011

Type of Meeting: Steering Committee Meeting

11:00am Friday 5th August 2011

MCA-V Conference Room

Board Members:

Present: Chairman and Director General, PMO, Simeon Malachi Athy
Alternate Director General, MFEM, Tony Sewen
Alternate Director of Finance, Anna Salwai
Alternate Director of DSPPAC, Jerry Lapi

MCC Representative

Moli Williamson, MCC Office Manager

NZ Aid Programme Representative

John Claasen, New Zealand Aid Program Manager

MCA-Vanuatu Program Management

Johnson Wabaiat, Director MCA
Nicholson Garae, Program Manager/Advisor
Serah Toara, Financial Management Officer

Apology:

Absent:

DG, Lands, Joe Ligo

Quorum Present: Yes

Welcome by chairman

Introduction made by the Chairman of the Steering Committee. Chairman thanked everyone who could make it to the meeting. Opening prayer by the Alternate Director General of Finance. Chairman presented agenda as follows:

Agenda

1. Minutes of Previous Meeting
2. SC Paper for MCA-V Official Closure
3. Draft Council of Ministers (COM) Paper for MCA-V Closure
4. Draft Vanuatu Project Management Unit (VPMU) Charter
5. AOB
6. Date of next SC Meeting

Adoption of Agenda

SC members generally accepted the agenda. Agenda Moved by the Alternate Director of Finance and seconded by Alternate Director DSPPAC.

1. Minutes of previous meetings

Minutes was reviewed by members with a few minor changes made. Chairman requested for the introduction write-up be removed.

Minutes moved by Alternate Director Finance seconded by Alternate Director General of Finance with minor amendments to be made.

Matters arising

Response to Francis Reid Letter – Program Director (PD) confirmed that the letter was already submitted to Chairman. Chairman mentioned that he still has not received it. PD to resubmit the letter to the Chairman.

Court Trust Account – Chairman wanted an update on the setting up of a trust account. Director Finance mentioned that it should not be a problem to keep in the current trust. Director DSPPAC disagreed due to political interferences so will still proceed. Alternate Director General of Finance to set up a meeting with SLO and court registrar and all to target creation of the trust account by the 12th of August 2011.

Director Finance mentioned that only 4 quarry owners are still to be paid pending resolution of legal queries and claims made. (It was noted that the 5th quarry dispute at Tanoliu has now been resolved.

Evidence of Quarry Royalty Payments to MCC – Director Finance confirmed already provided to MCC.

Alternate Director General of Finance queried if an MCC NO is required to reallocate the balance of funds currently not being used to the Development Fund as it is accruing interest, and is still seen as US tax payers' money.

Letter for Ministry of Lands regarding payment of land-take compensation – Not yet written. PD agreed to prepare the letter and pass on to Alternate Director DSPPAC to check and forward on to DG.

Road Act – State Law Office (SLO) has advised that they do not agree with the proposed candidate to undertake the drafting as the drafting language used at SLO is different and SLO does not want to duplicate effort. SLO have proposed Louis George as the main contact person for this Act.

Minutes of 2009 & 2010 outstanding for website – FMO confirmed that all have been posted now.

Letter to MCA Minister requesting audit of 2011 road maintenance allocation – PD to give update. This need to be done.

2. Draft COM Paper for MCA-V Closure

SC Paper for “MCA-V Official Closure, Establishment of the VPMU, and Novation of Outstanding MCA Vanuatu Obligations as Employer”.

PD presented the closure paper. The Governance agreement was agreed by the COM and it is necessary that SC approve the closure paper with the following recommendations:

- 1) Approves motion to close MCA-V on August 26, 2011, to be communicated in writing, signed by the Chairman of the Steering Committee and to request MCC to provide written consent to the closure.
- 2) Approves the Establishment of the Vanuatu Project Management Unit, and novation of outstanding MCA-Vanuatu Obligations as Employer.
- 3) Approves the Charter of establishment of the Vanuatu Project Management Unit as the replacement governing charter for MCA Vanuatu.
- 4) Approves the draft Council of Ministers paper (with any required amendments) and progress this through the Council of Ministers as matter of urgency.

Discussions on the Council Of Ministers Paper

Alternate Director General of Finance made the following comments for the SC members to think through before discussing this paper.

Location – It is understood that the VPMU will be located within the Ministry of Finance. He would just like to query if Ministry received a consensus. Members agreed that the SC will need to decide where the office will be located to meet the needs of the Government.

PD responded that the location will be noted in the VPMU paper to the Council of Ministers. The current office space is too small to cater for the operations of the VPMU. This will be worked on together with the Government and MCA-V.

Structure – Transfer to the Ministry to be absorbed into the structure. After the 26th of August who will sustain the unit. Will the Donors Partners help the Government with the funding to subsidize all costs until these projects come into being. Objective wise the Government should spearhead the process of discouraging so many project units for the wharf, inter island shipping etc....Also there are budget issues here to accommodate the costs of office and staff. PD responded that the budget has been made and presented to the Ministerial Budgetary Committee in October 2010 and was already approved. This needs to be revisited by Finance and ensure that

it covers all the costing of the remaining year 2011 and again 2012 and to ensure that it is realistic with the ongoing discussions and decisions made by the Steering Committee.

Membership of Steering Committee – Director Finance would like to know how this will be built up.

Again Program Director clarified that currently it will follow the same setting of MCA Vanuatu. PD further clarified that all these queries raised will all lead up now to be detailed in the VPMU Charter.

Resolutions

Recommendation number 1 moved by Alternate Director General of Finance and seconded by Alternate Director of Finance.

Recommendation number 2 moved Alternate Director General of Finance and seconded by Alternate Director of Finance.

3. Assignment and Assumption Paper

The draft paper was presented to the Steering Committee by the Program Director. This paper will be included with the other VPMU papers that will be going to the DCO. After it receives DCO approval then it will be signed off by all parties involved.

4. Draft VPMU Charter

PD informed the SC Members that the draft paper was prepared with the assistance of the MCC General Council and will need further work to be done, taking into account all the queries of the Alternate Director General of Finance mentioned in the discussions on Agenda item 1.

Chairman advised that an expert needs to look at the Charter before it is finalized.

5. Draft VPMU Paper

PD informed SC members that the Draft Paper is almost completed and will be discussed with the Chairman of the SC before it is tabled in the DCO.

6. Revised M&E Plan

Funds for remaining activities will be de-obligated back to MCC and MCC will deal directly with VNSO to conduct surveys. As presented by the Program Director these are the final amendments to the monitoring & evaluation components requesting SC endorsement.

1. Final amendments to **3. Monitoring Component** under “Goals”, “Objectives and Outcome”, “Output and Process Milestone” Indicators as per revised and latest closure information that the MCA-V has been able to gather.

2. Final amendments to **4. Evaluation Component** in terms of changes to the scope and activities of the proposed MCC and Vanuatu Government Post Compact Evaluation activities.
3. Final amendments to **5. Surveys** as per changed context and priorities for the office since April, and new surveys have been developed in place of others.
4. Final amendments to **7. Budget** as per changed context and priorities for the office since April, and new surveys have been developed in place of others.
5. New Annex to be created called **ANNEX IV: Summary of Indicator and Target Changes from 2010 M&E Plan to 2011 M&E Plan** as per point number 1 above.
6. Numbering for previous **Annexes IV, V, and VI** to be altered as per point number 5 above.
7. Final amendments to **Tables 2 – 5** under “Goals”, “Objectives and Outcome”, “Output and Process Milestone” Indicators as per revised and latest closure information that the MCA-V has been able to gather. See point number 1 above.

Moved by Alternate Director of Finance. Seconded by Alternate Director DSPPAC. Amendments to the M&E Plan approved.

7. Any Other Business

- a) Final Report – TA RAMM. PD informed the SC members that the Final report was completed in July 2011.

Recommendations of the report to be followed up by the VPMU.

- b) Media Release for the final closure - SC members generally agreed for a Media Release to inform all stakeholders on the closure.

Chairman requested if possible for MCA-V to arrange for a final closure event.

PD responded that the final expenditure of MCA-Vanuatu should happen by the 16th of August 2011 and considering the outstanding task that is required to be completed, MCA-Vanuatu will not promise if anything can happen within the timeframe.

- c) Use of Royalty Funds by the Provinces – Chairman raised concern on the way funds were used. Chairman will put a complaint.

8. Date of next SC Meeting

Tentatively 11th or 12th August 2011.

Certified by: _____
Secretary, MCA-Vanuatu

Acknowledged by: _____
Chair of the Steering Committee