

# Conditions Precedent Report

## Year 3, Quarter 2

Quarter <sup>1</sup>	Project/ Activity <sup>2</sup>	Condition Precedent	Status <sup>3</sup>	Documentation Required by MCC as Evidence for Verification <sup>4</sup>	Status of Required Verification <sup>5</sup>	Request for Deferral/Waiver and Justification
<b>Program – Administrative</b>						
Prior to initial disbursement	Schedule 1	Director and Analysts of Program Management Unit of MCAVanuatu are selected and approved by MCC and remain engaged, or in the event the position(s) are vacant, MCA Vanuatu is actively recruiting for the position(s)	Satisfied	Employment Contract	Director and Analysts remain fully engaged. Copies of the contracts are kept within MCA-Vanuatu.	
Prior to each disbursement beginning Year 1 Q3	Schedule 1	Environmental and Social Impact Officer for MCA-Vanuatu, to be located in the Ministry of Lands-Environment Unit, is selected and approved by MCC and remains engaged; or, in the event the position are vacant, MCA-Vanuatu is actively recruiting for the position	Satisfied	Employment Contract	Environment and Social Impact Officer for MCA-Vanuatu remains fully engaged. Copy of the contract is kept within MCA-Vanuatu.	
Prior to each disbursement beginning Year 1 Q 2	Schedule 1	MCA-Vanuatu has adopted a Fiscal Accountability Plan approved by MCC, and such Fiscal Accountability Plan remains in full force and effect	Satisfied	Fiscal Accountability Plan	A copy of the Fiscal Accountability Plan can be obtained from MCA-Vanuatu and also the website	
Prior to each disbursement beginning Year 1 Q2	Schedule 1	MCA-Vanuatu has adopted an Audit Plan approved by MCC and such Audit Plan is current and updated	Satisfied	Audit Plan	A copy of the Audit Plan can be obtained from MCA-Vanuatu	
Prior to each disbursement beginning in Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted a Procurement Plan approved by MCC, and such Procurement Plan remains in full force and effect	Satisfied	Up-dated Procurement Plan - July to December 2008		
Prior to each disbursement for any Project Activity beginning in Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted a bid challenge system approved by MCC and such system remains in full force and effect	Satisfied	Bid Challenge System	A copy can be obtained from MCA-Vanuatu and downloaded from the website	

Prior to each disbursement for any Project Activity beginning in Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted procurement operations manual(s) approved by MCC and such manuals remain in full force and effect	satisfied	Procurement Operations Manual	A copy can be obtained from MCA-Vanuatu	
Prior to Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted bidding and proposal documents approved by MCC	Satisfied	Bidding and Proposal Documents	A copy can be obtained from MCA-Vanuatu	
Prior to Year 1 Q3	Schedule 1	MCA-Vanuatu has procured the Data Quality Auditor	Satisfied	Contract for Data Quality Auditor	A copy is kept within MCA-Vanuatu	
Prior to each disbursement beginning in Year 1 Q2	Schedule 1	MCA-Vanuatu shall execute an implementing entity agreement with the Department of Public Works in a form acceptable to MCC, which agreement shall be in full force and effect	Satisfied	Implementing Entity Agreement for PWD	Implementing Entity Agreement was signed on 12 December 2007. The agreement can be obtained from MCA-Vanuatu and PWD	
Quarter immediately following the applicable date of such report	Section 3.3 b)	An audit report, providing financial information and review of compliance with the Fiscal Accountability Plan and Procurement Guidelines, in accordance with the Compact, Audit Plan and Audit Guidelines for the prior six (6) month period (to be delivered as a condition precedent for the quarter immediately following the applicable date of delivery of such report, as set forth in the current Audit Plan). Upon MCC's request, MCA-Vanuatu shall ensure simultaneous delivery by the Auditor of the audit report to MCA-Vanuatu, MCC and the Inspector General	Satisfied			
	section 3.5 c)	There has been satisfactory progress on the Work Plans for any relevant Projects or Project Activities related to such MCC Disbursement, including actual compliance with any additional conditions precedent to such disbursement set forth therein and substantial compliance with the other requirements of such Work Plans, including any applicable reporting requirements for the relevant Disbursement Period	Satisfied	MCA-Vanuatu Work Plan	A copy can be obtained from MCA-Vanuatu	
	Section 3.5 d)	There has been substantial compliance with the M&E Plan for the Program	Satisfied	Monitoring and Evaluation Plan	A copy can be obtained from MCA-Vanuatu	

	Section 3.5 e)	There has been satisfactory compliance with the Procurement Plan, including any applicable reporting requirements for the relevant disbursement	Satisfied	Procurement Plan	A copy can be obtained from MCA-Vanuatu	
	Section 3.5 f)	There has been satisfactory compliance with the Audit Plan, including any applicable reporting and auditing requirements under any Auditor Agreement for the relevant Disbursement Period	Satisfied	Audit Plan	A copy can be obtained from MCA-Vanuatu	
	Section 3.5 g)	MCA-Vanuatu has provided a satisfactory written response to any audit findings that have been issued prior to thirty (30) days before the date of the MCC Disbursement Request	Satisfied			
	Section 3.5 h)	The Government has agreed to fund any environmental mitigation and resettlement costs not already included in the Detailed Financial Plan	Satisfied	Certification: Millennium Challenge Compact - Environment Mitigation Costs	A copy of the certificate can be obtained from MCA-Vanuatu	
<b>1. Institutional Strengthening Activity</b>						
Prior to disbursement in Q4 of Year 1	Schedule 1	PWD Service Performance Contract shall be executed and in full force and effect	Satisfied	Service Performance Agreement	The Service Performance Agreement was signed on 10 March 2008. A copy of the agreement can be obtained from MCA-Vanuatu and PWD	
Performance targets linked to annual disbursements in Q 1 of Years 2-5 (timing will depend on performance review and budget cycle)	Schedule 1	PWD Performance Contract: (i) PWD compliance with Service Performance Contract and annual action plan of the previous year	Not Applicable			

Performance targets linked to annual disbursements in Q 1 of Years 2-5 (timing will depend on performance review and budget cycle)	Schedule 1	PWD Performance Contract: (ii) The Government, via appropriation, to allocate adequate budgetary resources for road maintenance. The amount to be allocated will be based on the requirements specified in the in the Implementing Entity Agreement and be based on the progressive annual capacity requirements of PWD. This figure should also correspond with that provided in the detailed financial plans and the M&E plan and any amendments thereof	Satisfied	Government of the Republic of Vanuatu- Budget 2008 Government of the Republic of Vanuatu - Budget 2008 Fiscal Strategy	A copy can be obtained from MCA-Vanuatu or Fiscal Agent	
<b>2. Infrastructure Activity</b>						
Prior to disbursement for any Infrastructure Activity in Q2 of Year 1	Schedule 1	MCA-Vanuatu provides certification from the Ministry of Finance indicating that the Government will fund any environmental mitigation costs during the Compact Term not already included in the Financial Plan	satisfied	Certification: Millennium Challenge Compact - Environment Mitigation Costs	A copy of the certificate can be obtained from MCA-Vanuatu	
Prior to disbursement for any construction activity in Q4 of Year 1	Schedule 1	All HIES enumeration and data entry completed	satisfied	HIES Report	The report can be sourced from MCC, MCA-Vanuatu and National Statistics Office	
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Finalized HIES Report completed, approved by the Data Quality Auditor and submitted to MCC (including raw data files)	Satisfied	HIES Report	The report can be sourced from MCC, MCA-Vanuatu and National Statistics Office	
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Finalized Road-side Enterprise Survey report completed, and submitted to MCC (including raw data files) for the <i>Efate Ring Road sub-project</i>	Satisfied		Road -side Enterprise Survey has already been completed for the Efate Ring Road	
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Finalized Road-side Enterprise Survey report completed, and submitted to MCC (including raw data files) for the <i>Santo East RoadSub-project</i>	Not Satisfied			Request Deferral until Year 3, Quarter 3.
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Finalized Tourism Surveys and Report completed, and submitted to MCC (including raw data files)	Satisfied	Final Tourism Survey Report	A copy of the report can be obtained from MCA-Vanuatu	
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Baseline Traffic count survey data collected as described in the M&E Plan and summary tables prepared, and submitted to MCC for the <i>Efate Ring Road sub-project</i>	Satisfied		Baseline Traffic Count Survey has already been completed for the Efate Ring Road	

Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Baseline Traffic count survey data collected as described in the M&E Plan and summary tables prepared, and submitted to MCC for the <i>Santo East Road Sub-Project</i>	Not Satisfied			Request Deferral Until Year 3, Quarter 3
<b>Project 2A-Efate Ring Road</b>						
Prior to disbursement in Q1 of Year 2, or the revised construction commencement date	Schedule 1	<u>Community Maintenance Contracts:</u> Establishment of Maintenance Contracts with community representatives (with rural villages)	Satisfied	Community Maintenance Contract from beginning of Japanese Aid Road to Rentapao.	MCA-Vanuatu and Department of Public Works can provided	MCA-Vanuatu respectfully requests waiving this Condition Precedent
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that any required resettlement action plan has been completed and implemented in accordance with WB Involuntary Resettlement Policy (OP 4.12), in a manner acceptable to MCC	Not Satisfied			Request for Deferral until Year 3, Quarter 3.
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that the environmental assessment for the Infrastructure Subproject Activities have been completed and are acceptable to MCC	Not Satisfied			Request for Deferral until Year 3, Quarter 3.
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that the Environmental Management Plans for the Infrastructure Subproject Activities have been completed and are acceptable to MCC	Not Satisfied			Request deferral until Year 3, Quarter 3.
Prior to any disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence of continued compliance, satisfactory to MCC, with Environmental Management Plans	Not Satisfied			Deferral requested until Year 3 Quarter 3.

Prior to any disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activity, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable	Not Satisfied	Foreshore Development Permit and Physical Planning Permit		MCA Vanuatu is exempted from the following Permits:  1. foreshore development permit 2. physical planning permit  Water Works Permit for the Efate Ring Road Sub-project- Request Deferral until Year 3, Quarter 3
<b>Project 2B- Santo East Coast Road, Project 2C- Tanna Whitesands Road, Project 2D – Malekula Norsup- Lits Lits Road, 2E- Pentecost North South Road, 2F- Malo Roads Up-Grade, 2G- Lolong Wharf and 2H- Remaining Four Infrastructure</b>						
Prior to disbursement in Q1 of Year 2, or the revised construction commencement date	Schedule 1	<u>Community Maintenance Contracts:</u> Establishment of Maintenance Contracts with community representatives (with rural villages)	Not Satisfied			Deferral requested until Year 3 Quarter 4. (This will mainly concern obtaining Community Maintenance Contracts for the Santo East Road.)
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that any required resettlement action plan has been completed and implemented in accordance with WB Involuntary Resettlement Policy (OP 4.12), in a manner acceptable to MCC	Not Satisfied			Deferral requested until Year 3 Quarter 4. (This will mainly concern Resettlement documentation for the Santo East Road.)
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that the environmental assessment for the Infrastructure Subproject Activities have been completed and are acceptable to MCC	Not Satisfied			Deferral requested until Year 3 Quarter 4. This will mainly concern environment and social assessment documentation for the Santo East Road.
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that the Environmental Management Plans for the Infrastructure Subproject Activities have been completed and are acceptable to MCC	Not Satisfied			Deferral requested until Year 3 Quarter 4. (This will mainly concern Environment Management Plans for the Santo East Road)
Prior to any disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence of continued compliance, satisfactory to MCC, with Environmental Management Plans	Not Satisfied			Deferral requested until Year 3 Quarter 4. (This will mainly concern compliance to Environmental Management Plans for the Santo East Road.)

Prior to any disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activity, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable	Not Satisfied	Exemption Certification for Foreshore Development Permit and Physical Planning Permit		Deferral requested until Year 3 Quarter 4. (This will mainly concern obtaining a Water Permits and other permits for the Santo East Road)
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1. This column will display relevant Disbursement Period applicable to the MCC Disbursement Request.
2. Table will follow the projects and activities set forth in the Disbursement Agreement and list all the CPs for the Compact -- both those that apply and those that do not apply for that period.
3. Indicate whether condition is "Satisfied," "Not Satisfied", or "Not Applicable (N/A)" as of a specific date. "Partially Satisfied" is not acceptable as status.
4. This column will list the specific documentation required for verification that CP has been "satisfied", including the party responsible for providing documents and source of that documentation.
5. This column will indicate status of the required verification documentation (i.e. "EMP approved by MCC in email dated April 15, 2006")