

MCA-Vanuatu Conditions Precedent Report

YEAR 5, QUARTER 1 (APRIL -JUNE 2010)

Quarter ¹	Project/ Activity ²	Condition Precedent	Status ³	Documentation Required by MCC as Evidence for Verification ⁴	Status of Required Verification ⁵	Request for Deferral/Waiver and Justification
Program – Administrative						
Prior to initial disbursement	Schedule 1	Director and Analysts of Program Management Unit of MCA-Vanuatu 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	The Monitoring and Evaluation Officer and Financial Management Officer have been recruited and remain fully engaged.	
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	Both Environment and Social Impact Officers for MCA-Vanuatu remains fully engaged. Copy of the contracts 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	Updated Fiscal Accountability Plan June 2009	The Fiscal Accountability Plan has been revised to June 2009 and can be obtained from MCA-Vanuatu and will be placed on the website once approved by MCC	
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, updated August 2008	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	Procurement Plan updated July to December 2008	Procurement plan can be obtained from MCC and MCA-Vanuatu and the MCA-Vanuatu website. No further update is currently required	
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 documentation has been completed and approved, by PWD and the Public Service Commission, received and approved by MCA-Vanuatu and submitted to MCC	
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	July-December 2009 Audit Report	A final draft Audit Report for the period July to December 2009 has been submitted and currently undergoing consultation with MCA Vanuatu for finalisation.	
	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 - January-June 2010	A copy can be obtained from MCA-Vanuatu and the MCA-Vanuatu website	
	Section 3.5 d)	There has been substantial compliance with the M&E Plan for the Program	Satisfied	Updated Monitoring and Evaluation Plan June 2009	The current Monitoring and Evaluation Plan will be reviewed in Year 5, Quarter 1	
	Section 3.5 e)	There has been satisfactory compliance with the Procurement Plan, including any applicable reporting requirements under the Procurement Agreement for the relevant Disbursement Period	Satisfied	Up-dated Procurement Plan July to December 2008. PPR submitted Sept. 09.	Updated procurement plan can be sourced from MCC and MCA-Vanuatu and the MCA-Vanuatu website.	

	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 of the Audit Plan 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		MCA-Vanuatu has already provided final comments to the July to December 2009 Audit report	
	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	
1. Institutional Strengthening Activity						
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	SPA signed March 2008, available from MCA-Vanuatu. SPA performance reports were waived as CPs in June 09 to be monitored under the M&E Plan & MCA-Vanuatu reports.	
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	Satisfied	Reports as required under the Service Performance Agreement	PWD has provided reports to May 2009, including 2008 and 2009 budget figures, maintenance targets, and performance reports including evidence of new community road maintenance contracts. MCA-Vanuatu will continue to work with PWD to strengthen performance and reporting. SPA performance reports were waived as CPs in June 09 to be monitored under the M&E Plan & MCA-Vanuatu reports.	

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 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	Not Satisfied	PWD Road Report for January to May 2009	The Government of Vanuatu moved in Yr1 of the Compact to increase maintenance funds to VT500m, so in this sense the CP has been met, but there are problems with timely accessing of the funds, and reports of actual expenditure need to be more transparent. GoV is committed to increase funds to the required VT550m in 2010/2011.	Request Deferral to Year 5, Quarter 2
2. Infrastructure Activity						
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 obtained 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 obtained 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	Raw data files and report	The report can be obtained from MCC and MCA-Vanuatu.	
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>	Satisfied	Raw data files and report	The report can be obtained from MCC and MCA-Vanuatu.	
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	The report can be obtained from MCC and 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	Data and summary tables	Data and tables can be obtained from MCC and 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>Santo East Road Sub-Project</i>	Satisfied	Survey data and summary tables	Survey data and summary tables can be obtained from MCC and MCA-Vanuatu	
Project 2A-Efate Ring Road						
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	Community Maintenance Contract from beginning of Japanese Aid Road to Rentapao.	MCA-Vanuatu and Department of Public Works can provide.	Request Deferral to Year 5, Quarter 2
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	Satisfied	RAP prior to the construction of entire Efate Ring Road: a) 0-5km b) 23-28 km (Meten Hill) and c) 5-97 km (Remaining Sections of the Efate Ring Road) d) Update RAP January 2010	RAP prior to the construction of the entire Efate Ring Road is available from MCA-Vanuatu and MCC.	
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	Satisfied	Environment and Social Assessment for the whole of Efate Ring Road	Environment and Social Assessment for the whole of Efate Ring Road is available from MCA-Vanuatu and MCC.	
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	Satisfied	Environment and Social Management Plan for the whole of Efate Ring Road	Environment and Social Management Plan for the whole of Efate Ring Road is available from MCA-Vanuatu and MCC.	
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	Satisfied	a) Monthly Report No.20 & 21 for December 2009 and January 2010 b) Weekly Environmental Reports for Week 1 to 8 2010 Reports.	Progress of compliance to the Environment Management Plans is documented in the monthly Progress reports submitted to MCA-Vanuatu by the FIDIC Engineers. Progress reports are available from MCA-Vanuatu	

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	Satisfied	1) Quarry Permit - Malarua Hard Rock Quarry 2) Consent issued by Commissioner of Mines to use limestone material to build 23-28 km stretch of road 3) Quarry Permit for Kakola 4) Quarry Permit for Tanoliu 5) Epule Quarry Permit 6) La Cressioniere Quarry Permit 7) Water Works Permit (Extension) for Tamate River and Creek Ai 6) Ministerial Consent for EIA for Malarua Hard Rock Quarry 8) Efate Water works Permit for remaining water sources on Efate 9) Nangus Quarry Permit	All permits and approvals relevant to the construction of the Efate Ring road are available from MCA-Vanuatu and MCC	
Project 2B- Santo East Road						
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	Copies of 2008 and 2009 Community Road Maintenance Contracts for the Santo East Coast Road	Copies of 2008 and 2009 Community Contracts are available at MCA-Vanuatu	Request Deferral to Year 5, Quarter 2
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	Satisfied	Approved RAP for Santo East Coast Road	Resettlement and Action Plan for Santo East Coast is available from MCA-Vanuatu and MCC	
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	Satisfied	Approved Environment and Social Assessment for the whole of Efate Ring Road	Environment and Social Assessment for the Santo East Coast Road is available from MCA-Vanuatu and MCC.	

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	Satisfied	Approved Environment Management Plan for Santo East Coast Road (Incorporated in the Santo ESA Report)	Environmental Management Plans for the Santo East Coast Road is available from MCA-Vanuatu and MCC.	
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	Satisfied	a) Monthly Report No.20 & 21 for December 2009 and January 2010	Engineer's reports can be obtained from MCA-Vanuatu. A SANMA team has been trained and Engineer representative and additional PWD staff are in place.	
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	Satisfied	1. Quarry Permits Matevulu, Lomanioc, Lotgen and Port Olry 2. Water Permit for all water sources required by Downer. 3. Lopelope Quarry Permit 4. VKS Consent for Section A and B1 5. Loraseri Quarry Permit	The permits relevant to the construction of the Santo East Coast road are available from MCA-Vanuatu and MCC. Permits for new quarries will be managed progressively. Cultural site assessments has already been completed and a report submitted and approved.	

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")