

MCA-VANUATU



REPORT ON

KEY GOVERNMENT STAKEHOLDERS CONSULTATION MEETING

**MELANESIAN HOTEL, PORT VILA
FEBRUARY 23 2007**

TABLE OF CONTENTS

	Page
1. Opening Remarks.....	3
2. Purpose of Awareness Consultation Meeting.....	3
3. Overview and Status of the MCA Program.....	3
4. Representative presentations.....	4
a. Sustainability Role of the Department of Public Works Beyond the Life of the MCA Program and Requirements for Quarry – Department of Public Works	4
b. Long term benefits of the program within the agriculture sector, Existence of Agriculture Leases – Department of Agriculture.....	4
c. Policy Integration - Long term benefits of the program towards the development of women within the Tourism and Agriculture Production sector – Department of Women’s Affairs	5
d. Requirements to Obtain Physical Planning and Building permits – Shefa Provincial Council.....	5
e. Requirements to obtain Foreshore Development Permits- Physical Planning Unit, Department of Provincial Affairs	5
f. Long Term Economic Benefits of the MCA Program, including GDP Forecast and Other supporting investments – Department of Economic and Sector Planning.....	5
g. Requirements for Quarry Permit, Current Challenges and Proposed Resolution Strategy – Department of Geology and Mines.....	6
h. Location of Sensitive Cultural Sites – Vanuatu Cultural Centre	6
i. Requirements for Land Compensation – Department of Lands, Registry and Survey.....	7
5. Discussion: Questions and Issues	7
6. Recommendation	8
7. Conclusion	8
Appendix 1: Copy of Invitation to the Meeting.....	9
Appendix 2: List of Invitees and Absentees to the Meeting.....	11
Appendix 3: Participant’s Contact Details.....	12

PROCEEDINGS:

1. Opening Remarks

Participants of the meeting were welcomed by the Director of MCA – Vanuatu, Mr. Lennox Vuti who at the same time was Chairman of the meeting. The meeting was attended by participants represented from mainly Government and Provincial Authorities. (See Appendix 2 and 3). An opening prayer was offered by Martha Kaltal prior to resuming to individual sector presentations.

2. Purpose of Awareness Consultation Meeting

The chairman explained that the overall purpose of convening such a meeting was based on the understanding that there are sectoral legislative and policy requirements that have to be met by the MCA Program. The meeting provided an opportunity for each representative to present their requirements for consideration in the context of the MCA program. The meeting also provided an opportunity for the participants to learn about the program from MCA Vanuatu and for MCA Vanuatu to seek their views on how best to address issues in respect to their respective areas of expertise.

3. Overview and Status of the MCA Program

The MCA Program is a rural based transport infrastructure project. The funding allocation for the program is 65.7 Million USD, and must be spent within the remaining four (4) years, until 2011 when the Vanuatu Compact term concludes. The MCA Vanuatu Program Unit based at the Ministry of Finance, assists the Steering Committee in overseeing the implementation of the Program and has the principal responsibility (subject to the direction and oversight of the Steering Committee) over overall management of the implementation of the Program. Other institutions established to support the work of the Program management Unit are the Fiscal Agent (Department of Finance), Procurement Agent, National Statistics Office to undertake monitoring and evaluation surveys, an external auditor, an engineering support unit setup within PWD to provide engineer-supervisory services, Labour, Customs and Inland Revenue.

All subprojects under the Vanuatu Compact are fixed under law (Millennium Challenge Fund Ratification Act No.9 of 2006) and therefore difficult to change. In total, there are 11 sub-projects, namely the following:

- A. Tanna** – Cemented Road from Lonialu to Port Resolution
- B. Efate** - Bitumen Sealing of Efate Ring Road
- C. Epi** – Up-grade of Lamén Bay Wharf and Construction of Warehouse
- D. Malekula** – Bitumen Sealed Road from Litzlitz Wharf to Norsup, Up-grade of South West Bay Airstrip and Construction of Warehouse at Litzlitz wharf
- E. Malo** – Cement Road and Construction of Warehouse at Nanuku
- F. Santo** – Bitumen Sealed Road on eastern Road and construction of 5 bridges
- G. Ambae** – Construction of 29 Creek Crossings and Warehouse at Lolowai

H. Pentecost – Up-grade of North-South Road, Up-grade of Loltong Wharf and Construction of Warehouse.

Another sub-project involves institutional strengthening the PWD through providing maintenance equipment for them. The following equipment will be purchased:

1. 2 Bulldozers
2. 2 loaders
3. 2 Vibrating Rollers
4. 1 Rubber Tired Roller
5. 2 Grader
6. 3 Dump Trucks
7. 1 Water Cart
8. 1 Mobile Crusher
9. 1 Bitumen Sprayer
10. 1 Aggregate Spreader
11. 2 Crane Trucks

The meeting was told that PWD's recurrent maintenance budget will be increased by some 100% by Government. PWD will also be allowed to recruit some 40 additional staff.

The meeting was informed that MCA Vanuatu conducted series of consultation meetings in villages and communities adjacent to the road projects on Efate and Santo.

The meeting was further informed that all projects are subject to design and build based on FIDIC rules. They were informed that mobilization was expected to be around September 2007.

4. Representative presentations

a. Sustainability Role of the Department of Public Works Beyond the Life of the MCA Program and Requirements for Quarry – Department of Public Works

The PWD has a major role to play in this development program. It was planned that it assumes the role of Supervisory Engineer. The Government through its employer (the PSC) has recognized this role, and established a special unit within PWD (Engineers Support Unit). PWD must establish community contracts with local villages and communities for maintaining the rehabilitated infrastructure assets.

b. Long term benefits of the program within the agriculture sector, Existence of Agriculture Leases – Department of Agriculture

One of the major objectives of this program is to facilitate trade of agricultural produce from the farm to market places. The issue now is that these agricultural produce cannot be transported easily to the market place without being perished because of the poor condition of the roads.

Regarding construction, the Department of Agriculture sees no real issue in compensation that may prohibit construction implementation. They have offered to assist MCA Vanuatu if required in terms of valuation of damages to agriculture.

If the MCA program is not funding feeder roads then consideration by Government should be made into linking the farms to the main sealed road.

c. Policy Integration - Long term benefits of the program towards the development of women within the Tourism and Agriculture Production sector – Department of Women's Affairs

Rural women in Vanuatu are known to be good farmers than their counterpart men. They work in food gardens and farms and are the ones that sell the produce while men do not. They are pleased that the MCC have agreed to fund road projects which will benefit women as they are more vulnerable than men. They will benefit economically. Because of the poor road conditions women traveling to towns to give birth have delivered their babies in trucks on the way to the hospital. This is both a social and a health concern. The improved roads will ease travel and allow women to reach their destinations quicker.

d. Requirements to Obtain Physical Planning and Building permits – Shefa Provincial Council

The proposed up-grade of Efate Ring Road (within Shefa Province) is the biggest sub-project. Preparations towards this sub-project activity began 1997. Between 2004 and 2005, consent was signed by Vaturisu Council of Chiefs of Efate and was sent to UNELCO and Telecom Vanuatu Ltd for establishment of utilities. There are certainly no obstacles in implementing the sub-project other than seeking collaborative efforts with Government authorities, where necessary.

Physical Planning permits need to be obtained from the Shefa Provincial Council since some of the sites for the road up-grade will go through declared physical planning areas. Although building permits are not required, the council still needs to be formally notified about establishments of Contractors Camps for the proposed civil works, both on Efate and Epi (within Shefa Province). The Council fully supports the Efate Ringroad subproject as it is within its REDI program.

e. Requirements to obtain Foreshore Development Permits- Physical Planning Unit, Department of Provincial Affairs

The two proposed wharf sub-projects for Lamén Bay and Loltong will require a Foreshore Development permit from the Minister of Internal Affairs since the construction works will be undertaken below the mean high water mark. They can assist in obtaining it, when asked to.

f. Long Term Economic Benefits of the MCA Program, including GDP Forecast and Other supporting investments – Department of Economic and Sector Planning

The MCA Program will undoubtedly create long term economic benefits in terms of the following:

- Provide the base for private sector or businesses to develop

- Sufficient access to markets
- Increase productivity
- Increase production level
- Provide employment opportunities
- Provide income for the rural population
- Improve standard of living
- Boost economic growth and
- Increase profitability
- Increase GDP per capita income

There will be other projects and program activities being undertaken and supported by the MCA program, such as the following;

- Copra production, Export of Premium Beef and local fruits and vegetables
- Prawn farming and Aqua Culture
- Access to major sites for commercial timber trees – boost economic activity within the forestry sector
- Implementation of trade policies
- Development of Tourism Sector – stimulus to ecotourism

g. Requirements for Quarry Permit, Current Challenges and Proposed Resolution Strategy – Department of Geology and Mines

Under the Mines and Minerals Act, all sources of aggregate in-country are state owned. Due to the large amount of quantity that is required for the civil works, it is important that logistics to obtain permits are processed immediately. This urgent response addresses the following issues:

- Time required to process applications for quarry permits
- Limited staff
- Middle man and custom owner negotiation over the aggregate source

Potential sites for locating basalt are Navaka River, Lingarak and Quoin Hill. PWD has the capacity to conduct tests for these minerals. It is recommended that aggregate is not imported from overseas but sourced locally. There is currently a ban placed on importing sand from overseas.

It is important that the Department of Geology and Mines is included in future awareness consultations organized by the MCA Vanuatu.

h. Location of Sensitive Cultural Sites – Vanuatu Cultural Centre

The Vanuatu Cultural Centre (VKS) needs to be informed about the exact locations of the civil works, particularly if there are proposals to cut across road bends. In any case, there is a need to go and identify sensitive cultural sites. They will be working closely with the Shefa Provincial Council (in regards to Efate Ring-road) to initiate this.

The VKS is kindly seeking possibility for financial assistance to be provided by the MCA program to fund the traveling costs for VKS Officers to visit the sub-project sites and locate sensitive cultural sites via use of GPS. Such assessments have not been undertaken on some of the islands where the civil works will take place.

i. Requirements for Land Compensation – Department of Lands, Registry and Survey

If the civil works require extending into land that is under a form of lease, then, the Lessee and Lesser have the right to demand compensation. The Ministry, including Department of Lands will need to see an approximate plan on the extent of civil works in order to determine potential land plots that will require compensation. Such being where road alignments fall within the 20 meter reserve declared as public land. An emphasis was made on the importance of processing necessary logistics for potential compensation prior to the arrival of contractors since it will require time involving serving a notice to land owners, undertaking land valuation and surveying of land.

There will definitely be problems with leased land. In order to address the issue, it is best that an agreement is signed between Government, through MCA, and Lessee/Lessor for no demand of compensation.

Reference was made to the Government's current commitment to establish an annual compensation fund. Compensation for Norsup and Lakatoro on Malakula are currently happening.

It is important that stakeholders remain informed and involved with implementation of the program. Any matters or problems that shall arise during and after implementation will hold accountable stakeholders even beyond the life of the MCA program.

5. Discussion: Questions and Issues

- a. Questions were asked on whether or not MCC can fund the up-grading of feeder roads. At the current stage, there have only been agreements made on funding up-grading of main roads. It is suggested that approach be made by Government to development partners, including but not limited to AusAID who have shown interests in infrastructure development to consider improving feeder roads. This can be complimentary to the existing MCA program.
- b. Technically, buildings within the vicinity of existing road alignment will have to be removed since they will be located within the boundary of the road reserve. It is noted that as far as possible Government will want to minimize compensation. Given the situation of land compensation in Vanuatu it is MCA's concern that compensation must not be too high such that it prohibits construction implementation. Resource owners should not be made worse off. If buildings are removed then compensation for such removal may be in order. Land compensation is seen in many eyes in Vanuatu as easy and free money, such an opportunity will open up a dangerous path and such issue is better handled with care and sensitivity.
- c. Each stakeholder has its own processes and requirements that need to be confirmed. It was suggested that because these processes take time, the sooner the process starts the better. It is suggested that the next meeting discuss strategies on how to resolve issues raised in the meeting.
- d. Final designs have yet to be developed. These will be done once the firm is selected. Questions were raised over whether some approximate designs are available to enable

stakeholders begin reviewing their requirements vis-à-vis the designs. VKS will have to register sensitive cultural sites but this will be largely dependent on the availability of infrastructure designs and their exact boundaries. Questions on whether the subprojects (e.g roads) be designed within the cadastral boundary of 20 meters.

Question raised regarding the time required to process logistics for land compensation in all eight (8) islands where construction will take place.

- e. PWD is only able to conduct mechanical tests for aggregates but not chemical tests as there is lack of appropriate equipment. As part of the institutional capacity building component of the program it will fund new equipment for carrying out these tests within PWD – these equipment will remain upon conclusion of the project.
- f. Establishing these infrastructures should form the basis for stimulating business development. The Shefa TAG and Department of Ni-Vanuatu Business are examples of where advice can be sought in orientating community interests in establishing small scale cash enterprises.
- g. In terms of road reserve, there is a question of which law will take precedence in justifying which road specification to use; Land Survey Act or National Road Act?

6. Recommendation

- a. **To convene next meeting and strategically resolve issues.** Issues that still need to be discussed and resolved are requirements for Environmental Impact Assessment, obtaining permit for the use of water and adverse impacts, compensation surrounding felling of trees such as commercial and fruit trees and national government's commitment through the Ministry of Finance and Economic Management to fund compensation.
- b. **MCA-Vanuatu to urgently liaise with concerned authorities to facilitate preparations to obtain the necessary permits for the civil works.**

7. Conclusion

It was clear from the discussions that some issues relating to environmental impact assessment, use and adverse impacts of water, requirements for compensation, etc will need to be addressed.

The following concerns were constantly raised through out the meeting:

- Stakeholders emphasized the need to stay informed of progress.
- MCA-Vanuatu to liaise with permitting authorities to facilitate obtaining permits and/or licenses prior to commencement of construction
- Requirements for compensation. There was general enquiry for an approximate time when designs for civil works will be ready in order to determine the costs for compensation.

Appendix 1: Copy of Invitation to the Meeting

Millennium Challenge Account Vanuatu

Constitution Building
Lini Highway
PO Box 192
Port Vila, Vanuatu
Tel: (678) 26918 / 26415
Fax: (678) 26419



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

February 20, 2007

To: Mr. Jean Sese, Director General, Office of the Prime Minister
Mr. Jeffrey Stubbs, Resident Country Director – Vanuatu, Millennium Challenge Corporation

Mr. Benjamin Shing, Director, Dept. of Finance
Mr. George Pakoasongi, Director, Dept. of Provincial Affairs
Ms. Janet Samuel, REDI Unit, Dept. of Provincial Affairs
Mr. Jerry Sampson, Physical Planner, Dept. of Provincial Affairs
Mr. Michel Kalorai, Planner, Shefa Provincial Council
Mr. Stanley John, Assistant Physical Planner, Shefa Provincial Council
Mr. Toney Tevi, Commissioner of Mines, Dept. of Geology and Mines
Mr. Ericson Sammy, Water Resources Management, Dept. of Geology and Mines
Mr. Russell Nari, Director General, Ministry of Lands and Natural Resources
Mr. Jean Marc Pierre, Director, Dept. of Lands, Registry and Survey
Mr. Richard Dick, Head, Lease Execution Unit, Dept. of Lands
Mr. Enos Tari, Acting Survey General, Dept. of Lands, Registry and Survey
Mr. Ernest Bani, Head, Environment Unit
Mrs. Hilda Taleo, Director, Dept. of Women's Affairs
Mr. Fraser Bule, Principle Agriculture Officer, Dept. of Agriculture
Mr. Livo Mele, Director, Dept. of Forestry
Mr. Marcellin Abong, Director, Vanuatu Cultural Centre
Mrs. Martha Kattal, Vanuatu Cultural Heritage and Historical Society, Vanuatu Cultural

Centre

Mr. Willie Watson, Acting Director, Dept. of Public Works
Mr. Dennis Alvos, Maintenance Engineer, Dept. of Public Works
Mr. Fredrick Hosea, Acting Director, Dept. of Economic and Sector Planning
Mr. Jerryson Lapi, Infrastructure Analyst, Dept. of Economic and Sector Planning

Re: Invitation to Attend a Round-Table Meeting on the Status of the Millennium Challenge Account (MCA) Program - Vanuatu

I am formally inviting your participation in a round table meeting which will be convened on:

Date: 23rd February 2007

Time: 8:00 am to 4:00 pm

Venue: Melanesian Hotel

(Morning Tea, Lunch and Afternoon Tea will be provided)

The purpose of the meeting is to provide you with an up-date of the MCA program implementation, including a forecast on the future developments. As government stakeholders to the program, it will be

an opportune time for your sector to be able to provide feed-back on the various issues that will be raised and which have a direct or indirect impact to the management of the overall MCA program. Please find attached a tentative program for the meeting which requires presentations to be made by individual sectors of concern.

If you are unable to attend, please inform your alternate. Should you have further queries or comments regarding the meeting, please contact me on ph: 26918 or email: lvuti@vanuatu.gov.vu

I look forward to meeting you.

Yours Sincerely,

Lennox Vuti
Director, MCA Program Management Unit

Appendix 2: List of Invitees and Absentees to the Meeting

Kathy Rarua, Gender Planner/Acting Director, Dept. of Women's Affairs
Abong Marcellin, Director, Vanuatu Cultural Centre
Martha Kaltal, VNHR Manager, Vanuatu Cultural Centre
Michel Kalorai, Provincial Planner, Shefa Provincial Council
Stanley John, Assistant Physical Planner, Shefa Provincial Council
Enos Tari, Acting Surveyor General, Dept. of Lands
David Moses, Acting Director, Dept. of Lands
Russell Nari, Director General, Ministry of Lands and Natural Resources
Fraser Bule Lehi, Principle Agriculture Officer, Dept. of Agriculture
Toney Tevi, Commissioner of Mines, Dept. of Geology and Mines
Jerry Samson, Acting Principle Physical Planner, Physical Planning Unit, Dept. of Provincial Affairs
Michelle Jonas, Acting Principle Development Planning Officer, Dept. of Provincial Affairs
Rex Willie, Senior Analyst, Dept. of Economic and Sector Planning
Michael Busai, Principle Economist, Dept. of Economic and Sector Planning
Henderson Tagaro, Assistant Economist, Dept. of Economic and Sector Planning
Jeffrey Stubbs, Resident Country Director, Millennium Challenge Corporation
Lennox Vuti, Director, Millennium Challenge Account - Vanuatu
Allen Faerua, Infrastructure Analyst, Millennium Challenge Account – Vanuatu
Tony Sewen, Economic Analyst, Millennium Challenge Account – Vanuatu
Catherine Malosu, Environment and Social Impact Officer, Millennium Challenge Account – Vanuatu
Kency Yosef, Dept. of Public Works
Andre Iatipu, Dept. of Public Works
Tofau Kalsakau, Senior Forestry Officer, Dept. of Forestry

Absent:

Mr. Benjamin Shing, Director, Dept. of Finance
Mr. George Pakoasongi, Director, Dept. of Provincial Affairs
Ms. Janet Samuel, REDI Unit, Dept. of Provincial Affairs
Mr. Ericson Sammy, Water Resources Management, Dept. of Geology and Mines
Mr. Ernest Bani, Head, Environment Unit

Apologies:

Mr. Richard Dick, Head, Lease Execution Unit, Dept. of Lands
Mr. Jean Sese, Director General, Office of the Prime Minister

Person Acting as Chairman: Lennox Vuti

Person Acting as Secretary: Catherine

Appendix 3: Participant's Contact Details

Name of Participant	Position	Organization	Address
Kathy Rarua	Gender Planning/Acting Director	Department of Women's Affairs	P O Box 091, Port Vila krarua@vanuatu.gov.vu
Abong Marcellin	Director	Vanuatu Cultural Centre	BP 184, Port Vila abong.marcellin@vanuatauculture.org
Martha Kaltal	VNHR Manager	Vanuatu Cultural Centre	vks@vanuatu.com.vu
Stanley John	Physical Planner	SHEFA Province	PMB 9078 Port Vila Tel: 22752 sjfoxtpu@yahoo.com
Michel Kalorai	SHEFA Provincial Planner	SHEFA Province	PMB 9078 Port Vila Tel: 22752
Enos Tari	Acting Surveyor General	Department of Lands	PMB 9024 Port Vila enostari@msn.com
David Moses	Acting Director	Department of Lands	PMB 9090 Port Vila dmoses@vanuatu.gov.vu
Russell Nari	Director General	Ministry of Lands and Natural Resources	PMB 9007 Port Vila rnari@vanuatu.gov.vu
Fraser Bule Lehi	Principle Agriculture Officer	Department of Agriculture	PMB 9040 Port Vila fblehi@vanuatu.gov.vu
Toney Tevi	Commissioner of Mines	Department of Geology and Mines	PMB 9001 Port Vila toneytevi@gmail.com
Jerry Sampson	Acting Principle Physical Planner	Physical Planning Unit	PMB 9021 Port Vila jerrysampsondpa@yahoo.com
Michelle Jonas	Acting Principal Development Planning Officer	National REDI Unit	PMB 9021
Rex Willie	Senior Analyst	DESP	PMB 9008 Tel: 22605 wrex@vanuatu.gov.vu
Michael Busai	Principal Economist	DESP	PMB 9008 Tel: 22605 mbusai@vanuatu.gov.vu

Key Government Stakeholders Consultation Meeting
Melanesian Hotel, Port Vila
February 23 2007, 10:00 am

Henderson Tagaro	Assistant Economist	DESP	PMB 9008 Tel: 22605 htagaro@vanuatu.gov.vu
Jeffrey Stubbs	Resident Country Director	Millennium Challenge Corporation	stubbsjr@mcc.gov
Lennox Vuti	Director	Millennium Challenge Account – Vanuatu	PMB 092 Port Vila lvuti@vanuatu.gov.vu
Allen Faerua	Infrastructure Analyst	Millennium Challenge Account – Vanuatu	PMB 092 Port Vila afaerua@vanuatu.gov.vu
Tony Sewen	Economic Analyst	Millennium Challenge Account – Vanuatu	PMB 092 Port Vila tasewen@vanuatu.gov.vu
Catherine Malosu	Environment and Social Impact Officer	Millennium Challenge Account – Vanuatu	PMB 092 Port Vila cmalosu@vanuatu.gov.vu
Kency Yosef		Department of Public works	Tel: 22555 kyosef@vanuatu.gov.vu
Andre Iatipu		Department of Public works	Tel: 22555
Tofau Kalasakau	Senior Forestry Officer	Department of Forestry	Tel: 23171 tofau@gmail.com