



## MCA-Vanuatu Steering Committee Meeting Minutes

Type of Meeting: Regular Steering Committee  
6<sup>th</sup> August 2007  
2pm

Chantilly's Conference Room

### **Board Members:**

#### ***Present:***

Jean Sese	Chairman	Director-General Prime Ministers Office
Russell Nari	Member	Director General Ministry of Lands
Simil Johnson	Member	Principal Statistician, NSO
Johnson Binaru	Member	Director Department of Public Works
Gregoire Nimbtiik	Member	Director of Department of Strategic Management
George Maniuri	Member	Director General. Ministry of Foreign Affairs
Benjamin Shing	Member	Director, Department of Finance
Victor Rory	Member	Head of Development cooperation, Foreign Affairs
Michael Busai	Member	Representative, Director, DESP
Hugo Eplan	Member	Chamber of Commerce
Simeon Athy	Vice-Chairman	Director General of MFEM

#### ***MCA Vanuatu Program Management:***

Director Program Management  
Environment & Social Impact Officer  
Economics Analyst  
Infrastructure Analyst  
Admin Support Staff

#### ***MCC Representative:***

Jeff Stubbs MCC Country Resident Director  
Chris Cookson MCC Deputy Country Resident Director

#### ***Absent:***

Secretary General Vanuatu Non Government Organizations

#### ***Apologies:***

Acting Director: Environment Unit  
Director General Director General Ministry of Public Utilities & Infrastructures

***Quorum present? Yes***

The meeting was quorate.

***Person Acting as Chairman:*** Director General, Office of the Prime Minister

***Person Acting as Secretary:*** Program Director MCA Vanuatu

### **Proceedings:**

The meeting called to order at 2pm by Chairman

## **Welcome and Introduction by Chairman**

The Chairman welcomed members of the Steering Committee and thanked them for their attendance. He requested comments from members in regards calling of the meeting and agenda.

### **Agenda Approval**

No members of the Steering Committee attending the meeting or those who did not attend objected to the calling of the meeting or declined discussing the agenda. Observer, Mr. Stubbs suggested that “presentations and approval of minutes” be included under Other Matters.

The Steering Committee members unanimously approved the agenda.

## **I. Discussion and Action Items**

### **1) Matters arising from Previous Meeting**

By introducing this paper, the MCA Director mentioned that this is a new initiative by Program Management to follow-up on actions delegated to agencies of Government through the previous SC Meeting. He further stated that this initiative would ensure that required actions identified through SC Meetings are appropriately action.

#### **a) MCA Website:**

The Director of Finance reported there is work underway. They’re purchasing new servers. MCA Vanuatu to monitor progress.

This matter has been raised by the Program management more than once before in a SC Meeting.

#### **b) Fiscal Agent’s Storage facility**

The Chairman requested that Director DSM ascertain the ownership status of Government Stores. Director DSM confirmed he has not done this, but undertake to check for a COM decision that establishes the ownership of Government Stores – Director of Finance stated that Government Stores can be renovated to become the storage facility.

#### **c) ESU payment terms**

Through the last SC Meeting, the MCC Rep was reported to be sympathetic to national systems and said he would communicate the views expressed by the SC to MCC and to obtain their view. MCC Rep pledged to have something from MCC by the end of the week.

#### **d) Service Performance Agreement between PWD and MIPU**

MCA Vanuatu has received confirmation from PWD that they have no further comments to make in regards to the draft. What is required now is for a Legal Counsel to transform that agreement into legal language.

### **2) Steering Committee Members Alternate Form**

The SC through the last meeting requested that the program management present to the SC a draft standard form to be used to nominate principal deputies to act as alternates in positions of memberships of the SC in times of their absence.

The MCC Rep commented that the alternate nominee should be the SC member’s principal deputy pursuant to the Governance Agreement.

The Director Program Management requested through the Chairman that all members submit names of their principal deputies and alternates to program management for records.

### **3) Bid Challenge Panel and Design & Build Evaluation Panel**

Bid Challenge Panel will require 9 panel members which will need to be put in place as soon as possible. The Bid Challenge System is posted onto the website. The panel will comprise expertise in areas such as law, engineering, civil design, finance, etc.

Additionally, MCA Vanuatu must establish an Evaluation Panel for the Design & Build Contract. Expertise in areas of financial, structural engineering, civil engineering, project management, construction engineering and management are required.

Use of sole sourcing as the most appropriate procurement method of soliciting these experts has been advised as the way forward.

It is recommended that MCA Vanuatu gathers CVs of more than one in each expertise and guide the SC in making a decision on the candidates for the Evaluation Panel and Bid Challenge Panel for SC decision.

The Director of Finance moved that the SC accepts the recommendation and seconded by the Director General of the Ministry of Lands & Environment.

### **C) Progress Reports from Program Management:**

This was agreed on the last SC meeting; monthly reports should be circulated to the members. This was usually sent to the Ministry of Finance & Economic Management and copied to the chair, vice chair and all SC members. The chair requested the Program management to circulate all previous monthly reports to the SC members.

#### **C:1 Civil Works Progress Report presented by Infrastructure Analyst**

##### **1) Civil works contract**

The Director Program Management requested Infrastructure Analyst to present an overview of the Civil Works report to the members. The analyst reported the Pre bid Meetings and projects site visits by the three short listed firms, and are given a three months period to submit their bids. The bidding period closes on the 13<sup>th</sup> September 2007.

Recommendation by Program Management for SC members to take note of the progress of the procurement.

##### **2) Relationships between Engineer Support Unit and Supervisory Engineer**

The Director Program Management requested to the Chair for SC to approve the option 3 as explained by the Infrastructure Analyst.

##### **Option 3:**

- PWD Director takes up Engineer role
- Supervisory Firm provides engineering advise to the PWD Director
- ESU are PSC employees based with PWD
- Responsibility of PWD Director to ensure ESU staff perform
- Environmental consultant hired to monitor environmental aspects and to work alongside ESU

Director General of the ministry of Foreign Affairs positively moved the option 3 and Seconded by Head of Development Corporation and all members voted unanimously in agreement to the motion.

##### **3) Supervision Engineer**

Program Management is still in consultations with MCC and PWD to develop TOR. MCA to compile RFP.

##### **4) Engineer Support Unit (PWD) positions**

The 5 positions created and advertised was closed for submission on the 13<sup>th</sup> July 2007, the program management is awaiting establishment of panel.

## **5) Environment & Social Assessment**

Terms of Reference is in the procurement process, SC took note on the progress on ESA TOR and RFP will be issued.

## **6) PWD Implementing Agreement**

The analyst reported to the SC the final draft is with the MCC for language purposes, program management should receive this by end of this week.

## **7) PWD Service Performance Agreement**

There were consultation meetings with PSC on the 28<sup>th</sup> June 2007. The agreement is currently with MCC requiring no objection before Program Management make the final review.

### **Recommendations:**

MCA Vanuatu recommends the Steering Committee to take note of the status of the Civil Works Contract Activities. All members took note of the progress.

The SC members share their concern on the process of no objection, how SC take note on approvals through no objection to MCC has taken within a 5 days period – three months after we get MCC making changes to what has been approved. RCD shares apology for this and MCC will take note of this and SC members took note of the progress of this report.

## **C:2 Environment and Social Assessment Progress Report presented by ESI officer**

- Tanna - consultation meeting on the 21<sup>st</sup> June 2007,
- Lolong Project - Environment and social implications of Lolong Project.
- Finalization of Terms of Reference – Contract terms of 6 months.
- Issue Request for proposals to short listed firms very soon – 6 short listed firms
- Visit of Nancy Convard, Director Environmental and Social Assessment from August 9-18<sup>th</sup> 2007

### **ESA related Roles and responsibilities**

MCA Van	Overall project oversight on Environmental and social aspects.
PWD	undertake all activities with respect to the Transport Infrastructure Project in accordance to Vanuatu Environmental legislations and MCC environmental guidelines.
PWD ESU	PWD-ESU provides assistance to the Supervisory Engineer Consultant to amongst other things, ensure the DB Contractors adherence to the Environment Management Plan
Environment Unit	Ensuring Project compliance with Vanuatu laws, regulations and other requirements.

The Steering Committee was requested to take note on this ESA report. The chair requested members to comment, the issue of Lolong Wharf was brought up by Director General of lands. He presented his concern on the location of wharf; his preference was to change site to Latano. Concerns were raised on cost implications of this change. After much discussion on the issues raised, the Chair requested for Program Management to take note on the DG of Lands concerns and justifications.

The SC agreed for Design phase to give better decisions however to take note that the Compact is fixed and any decisions made will be reflected.

Chair requested for this issue to be addressed to MCC Director Environmental & Social Assessment Nancy Convard must be made aware of existing issue, Director General to meet with her and address his concerns.

### **Justification for Advance Payment to the Contractor**

The Director program Management presented justification on an handout to the members during the meeting. The Director requested to chair for SC approval of 20% upfront payment. An addendum to

IFB. This is an upfront payment procedure of the procurement process and is for the bidders to be more comfortable in presenting their bids.

The Steering committee members unanimously agreed to the justification for the advance payment to the Contractor as explained by the Director of Program Management moved by Director of Public Works and Seconded by Director General of the Ministry of Foreign Affairs.

GRM procurement agent will let the bidders know about this approval.

### **C:3 Monitoring and Evaluation Progress Report presented by Economic Analyst.**

#### **Status of Surveys as listed below:**

- **HIES**

Analysis and preparation of report continuing. Final report expected to be release in August 2007.

- **Accommodation Survey**

This is an ongoing survey conducted by National Statistics Office.

- **Tourism Survey**

TRIP Consultants have signed a contract with MCA Vanuatu and are currently doing pre testing of questionnaires. The first phase of the survey will commence this month August 2007.

- **Traffic Count**

A traffic count implementation plan has been prepared by MCA-Vanuatu, surveys is expected to start in September 2007.

- **Road-Side Enterprise Survey**

TOR is in the final stages, Surveys are expected to start in November 2007.

- **Data Quality Audit**

Procurement stages are near completion. Interviews have been completed. And MCC has provided its no objection to the recommendation of the Evaluation report. The contract is yet to be signed.

- **Database**

It is under review and no final decision yet on this procurement.

- **Website**

The fiscal agent is currently working on the issues that have been raised on previous meetings. Information is continuously posted on the website. A suggestion box has been created to receive suggestions from the public.

#### **Recommendations:**

MCA Vanuatu recommends the Steering Committee to take note of the status of the M&E Activities. All members took note of the progress.

The chair requested for comments, the Director of Fiscal Agent proposed to hire a consultant for website design from easy update. Fiscal agent budget will cover all costs. The Steering Committee unanimously approved this

The Government Statisticians responded mentioned various updates on Accommodation, HIES report is currently on final draft. The Government Stats also mention the TRIP consultancy has been contracted to do the Tourism Survey has requested Data from Statistics. The Chair questioned the use of raw data if there is a law protecting this.

The Steering Committee requested for the Program Management and National Statistics to request TRIPs consultancy to write to request what Data it required and charged TRIPS for any data obtained from the National Statistics Office.

The National Statistics also requested the SC to approve their request for extra funding from MCC for Accommodation Survey. The Government Statisticians commented on the response received for the Accommodation data from Village is very low due to literacy problems. There is need to translate questionnaire into more simple languages for data collection.

### **C:4 Other Consultancy Contracts**

As presented by program management, the status of procuring this services is as follows:

Service	Procurement Mode	Comments
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Legal Counsel	Individual	Direct Contracting
Bid Challenge Panel Members	Individual	Direct Contracting
Data Quality Auditor	Individual	MCC provided No Objection to award contract to Oxford Policy Management Group
Tourism Survey	QCBS	Contract awarded to TRIP Consultants
Financial Auditor	QCBS	Contract awarded to BDO

**The Steering Committee was requested by the program Management to take note on this**

**d) Financial Briefing presented by Program Management Economic Analyst**

Summary of funds as of 31<sup>st</sup> July 2007:

<b>Description</b>	<b>Amount in USD (\$)</b>	<b>Amount in Vatu (VUV)</b>
Receipt from US Dept. of Interior	1,721,072.00	191,462,807
Interest Received (yet to return to US)		
Interest Return to the US Dept. of Interior	38,315	4,138,020
Re-disbursements of funds (Expenses)	1,006,592	108,711,936
Balance	714,480	77,163,840

**Changes to Component Budgets from Compact**

Since Enter into Force the budget allocated for the different components of the compact have change. This change incur as a result of additional program activities that are not foreseen during compact preparation. Some additional activities that affect the budget are as follows:

Well above contract amount with BCEOM, termination payment to BCEOM, well above contract with GRM, creation of a Engineering Supervision Unit at PWD, Budget allocation for Bid Challenge Panel, Evaluation expert cost of evaluating the Pre-qualification and final bids, allocation for pre-bid conference, allocation for a legal consultant, allocation for Institutional Strengthening (management systems).

Budget allocated from these new activities is taken from moving budgets in allocated for the Design, ISP and PMU.

**Disbursement Request for July – September 2007 Quarter**

The Disbursement request for this period is US\$ 285,536.29. MCC has responded to the disbursements request by suggesting certain amendments to the financial plan, these changes have been incorporated into the financial plan and other related documents and have received SC approval through flying minutes.

**Recommendations**

MCA Program Management recommended that the Steering Committee approve a system (form) to be used to approve budget changes from one project component to another to enable changes to be tracked and documented. And also take note of this financial briefing and the amount requested for the Disbursement request for the period of July – September 30, 2007. The SC endorsed the approval of disbursement request through flying minutes.

The SC proposed for the Chair to approach MCC for funding support during implementation and these impositions, The Director General of Ministry of Finance & Economic Management supported this proposal.

**e) Other Matters**

- 1) On the presentations and approvals of minutes

The Resident Country Director presented this to the SC meeting his concern on the flow of information to be circulated to all SC members and observers. The SC members responded mentioned the flow of information is being received through flying minutes and SC minutes and are being posted on the website.

The next Steering Committee Meeting will be held on 3<sup>rd</sup> September 2007 @ 2 pm at the MCA Vanuatu Conference Room.

The MCA Vanuatu Steering Committee meeting officially closed at 4:00pm

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

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