

MCA-Vanuatu Steering Committee Meeting No:03032309 Minute

Type of Meeting: Special Steering Committee Meeting

2 pm. 23 March 2009

MCA Vanuatu Conference Room

Board Members:

Present: Director Policy and Planning, PMO, Gregoir Niptik
Deputy Chairma, DG, Finance, George Maniuri
DG, MIPU, Wilson Vuti
DG, Lands, Russel Nari
Acting Director DEREAU, Michael Busai

MCC Representative

Chuck Sethness, MCC-V Resident Country Director
Chris Cookson, MCC-V Deputy Resident Country Director

MC- Vanuatu Program Management:

Johnson Wabaiat, Program Director MCA-V
Hans Euscher, MCA-V Project Manager
Catherine Malosu, Environment & Social Impact Officer
Tony Sewen, Economist
Dolsie Amos Kalo, Administrative Personnel

Absent:

Nil

Apology:

Chairman, DG PMO, Simeon Athy

Quorum present? Yes

PROCEEDINGS:

The SC meeting called to order at 2.30pm by MCA-V Chairman, Mr. Simeon Athy for the meeting to continue from previous Agenda Items not being considered at the last meeting.

Items for Discussions

1. Government of Vanuatu Road Works on Santo East Coast Road
2. Stakeholder Obligations:
 - Marine Study
 - Land Compensation
 - Road Maintenance
3. Update on Santo East Coast Resettlement Action Plan (RAP)
4. Update on Efate Ring Road Design and Build, Fit for Purpose (MCA-V Project Manager)
5. Contract for Procurement Agent (GRM)
6. AOB

Recommendations

SC approved the agenda items for discussion as a continuation following adjournment of the said meeting called on 10th March 2009.

1. Government of Vanuatu Priorities for Road Works on Santo East Coast Road:

Introduction:

SC was informed about the instances where equipment purchased for PWD Maintenance under the Compact funds were used for other political purposes and not for the purpose for which the equipment were purchased for. This has raised a lot of concerns from the residents of Santo as well as the road users where road maintenance was not being attended which also resulted in very poor road conditions of the Santo East Coast. The deteriorating conditions of the road raised concerns to all sectors of the communities including private sector that immediate action had to be taken. The community perception has clearly shown that the Government has change priorities which resulted in media reporting on community frustrations. Therefore immediate steps have to be taken to the authorities concerned either through the Minister of Public Utilities or the Government of Vanuatu to ensure that the road is trafficable before the official handing over of section A of the Santo East Coast Road.

The poor road condition was observed and reported to SC by recent RAP team expressing communities' dissatisfaction about the Government non committal actions which could in turn lead to MCA program not meeting the primary objective of the compact.

Discussions:

The matter was presented to SC to seek the Vanuatu Government's commitments and priorities for Santo East Coast Road to commence without delays. The highlight of the discussion was to have the equipment moved to the road construction site where maintenance works can be done for the said section of the road to be trafficable before the official handing over to contractor in April/May 2009 without unnecessary delays. SC

noted that immediate action should be done through dialogue with the Ministry or Minister responsible for Public Utilities and the Prime Minister to resolve the unanswered questions. The SC was informed that MCC-V and MCA-V considered this to be of serious concern and are working collaboratively to have the matter resolved.

Recommendations:

SC noted and approved the initiatives taken by MCC-V and MCA-V to resolve the matter within the minimum time possible through collective approach and assisted by members. SC also approved that the road maintenance works for the first section of Santo East Coast Road be executed by PWD to a trafficable state before the official handing to the Contractor.

2. Stakeholder Obligations:

Stake holder obligation has been the subject for discussion to ensure that the MCA-V Program is seen as Government Owned Program where all stakeholder agencies will have to work together. Key stakeholder line agency assistance is paramount and to promoting the sense of ownership, partnership and commitments to foster Whole of Government Approach during the course of the program implementation. In some instances line agencies tend to take it that MCA-V is not part of Government and therefore priorities required may not be of importance.

a) Marine Study

In the Efate Ring Road Project some development activities adjacent to the road where road alignment is necessary other environmental requirements had to be done to ensure that the marine life is not affected through siltation and other activities. Therefore it is a requirement that a Marine Study be done and constantly be monitored during the development stage. As such a marine study is required at Undine Bay Marina Development as environmental risk management and reduction to prevent potential that may cause distress to marine life and the nearby communities.

The Study will require collective efforts from Fisheries Department, Forestry Department and Rural Water Supply and MCA-V will require the assistance from these line agencies. There is positive collaborations with the agencies, however, staffing movements could also be a potential cause to delays and SC was assured that the study will be done and completed. In addition to the study being conducted to avoid any unforeseen emergency situations incentives is essential to facilitate logistics such as insurance cover, and scuba diving assistance. SC was also reminded and informed of the compact agreement, the time factor and the condition precedent required.

Recommendations:

- The SC considered the report presented and approved the need to address the matter without any further delays to ensure that the Marine Study is done and completed within the required period.

- SC approved that issues related to insurance as communicated by the Minister of Finance shows Government commitment to the Compact and associated local costs for such activities to be of significant importance.

b) Land Compensation:

SC was briefed on certain land compensation claims and other related issues for the road construction works as identified in the RAP for Efate Ring Road and the Santo East Coast Road. These claims included director claims from custom owners, land owners, lease holders for different activities associated to their land. The activities included claims for their affected properties such as fruit trees, valuable trees and other garden crops.

SC was also informed and aware that compensation arrangements under the compact are considered as cost to be met by the Government from own resources. However, compensation arrangements can only be done through in-kind arrangements and cash compensation should at all times be discouraged.

Recommendations:

SC considered and approved that the compensation processes should be maintained through in-kind arrangements.

c) Road Maintenance

As a requirement under the agreed Compact between MCC and Vanuatu Government road maintenance fund is to be made available in the governments recurrent allocation to PWD for road maintenance works. PWD is then required to prepare maintenance performance plan for each fiscal period and to present the financial report on expenditure details of each financial period to MCA-V and MCC. The compact also required that calendar period PWD and the Ministry of Public Utilities enter into Performance Management Agreement arrangements to facilitate better maintenance program management to include both projects and the six Provincial establishments.

Discussion

The SC was informed the since the signing of the Compact and during implementation of the Program maintenance allocation remained unchanged at USD 5million, however, maintenance activities and expenditure details have not been met to the required standard. Performance Management Agreement was still not addressed and signed between MIPU and PWD. Priorities have at times shifted and the funds have not been fully utilized when on the contrary road conditions continued to deteriorate which raised great concerns to stakeholders and private individuals.

Recommendation

- SC noted the concerns and approved that PWD be responsible to review current Road Maintenance work plan and to ensure that appropriated funds be utilized for the purpose required and to provide financial reporting for each fiscal period to MCA-V and MCC.

- SC approved that the use of PWD equipment purchased under the Compact arrangements be utilized for its rightful purpose and not to be directed elsewhere during the implementation phase of the two projects.

3. Update on Santo East Coast Resettlement Plan (RAP)

SC was provided an oral brief presentation of the Santo East Coast Road RAP by team members following the assignment undertaken in early February 2009. The RAP team included representatives from MCA-V, MCC, PWD and the Contractor and the period taken to complete the exercise was around two to three weeks to cover the whole stretch of road from Section A through to C. The Santo RAP was an essential component required to be completed before the project commences and to take into consideration that subject to final presentation of Design & Build and build to fit for purpose, it may be required that Re-RAP may be necessary.

Wider consultation processes were initiated to include individual property owners, community groups, and the civil societies who may or will be affected in a way or the other when the project is implemented. It is essential to ensure that beneficiaries are equally shared and that the impact of the project will not in any form treat anyone better off or worse.

Recommendation

SC noted the report presented and approved in principle that the final RAP is completed and presented for further consideration and endorsement.

4. Efate Ring Road Design and Build Update

SC was presented with a brief update by MCA-V Project Manager on the Efate Ring Road with particular emphasis on the contractor's engagement of construction works, while at the same time making effort to finalize the final design. SC was also made aware that the current award of contract for the project provided for the same contractor to design and build to fit for purpose. SC further noted that much work is yet to be done and negotiated with the contractor before the final design and cost is presented to SC for consideration and decision.

Recommendation

- SC noted and endorsed the report presented by Project Manager and further approved in principle for any changes made which may alter previous SC decisions to be presented to SC for consideration and decision.
- SC approved that MCA-V continued to work in close collaboration with MCC-V and the contractor to ensure that the two projects of Efate Ring Road and the Santo East Coast Road can be completed successfully on time.

5. Contracts

a) GRM contract as Procurement Agent

SC was informed that the Procurement Agent contract expired on 23rd March 2009 and that MCA-V will continue to seek assistance from PA under similar arrangements with GRM. The SC was also informed that though the contract has expired there is provision in the current contract that provides for immediate extension based on the satisfaction of services provided to MCA-V.

Recommendations

SC noted and approved that the current contractual arrangement for GRM to perform duties of PA be extended.

b) Review of Past Performance Protocol

SC was informed of MCC requirements under the Compact Guidelines for MCA-V to conduct the performance and evaluation of all international contractors which the contract sum exceeds USD 1,000.00. The exercise will also enable MCC keep a data bank of all contractors' engagement with MCAs and could be used as a reference point by other development partners. Their past performances evaluation can also be assessed for to monitor contractors reputation for future contract engagements.

Recommendations:

SC noted the presentation and approved for MCA-V to conduct the assessments with relevant agencies and PA to meet MCCs requirements.

The meeting was closed at 5.30pm

Certified by:

Secretary, MCA-Vanuatu

Acknowledged by::

Chair of the Steering Committee