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Reducing Poverty through Improved Infrastructure

MCA-Vanuatu Steering Committee Meeting No. 01

Type of Meeting: Steering Committee Meeting

9.00 am Friday 9th January 2009

MCA Vanuatu Conference Room

Board Members:

Present: Chairman, Director General, PMO, Simeon Athy
Director General, MIPU, Wilson Tari Vuti
Director of DSPPAC, Gregoire Nimbtik
Acting Government Statistician, Simil Johnson
Director of Finance, Benjamin Shing

MCC Representative

Chuck Sethness, Resident Country Director
Chris Cookson, Deputy Resident Country Director

MCA Vanuatu Program Management

Tony Sewen, Acting Program Director
Allen Faerua, Project Management Engineer

Quorum present? Yes

PROCEEDINGS

The Meeting was called to order at 9.00am by the Chairman of MCA-Vanuatu Steering Committee.

Welcome by Chairman

SC Chairman welcomed all members and representatives present at the meeting and outlined the Agenda Items for discussions as detailed below.

Agenda Item:

- 1. Letter to the Prime Minister Concerning MCC selection criteria**
- 2. Disbursement Request Response from MCC**
- 3. Other Matters**
 - a. MCC Response to Undine Bay Audit**
 - b. Meeting with Hans Euscher after the meeting**

The Agenda was adopted.

1. Letter to the Prime Minister Concerning MCC selection criteria

For the first time since the scorecard process began in 2005, Vanuatu failed the 2009 Scorecard (released late 2008) in the two categories of Investing in People and Economic Freedom. Vanuatu continues to perform well in its control of corruption and in all sections of the category of Ruling Justly.

The Steering Committee (SC) considered the possible causes and implications. It was noted that Vanuatu has graduated from a Lower Income Country to a Lower Middle Income Country (LMIC) under the MCC/World Bank formula. This means that Vanuatu is in a more competitive group of countries. Director of Finance questioned the assessment. Acting Program Director noted that he believed that Vanuatu had failed to provide some essential statistics and was struggling to monitor and report on key areas, for example Millennium Development Goal (MDG) achievement, which overlapped with MCC criteria. Director Finance asked why Johnson Naviti was not assisting and recommended that he be involved in leading Vanuatu's response and to ensure Vanuatu passed the next scorecard. Director DSPPAC explained that it was a new and long process. Acting Government Statistician advised that Vanuatu needs one agency to coordinate all these statistical collections and reports required by MDGs, MCC etc. Director DSPPAC indicated that he felt that the criticism was unfair and failed to note some recent improvements in Vanuatu's achievement of MDGs goals and investing in people. There was discussion about how to identify which statistics were missing and why. SC agreed that it was very important that the government and senior officers understand the MCC's eligibility scorecard.

Director DSPPAC agreed to draft a response.

2. Disbursement Request Response from MCC

The SC considered MCC's response to MCA-V's disbursement request for January to March 2009.

- a. There was a discussion concerning PWD ESA Officer transfer to the ESU and whether she met the key selection criteria. Acting Program Director was asked to work with PWD to address this and prepare a report on the process.
- b. The SC noted a newspaper article on the road to Million Dollar Point on Santo. Director of Finance expressed concern that this road had not been funded under the compact.
- c. Chairman and Director DSPPAC will meet with the Attorney-General and State Law Office (SLO) to respond to the restructuring papers and the proposal for an Implementing Agency Agreement with the SLO.
- d. The SC noted that the committee has completed the recruitment process for the new MCA-Vanuatu Program Director. Acting Program Director was requested to assist Director DSPPAC with the format of the final report for MCC's "No Objection". Project Engineer was asked to reserve dates in February (likely 16-23) to brief the new Program director and Project Manager/advisor and to assist with the final design and price negotiations with the contractor DEW.
- e. DG Athy summarized the MCC response and requested Acting PD Tony and the Public Works Department to address the concerns. The SC agreed that the Chairman should sign his acknowledgement of the letter.

3. Other Matters

a) MCC Response to Undine Bay Audit

MCC response re Undine Bay: On December 19, 2008, MCC wrote to MCA-V indicating its willingness to approve the incorporation of the realigned road at Undine Bay into the Efate Ring Road project, subject to certain conditions. Mr. Sewen felt that much of MCC's concerns were outside MCA-V's control or scope, and that MCA-V did not have the time or funds to address MCC's requirements. He noted that MCA-V had already worked with the Undine Bay developers to provide an independent environmental audit and to confirm that local communities had no objection, and that the development complied with Vanuatu law. The SC noted strong views of support for the realignment from the local North Efate communities and also some Siviri concerns re damage to their beach from the removal of mangroves on or near the development. The SC agreed that it should do everything possible to fast-track and to meet MCC's additional requirements. The MCA-V office was requested to prepare an action plan to this effect in association with the relevant Government departments, to meet with the developers,

and to respond accordingly to MCC. It was noted that the contractor should be directed to bypass Undine Bay until concerns are resolved and all parties reach agreement.

b) Hans Euscher Meeting

The meeting closed for an informal meeting with Mr. Hans Euscher, the proposed candidate for the position of Project Manager/Advisor.

Meeting close 12:00pm

Certified by: _____/
Secretary, MCA-Vanuatu

Acknowledged by: _____/
Chair of the Steering Committee