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**Reducing Poverty through Improved Infrastructure**

## **MCA-Vanuatu Steering Committee Meeting Minutes**

**Type of Meeting: Special Steering Committee Meeting**

**27<sup>th</sup> May 2010**

**MCA Vanuatu Conference Room**

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### **Board Members:**

#### *Present:*

Vice Chairman, Director General, MFEM, George Maniuri  
Director of Finance, Benjamin Shing  
Alternate Director, DSPPAC, Tony Sewen  
Alternate Director, Public Works Department, Denis Alvos

#### *MCC Representative*

Chris Cookson, MCC-V Resident Country Manager

#### *NZ Aid Representative*

John Claasen, Program Manager

#### *MCA Vanuatu Program Management:*

Johnson Wabaiat, Program Director MCA  
Hans Euscher, Project Management Advisor  
Marie-Jo Bani

#### *Absent:*

Wilson Tari Vuti, DG, MIPU

*Quorum present?* Yes

## PROCEEDINGS:

Chairman welcomed everyone in attendance and presented the Agenda as outlined:

### Agenda

1. Initial Findings from OIG (Office of the Inspector-General, US) Program Audit of the Vanuatu Compact
2. Report of Allegations into Alleged Misconduct
3. Quarry Royalties
4. Compact Closure Plan (CCP)
5. Revised Monitoring and Evaluation Plan and Indicator Tracking Table
6. Contractor's Breach of Contract in Recruiting MCA-V Personnel
7. Program Director's Proposed Trip to MCC Washington
8. Any other Business.

1. Initial Findings from OIG (Office of the Inspector-General, US) Program Audit of the Vanuatu Compact

Johnson and Chris outlined the initial findings of the audit and a general discussion followed. Many of the findings were negative about PWD's engagement and road maintenance readiness, and failure to meet key monitoring and evaluation indicators. The auditors also expressed concern over the quality of the road seal and achieving quorums and minutes for the Steering Committee meetings.

The preliminary findings appeared to be negative, compared to the briefing that the auditors provided to MCA-V before they departed Vanuatu. SC felt it was important that the written audit reports be monitored by MCA-V and the Government as there were serious and unfair implications for Vanuatu's reputation. The contractor and Engineer should also be consulted. SC members were uncertain of the basis of the findings and uncomfortable with the conclusions being drawn.

A discussion paper was tabled on strategies for improving PWD's performance against the Compact objective: PWD strengthening and road maintenance and sustainability. The SC had previously agreed that this was the weak area. The two main results of the compact were to build the two roads and strengthen PWD so that the roads would be maintained to NZ/Aus standards. The lack of stable leadership at MIPU/ PWD was noted, and Jotham Napat's recent appointment as Acting Director-General was welcomed. It was noted that the first sections of road were taken over in March and PWD would progressively become responsible for maintenance and needed to have community and private road maintenance contracts in place, and plan to increase dedicated road maintenance staff and integrate ESU staff. The SC returned to the auditor's concern re road seal quality and noted some similar public concern about the quality of the road and thickness of the seal. Mr. Euscher outlined the standards specified in the contract and final price negotiations, and the sealing investigations and tests, and stated that the contractor would be responsible for making good any defects. The Steering Committee agreed to the paper and asked the Director to work with MIPU and PWD on the strategies.

## 2. Report of Allegations into Alleged Misconduct

This part of the meeting was held in camera. Two members spoke to a confidential report of an alleged misconduct. There had been a failure to follow the required procedures, though it was noted that funds had been returned and accounted for, following pressure from the Fiscal Agent. SC agreed that the staff member be requested to respond to the report's findings in writing. It was further agreed that final action may involve termination or a disciplinary letter and reduced bonus, final decision to be made by the Program Director in discussion with the SC Chair and Deputy.

## 3. Quarry Royalties

Mr. Shing advised that the Department of Finance would clear all quarry royalty payments to custom owners by the following day in all cases where no land dispute existed.

## 4. Compact Closure Plan (CCP)

SC discussed the process for gaining Government decisions on the policy directions and 2011 budget items contained in the draft CCP. It was suggested that a Summary Paper be prepared and progressed through the Central Agencies Committee and then to the DCO (Committee of Development Officials) by next Wednesday. The Program Director was requested to develop the paper which would be finally presented to the Council of Ministers via the Office of the Prime Minister, Minister of Finance and Economic Management, and Minister of Infrastructure and Public Utilities.

## 5. Revised Monitoring and Evaluation Plan and Indicator Tracking Table

This item was deferred to the proposed June 8 meeting.

## 6. Contractor's Breach of Contract in Recruiting MCA-V Personnel

This item was deferred to the proposed June 8 meeting.

## 7. Program Director's Proposed Trip to MCC Washington

SC noted and approved the Director's June trip to Washington to participate in a compact closure workshop. It was noted that the Director should travel on an official passport as this was official Government business, and that this would reduce the costs and delays with the required US visas. DG Maniuri indicated that he would help to facilitate this the next day. SC members discussed the value of having the Director-General Foreign Affairs on the Steering Committee, possibly in place of DG Lands. It was suggested that the Director prepare a paper to the Council of Ministers.

## 8. Any other Business

None

**Certified by:**

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**Secretary, MCA-Vanuatu**

**Acknowledged by:**

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**Chair of the Steering Committee**