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Vanuatu Project Management Unit Steering Committee Meeting No.2

Type of Meeting: Steering Committee Meeting

10:20 am, Tuesday 18 December 2012

Conference Room, Office of the Prime Minister

VPMU Steering Committee Members:

- Present:**
- Mr. George Manuiri, Deputy Chair – Director General, Ministry of Finance and Economic Management
 - Mr. Johnson B Iauma, , Director General, Ministry of Infrastructure and Public Utilities
 - Mr. Sam Namuri, Director, Dept. of Public Works
 - Mr. Nebcevanhas Benjamin Shing, Director, Dept. of Strategic Policy, Planning and Aid Coordination (On Behalf of Mr. Simeon Athy, Director General, Prime Minister's Office)
 - Ms. Dorothy Ericson, Acting Director, Dept. of Finance and Treasury
 - Mr. Jerry Lapi, Infrastructure Sector Analyst, Dept. of Strategic Policy, Planning and Aid Coordination (DSPPAC) (On Behalf of Mr. Benjamin Shing, Director, DSPPAC)
- Observer:**
- Ms. Nancy Wells, ADB Development Coordinator and World Bank Liaison Officer
 - Mr. Jimmy Nipo, Senior Development Program Coordinator, – NZAID
 - Simon Cramp, Governance For Growth Programme, Programme Director, AusAID

VPMU Management:

- Mr. Johnson Wabaiat, Program Director
- Mr. Kerry Blanch, Urban Development Advisor for Port Vila Urban Development Project
- Mrs. Anna M Salwai Tavoia, Financial Management Officer

Ms. Catherine Malosu, Environment and Social Mitigation Officer

Absent: Mr. Johnny Koanapo, Director General, Ministry of Foreign Affairs

Apologies DG Simeon Athy, Director General, Prime Minister's Office

Quorum present? Yes

PROCEEDINGS

The meeting was called to order at 10:20 am by the Vice Chairman of VPMU Steering Committee (SC) with an Opening Prayer.

The Chairman welcomed all members, representatives and observers present at the meeting. He conveyed Chairman's apologies and continued to outline the Agenda Items for discussions;

A. MINUTES

1. Confirmation of Minutes of Meeting of 11 May 2012

The SC noted and deferred the minutes of 11 May 2012 for further deliberations in the next convocation.

B. MANAGEMENT MATTERS

1. Management Structure and Staffing

1.1 Procurement Officer

Currently, the VPMU Organizational Structure, approved by the Public Service Commission, provides for the following positions:

- Program Director
- Project Manager/Engineer
- Financial Management Officer
- Monitoring & Evaluation Officer
- Environment & Social Mitigation Officer
- Communications & Public Relations Office
- Executive Secretary
- Office Assistant

The Program Director provided a summary on the current status of staff capacity within VPMU and stressed that with the increased responsibilities and expectations to deliver projects at hand, particular positions need to be filled in order for VPMU to execute its responsibilities effectively. One particular position that requires immediate engagement is the Procurement Officer.

DECISION:

The SC approved the establishment of the position of Procurement Officer to the VPMU Management Unit to accomplish full staff complement.

1.2 Appointment of VPMU Program Director

The SC noted that applications for the Program Director closed on the 27 July 2012 and that no appointment has been made to date. The SC further noted and recognized that an appointment to the position needs to be made as soon as possible. The execution of this matter was reinforced at a Roundtable Meeting convened by the Prime Minister in November 27 2012.

DECISION:

The SC noted that the selection process has been finalized and forwarded to PSC for its decision.

2. Amendment to Charter

The ideal model recommends that VPMU should be a stand-alone unit, independent from PSC affiliation, in order to attract a dynamic institution. The idea further provides for a performance based management system and members of staff can be disciplined.

In consideration of the magnitude and value of investments of approximately Twelve Billion Vatu (VUV 12,000,000,000) plus from the respective development projects currently being executed by VPMU, donor partners strongly recommended that staffing of VPMU must be addressed and all positions within the structure must be filled as soon as possible.

A copy of the amended charter was distributed to SC members but after much discussions, SC requested VPMU to circulate a copy of the amended charter to members for further comments. The amended charter incorporating all comments will be tabled at the next SC convocation.

DECISION

- The SC endorsed that VPMU Program Director liaise with the Office of the Prime Minister on the potential legislative status of the VPMU charter. The deliberations made specifically on the amendment of charter, including draft copy of the amended charter, be circulated to members for further comments by Friday 21st 2012.
- The SC further endorsed that VPMU work in close collaboration with Director of DSSPAC for the option to engage VPMU staff on a contract basis.

3. Draft Fiscal Accountability Plan (FAP)

VPMU proposes the need to develop a Fiscal Accountability Plan (FAP) to guide and advise on proper management and accountability of funds receive from Donor Partners and other financial institutions.

DECISION

The SC considered and endorsed for VPMU to proceed with the preparation of a Draft and Interim FAP.

4. Proposed Management Costs 2013 For Donor Consideration

The Donor Partners expressed their support for a proposed budget to support VPMU management costs but are unable to make a decision as the budget has only been presented for the first time. VPMU would need to organize a separate meeting with the Donor Partners to hold further discussions on the proposed budget. The latter and former also concern employing VPMU staff on contract basis and which Donor Partners particularly stressed that it can only be applied upon resolving the VPMU governance issues.

DECISION

- The SC considered the proposed budget and that VPMU must hold further consultations with Development Partners on the said subject.
- The SC approved the appointment of VPMU Staff on a contract basis but subject to the approval of the amended charter.

5. Consideration for New Office Accommodation

The SC noted the issue of limited physical space to accommodate present and future VPMU staff, including members of project management consultancy teams. The SC stressed the importance of providing sufficient accommodation for space in order for VPMU to be able to deliver the projects effectively.

DECISION

- The SC agreed and delegated that VPMU must be provided with a suitable office space. The SC recommended that VPMU must further explore opportunities for potential GoV office space, including space available within the market and thereafter report the outcome in the next SC convocation.
- The SC further noted that the Donor Partners will assist to meet the costs for rental space and which has been presented in the financial proposal.

6. VPMU Website Development

VPMU is required to develop a website to host information, including data, for all executed projects. Under the Project Administration Manual of the projects, it is required that there be public disclosure on the use of the loan and grant proceeds on the Government Website, to ensure transparency and good governance.

To advance the establishment of the website, VPMU is proposing to engage a temporary website developer to design and build a VPMU website and henceforth train staff for its on-going maintenance

DECISION

The SC considered the proposal and approved that VPMU liaise with the office of the Chief Information Officer to be engaged on the Website development.

C. DEVELOPMENT PROJECTS

1. Vanuatu Inter-Island Shipping Support Project

1.1 Project Administration Manual

The VPMU Program Director presented an overview of the Inter-Island Shipping Program, including a brief report of progress made thus far. The initial assumption was that the grant component of the development fund will be expended for consultancy services and that the loan component will be expended for civil works. The implementation of program activities will be mainly guided by the Project Administration Manual (PAM), dated 2 September 2011.

The PAM needs to be reviewed during the next Inception Mission.

DECISION

The SC approved that the PAM be reviewed, amended and updated during the Inception Team Mission in January 2013.

1.2 New Zealand Aid Program (NZAP) Grant Financing

The funding arrangements for IISP from NZAID were presented to the SC for consideration.

DECISION

- The SC noted the report on the financing agreements for the Interisland Shipping Support Project.
- The SC approved that an additional Project Development Account to be opened in US Dollars for the receipt of NZ Aid Grant payments and further that the NZAID Grant Funding Arrangement be amended accordingly.
- The SC further requested that VPMU follow up with the Department of Finance and Treasury to establish an account with the Reserve Bank of Vanuatu.

2. Port Vila Urban Development PPTA Project

2.1 Project Administration Manual

An overview of the PVUDP was presented. For clarification, ADB based office in Sydney is managing the funds concerned with IISP and ADB based office in Manila is managing funds for PVUDP.

The PAM has just been updated to incorporate a number of changes that have taken place and it will be further updated when ADB gives final approval to the project's TOR.

DECISION

The SC approved the updated PAM. The SC also approved that the PAM will be further updated when the Project TOR is approved.

2.2 Summary of Port Vila Urban Development PPTA Project

The PVUDP PPTA report was tabled for SC consideration.

DECISION

The SC acknowledged receipt and noted the PVUDP PPTA Report.

2.3 PVUDP PPTA Final Report

The PVUDP PPTA Final report was tabled for SC consideration.

DECISION

The SC received and noted the report on the PVUDP PPTA Final Report.

2.4 Loan Agreement

The Co-financing Agreements between ADB and AusAID was signed in December 6 2012.

As the ADB Loan approval expires on the 13 December 2012 the GOV arranged with the ADB for the Loan Agreement to be signed on the 12 December 2012. The latter was executed on the said date.

The GOV has complied with a number of loan effectiveness conditions and for this to be finalized the GOV is required to provide the ADB with a legal opinion.

DECISION

- The SC acknowledged receipt and noted the report on the signing of the Loan Agreement.
- The SC noted that State Law Office will be providing legal opinion to ADB on Tuesday 18th December 2012, to enable the GoV to comply with all loan effectiveness conditions pertaining to the Loan Agreement and Grant Agreement.

2.5 PVUDP/Advance Action Plan (AAP) Final Design Report

The PVUDP AAP Final Design report was tabled for SC consideration.

The AAP will be delayed and more focus will be sited on activities to be implemented outside of the CBD. It was noted that the TOR for the procurement of a consultant to undertake the detailed design and contract supervision of the main phase of the PVUDP is yet to be finalized.

DECISION

- The SC considered and noted the Final Design Report for the PVUDP AAP
- The SC recommended that VPMU follow up with ADB to finalize the TOR as soon as possible to minimize delays with project commencement
- The SC noted that the AAP be cancelled as circumstances have changed.
- The SC also approved that the Inception Team mission will conduct a review on the scope of AAP proposed activities and which will be further considered and integrated into one whole project. This SC decision also recognizes that proposed activities of the VTIP have to be considered as part of the review for the AAP and PVUDP activities to avoid duplication of effort.

2.6 Gender and Community Participation Report

The Advance Action Program (AAP) required the engagement of a Gender and Community Participation Specialist to focus on mainstreaming Gender into the planning, design and implementation process of PVUDP. The Consultant's report dated November 2012 has been received by VPMU. The report was tabled for SC consideration.

DECISION:

The SC received and noted the Gender and Community Participation Report and that there commendations on the report be taken into consideration during implementation of PVUDP.

2.7 PVUDP Implementation Advisory Assistance TA Project

2.7.1 Inception Report

The PVUDP Inception report was tabled for SC consideration.

DECISION

The SC received and noted the Inception report on the Implementation Advisory Assistance TA Project.

2.7.2 Monthly Progress Report

The PVUDP Monthly Progress reports for June, July, August, September and October 2012 was tabled for SC consideration.

DECISION

The SC received and noted the Monthly Progress Reports for June to October 2012.

3. PORT VILA LAPETASI INTERNATIONAL MULTI-PURPOSE WHARF DEVELOPMENT PROJECT

3.1 Project Progress Report

The Loan Agreement currently states that MIPU is the Executing Agency. The decision on this responsibility was made at the time when VPMU was not yet established. Subsequently, the duties and responsibilities as such have now been assigned to VPMU.

The SC members were reminded that since the proposed project is a consequent of an arrangement between Government and a private company, the SC should invite the board members to attend SC meetings, on a case-by-case basis. It was suggested that VPMU prepare a structure illustrating the overall project management operation, institutional roles and relationships between key partners.

DECISION

- The SC received and noted the Report on the Lapetasi Multi-Wharf Development Project.
- The SC further noted the importance of inviting representatives of IPS to participate in future SC convocations, on as needed basis.
- SC endorsed that JICA Representative be invited to participate as an observer in future SC convocations
- SC noted that the Procurement Specialist will be returning to complete the procurement process for the Employment of Consultants.

4. MCA-Vanuatu Supplementary Report

4.1 Auditor for Multi-Year Agreement

a. Response from NZAID - “extension” renewal of agreement

The agreement for Multi-Year Contribution has expired and VPMU through the SC Chairman formally requested (13/11/12) the NZ Aid Program for another extension period of the Multi-Year Agreement for the purpose of conducting an audit. In response, NZAID confirmed that the VPMU should proceed to request for an audit to be conducted as the agreement has already expired.

b. Status of remaining funds

It is expected that the use of the remaining funds is contingent to granting of extension for the term of the contribution. In response, NZAID can only consider the financial request submitted by VPMU on 2nd November 2012 and which includes the remaining balance. However, NZAID requested if VPMU can amend the letter of request to include an adjusted amount.

DECISION

- The SC received and noted the financial request sent to NZAID and still await for a formal approval
- SC noted and endorsed the above variation.
- The SC also concurred with the advice from NZAID.

4.2 Vanuatu Roads and Bridge Project

a. Request for additional financial assistance

A request for additional assistance from the existing funds was made on the 2nd November 2012 to NZAID. The total amounts requested are based on reimbursable costs and unpaid invoices for rendered services

DECISION

The SC approved the financial request submitted to NZ Aid to ensure that VPMU fulfill its contractual obligations and conclude project activities.

5. NZAID Funded Projects

5.1 Vanuatu Tourism Infrastructure Project (VTIP)

5.1.1 Execution Agency for VTIP (Under Discussion)

The report on status of VTIP was tabled for SC consideration, however, this project is still not under the jurisdiction of VPMU to manage and provide oversight in its role as Executing Agency.

DECISION

- The SC noted the report and await for the submission to be received from the VTIP Project Management Committee (PMC)
- The SC further agreed that close consultation and collaboration between VTIP and PVUDP is essential to allow harmonization of the projects.

5.1.2 Concept Design Options

The Concept Design Options for the VTIP was tabled for SC consideration.

DECISION

The SC received and noted the design options and progress made to date.

5.1.3 Seafront Park Seawall Condition Assessment Report

A copy of the Seafront Park Seawall Condition Assessment Report was tabled for SC consideration.

The VTIP PMC agreed that Beca International Consultants Ltd proceed to prepare cost assessment for all options on the improvement of the seafront. A favorable option by SC is for the seawall to undergo full repair.

DECISION

- The SC received and noted the VTIP – Seafront Park Seawall Condition Assessment Report.
- While decisions have been made by PMC, the SC considered favorably the option to conduct a full repair of the seawall

5.2 Vanuatu Traffic and Pedestrian Management Plan

5.2.1 Inception Report

The full Inception Report for the Vanuatu Traffic and Pedestrian Management Plan (VTPMP) was tabled for SC consideration.

DECISION

The SC received and noted the Inception Report for the VTMP.

5.2.2 Road Hierarchy Management Plan

A copy of the Road Hierarchy Management Plan (RHMP) was tabled for SC consideration.

The PMC for VTIP proposes to hold a Workshop in February 2013 to discuss the Management Plan recommendations.

The SC noted that there have been very similar studies conducted in the past by other engineering firms and which should be equally considered for the RHMP.

DECISION

- The SC received and noted the RHMP Summary Report.

- The SC stated that any future development on road network, must involve close liaison with MIPU and PWD.

D. PROJECT INFORMATION AND COORDINATION MEETINGS

It is noted that discussions and decisions on Project matters in the context of Government policy and budgeting would continue to be a function of the Department of Strategic Planning, Policy and Aid Coordination within the Prime Minister's Office. But for the purposes of project execution and operational matters, it is important that Information and Coordination Meetings continue to ensure proper coordination of projects currently being administered by the VPMU.

DECISION

- The SC noted and received the Minutes of the Information and Coordination Meetings.
- The SC further noted and endorsed that Information and Coordination Meetings be continued to ensure the continued coordination of the various projects being administered by the VPMU and to ensure that the various project activities are not duplicated but are complementary.
- The SC further reiterated that such meetings are intended for coordination of projects and policy and budgeting matters would continue to be a matter for the DSSPAC.

E. STEERING COMMITTEE MEETING SCHEDULE FOR 2013

The VPMU Charter establishes a steering committee with an obligation to make many decisions on policy, budget and contract matters affecting implementation of projects under its jurisdiction. As such decisions will need to be made in a timely manner, it is proposed that future meetings of the SC be held on a monthly basis (i.e. 2nd Tuesday of each month at 9.00am) commencing in January 2013.

DECISION

The SC approved that meetings will be held on the second Tuesday of each month commencing at 9.00am.

F. OTHER MATTERS

It was recently announced that Vanuatu is eligible for second MCC compact funds.

The decision on potential projects to be funded will require close collaboration between Central Agencies.

DECISION

The SC Chairman requested VPMU to liaise closely with Sector Analyst of DSSPAC to organise a one-day retreat for SC members to attend and discuss priority projects to be funded for the second compact.

Confirmed By:

Program Director, VPMU

Date

Chairman, VPMU Steering Committee

Date