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Vanuatu Project Management Unit Steering Committee Meeting No. 01

Type of Meeting: Steering Committee Meeting

11.00 am Friday 11 May 2012

VPMU Conference Room

Board Members:

Present: Chairman - DG Prime Minister's Office, Simeon Athy
Vice Chair (Delegate for DG Finance & Economic Management),
Hendrickson Malsokle
Acting Director - Public Works Dept, Sam Namuri
Director - Department of Strategic Planning, Policy & Aid Coordination,
Benjamin Shing
Acting Director - Finance and Treasury, Tony Sewen
First Political Advisor - Prime Minister's Office, Morris Michel

VPMU Management: Johnson Wabaiat – Program Director
Juliette Hakwa - M&E Officer

Absent: DG, Lands ; DG MIPU

Quorum present? Yes

PROCEEDINGS

The Meeting was called to order at 11.22 am by the Chairman of VPMU Steering Committee (SC) with an opening prayer

SC Chairman welcomed all members and representatives present at the meeting and outlined the Agenda Items for discussions;

1. Adoption of Agenda

2. Matters Arising from Minutes

- The CCR is a priority and outstanding issue for SC to deliberate. The Chair referred to this document being included in the agenda today and asked for clarification which committee it should be dealt under. It should not be agenda #4 but moved up to 1.
- VPMU PD confirmed that the CCR and all outstanding MCA-V issues have been entrusted to the responsibilities of VPMU, therefore the VPMU SC have been tasked with resolving said issues.
- VPMU PD also reminded SC members about the MCC Memorandum sent to the office on 16 April 2012 pertaining to a number of outstanding issues that MCC require final Vanuatu Government status reports on. These issues include the following:
 - I. The CCR – MCC would like to confirm that this has indeed been finalised by the GoV and they would like a final version as soon as possible;
 - II. The final close out Vanuatu National Statistics Office (VNSO) Implementing Entity Agreement (IEA) contract. MCC would like to confirm that this has indeed been finalised by the GoV and they would like a final version as soon as possible;
 - III. Updated information on the quarry royalties and payments;
 - IV. Updated information on the sand stock pile removal activities that PWD have been tasked with as per the agreements;
 - V. Land compensation and acquisition payments updates;
 - VI. MCA-V vehicle hand over and appropriate license plates have been carried out.

Recommendations

1. SC accepts the CCR as finalised and directed VPMU to ensure this is finalised and distributed as soon as possible;
2. SC instructed VPMU PD and M&E Officer to go ahead and finalise the VNSO IEA;
3. SC instructed VPMU PD to continue to follow up with quarry royalty payment updates, although the SC notes that there are 3 claims that are still pending court decisions and therefore no payments can be made. It is also understood that the GoV share of the royalties were used to carry out bridge repairs in Santo;
4. SC directed VPMU PD to send a letter to Lands Survey requesting updated information regarding Land acquisition and compensation claims and inform the SC;
5. SC have instructed VPMU to draft a response letter to MCC detailing updated information on the issues raised in MCC's memo, and to send it out to members for confirmation before sending it to MCC;
6. SC Chair will send a general letter out to all relevant line government agencies that work closely with VPMU to ensure that they are more forthcoming with information in a timely manner.

3. Brief on VPMU Transitional Arrangements

- The VPMU office letterhead and stamp were developed and are now in use.
- Owing to the nature of construction projects and the final Defects Notification Period (DNP) due to end in June 2012, VPMU has continued to engage in an 'Assignment and Assumption' Agreement with the Contractor (DEW) and the Engineer (QCPP).
- The SC was also reminded that as per end of DNP the Engineer will issue the final certification on the Santo bridges and DEW will receive the final percentage on the bond.

- SC discussed the issue of the VPMU structure and operations issues and how 'Governance for Growth' (AusAID GFG) would be co-financing the office. GFG have indicated that they would only do this if staff were on contracts and not permanent as per the PSC structure.
- SC discussed the options for the VPMU structure and operations:
 - i. Using the PSC structure and making all staff permanent public servants;
 - ii. Through Parliament set up VPMU as a statutory body which would allow operations to function on a more independent body with a Board, subject to annual audits and reporting;
 - iii. Issue secondment orders for staff from MCA-V to VPMU.
- It was also raised that the approved structure is too general, hence a revised structure for VPMU was devised and it is this structure that can be used at VPMU, doing away with the generic management model and allowing for specialist project managers to come in on an as is needed basis, e.g. A marine infrastructure engineer or a drainage engineer project manager who would also act as an advisor to the PD during their time in the office.
- Chair reminded members that the setting up of VPMU has been stated as a 'Condition Precedent' (CP) on a number of funding and loan agreements that the GoV has entered into with donor partners, hence it is imperative that this office is properly set up and all of these issues are resolved in a timely manner.

Recommendations

1. SC have set up a smaller working committee made up of key SC members to follow up the important issues raised and report back to the group. This working committee consists of: Director PMO, DG MFEM, Acting Director Finance & Treasury, and Acting Director PWD. This working committee is to follow up on the issues raised in this meeting and report back to the SC at the next meeting.
2. SC have instructed VPMU to draft a timetable with deadlines detailing activities (including tentative SC meeting dates and key issues that must be resolved at a higher government level before any of the ADB loan agreements can be signed) and responsibilities assigned to relevant SC members and submit this timetable to members for confirmation and for future reference.

4. Progress Report

- SC is briefed on Bridge repairs which have all been completed.
- SC was informed that the Minister of Finance & Economic Management requested that both ADB loan agreements for the ISSP and PVUDP should be signed on 30 May 2012 as senior officials from ADB will be in country.
- SC questioned whether the GoV will have completed all the CP's outlined in the agreements by this date. Acting Director PWD raised concern about how there are ongoing delays with PSC in regards to key positions being filled at MIPU in relation to start-up of the ADB projects.
- SC also raised concerns on how the GoV portion of the ISSP is going to be utilised and managed considering there is no clearly defined lead agency, although it was indicated that the Shipping Projects Advisor within MIPU should be tasked with this.
- Outstanding issues concerning the ISSP were raised by SC and VPMU PD reminded them that although the final inception report has already been completed by the ADB

consultant, the GoV has yet to receive it. The information contained in this report will be useful to the GoV as they prepare for this project.

Recommendations

1. SC Chair to take up the recruitment issues directly with PSC.
2. SC has instructed VPMU to ask ADB to forward all the final ISSP inception reports to the relevant agencies for proper review.
3. SC has instructed Acting Director of PWD to inform the Acting DG of MIPU to write a formal letter to Mr. Markmon Battie (MIPU Shipping Projects Adviser) to act as National Focal Person for all matters pertaining to the ISSP. This should be done immediately and then confirmed to SC by 25 May 2012.

5. Time and Date of meeting

- No date was stated.

Recommendations

1. SC directed VPMU to send out a proposed schedule of meetings to be circulated amongst members.

Meeting closed at 1:21pm

Certified by:

Secretariat, Vanuatu Project Management Unit

Acknowledged by:

Chairman of the Steering Committee