



**GOVERNMENT OF VANUATU**

**VANUATU INFRASTRUCTURE RECONSTRUCTION AND  
IMPROVEMENT PROJECT**

**REPORT NUMBER 2**

World Bank Credit/Grant No. 5847-VU/D122-VU

**QUARTERLY REPORT**

June 2017

June 2017

## **Republic of Vanuatu: Port Vila Urban Development Project**

Financed by:

- **The World Bank**
- **The Government of Vanuatu**

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For : Director, Public Works Department

## ABBREVIATIONS

<b>AUD</b>	Australian Dollar	<b>PAD</b>	Project Appraisal Document
<b>CERC</b>	Contingency Emergency Response Component	<b>PCR</b>	Physical Cultural Resources
<b>CRW</b>	Crisis Response Window	<b>PCRAFI</b>	Pacific Catastrophe Risk Assessment and Financing Initiative
<b>DA</b>	Designated Account	<b>PDNA</b>	Post-Disaster Needs Assessment
<b>DSPPAC</b>	Department of Strategic Planning, Policy and Aid Coordination	<b>PDO</b>	Project Development Objective
<b>EMP</b>	Environmental Management Plan	<b>PMO</b>	Prime Minister's Office
<b>ESMF</b>	Environmental and Social Management Framework	<b>PMU</b>	Project Management Unit
<b>GDP</b>	Gross Domestic Product	<b>POM</b>	Project Operations Manual
<b>GoA</b>	Government of Australia	<b>PPN</b>	Policy and Practice Note
<b>GoNZ</b>	Government of New Zealand	<b>PRIF</b>	Pacific Regional Infrastructure Facility
<b>GoV</b>	Government of Vanuatu	<b>PSC</b>	Project Steering Committee
<b>GPSS</b>	Global Program for Safer Schools	<b>PST</b>	Project Support Team
<b>GRS</b>	Grievance Redress Service	<b>PWD</b>	Public Works Department
<b>HIES</b>	Household Income and Expenditure Survey	<b>RPC</b>	Recovery Program Committee
<b>IBCs</b>	Island Based Contractors	<b>RPCo</b>	Recovery Program Coordinator
<b>ICB</b>	International Competitive Bidding	<b>R4D</b>	Roads for Development
<b>IDA</b>	International Development Association	<b>SDR</b>	Special Drawing Rights
<b>IRCCNH</b>	Increasing Resilience to Climate Change and Natural Hazards Project	<b>SORT</b>	Systematic Operations Risk-Rating Tool
<b>MIPU</b>	Ministry of Infrastructure and Public Utilities	<b>SRDP</b>	Strategy for Climate and Disaster Resilient Development in the Pacific
<b>MoET</b>	Ministry of Education and Training	<b>TC Pam</b>	Tropical Cyclone Pam
<b>NGO</b>	Non-Government Organisations	<b>USD</b>	United States Dollars
<b>NRESP</b>	National Recovery and Economic Strengthening Program	<b>VERM</b>	Vanuatu Education Road Map
<b>NZD</b>	New Zealand Dollar	<b>VESP</b>	Vanuatu Education Sector Program
<b>OP/BP</b>	Operational Procedure/Bank Policy	<b>VESS</b>	Vanuatu Education Sector Strategy
<b>VIRIP</b>	Vanuatu Infrastructure Reconstruction and Improvement Project		
<b>VMDRR</b>	Mainstreaming Disaster Risk Reduction Project		
<b>WB</b>	World Bank		

<b>NAME OF PROJECT</b>	<b>VANUATU INFRASTRUCTURE RECONSTRUCITON AND IMPROVEMENT PROJECT</b>
<b>REPORT TITLE</b>	<b>QUARTERLY REPORT JUNE 2017</b>
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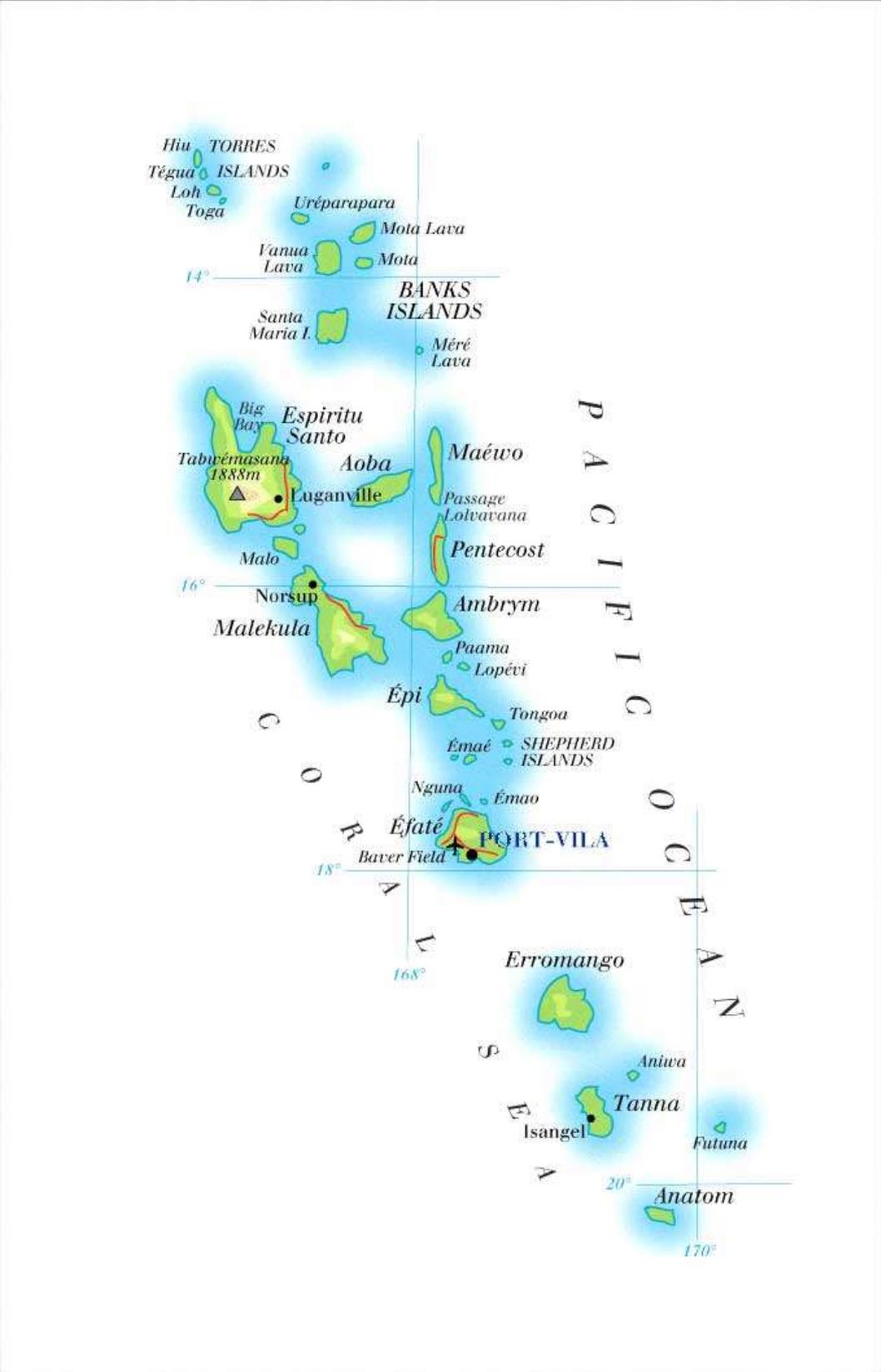
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**PROJECT KEY PLAN**

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## I. INTRODUCTION AND BASIC DATA

### A. Introduction

- a. 1. Between March 12 and 14, 2015, Tropical Cyclone Pam (TC Pam) struck 22 islands of Vanuatu as an extremely destructive category 5 cyclone. The total economic damage and losses as a result of the cyclone were estimated to be approximately USD 450 million, which equates to approximately 64 percent of the country's GDP. Shefa and Tafea were the worst affected provinces, in particular on the larger islands of Tanna, Erromango and Efate and the smaller Shepard islands. Eleven fatalities were recorded in Tafea and Shefa province. As many as 65,000 people were displaced from their homes, around 17,000 buildings were damaged or destroyed, and the livelihoods of at least 80 percent of Vanuatu's rural population were compromised due to large scale destruction of crops.
- b. 2. In the wake of TC Pam, the Government of Vanuatu (GoV) officially declared a state of emergency for Shefa Province on March 15, 2015. Emergency response efforts were led by the government with the support of multiple humanitarian partners, international and national non-governmental organizations, foreign governments, and donors. GoV undertook a Post-Disaster Needs Assessment (PDNA) with the support of the World Bank and other development partners, which formed the basis of the National Recovery and Economic Strengthening Program (NRESP) to guide the recovery and reconstruction of all sectors affected by TC Pam. Recovery and reconstruction costs are estimated at USD 316 million.
- c. 3. The World Bank has provided USD 50 million to Vanuatu in response to TC Pam through the International Development Association (IDA) Crisis Response Window (CRW) to finance the Vanuatu Infrastructure Reconstruction and Improvement Project (VIRIP). VIRIP will provide financial support to GoV through numerous targeted investments in road assets, and to reconstruct schools and public buildings damaged by TC Pam.
- d. The Ministry of Finance and Economic Management (MFEM) is the project executing agency (EA). The Public Works Department (PWD) under the Ministry of Infrastructure and Public Utilities (MIPU) is the key implementing agency (IA), supported by the Project Support Team (PST).
- e. This quarterly report is prepared by the Project Support Team and covers the period 1 April 2017 to 30 June 2017. During this period there has been one Technical Mission by the World Bank.

**B. Basic Data**

<b>Credit No:</b>	5847-VU
<b>Grant No</b>	D122-VU
<b>Project Title</b>	Vanuatu Infrastructure Reconstruction and Improvement Project
<b>Borrower</b>	Government of the Republic of Vanuatu
<b>Executing Agency</b>	Ministry of Finance and Economic Management
<b>Implementing Agency</b>	Ministry of Infrastructure and Public Utilities (through the Public Works Department)
<b>Other Key Agency</b>	Ministry of Education and Training

<b>Financing Plan:</b>	<b>Amount (million)</b>	<b>Share of Total (%)</b>
World Bank Credit	SDR17.65 (USD25 equivalent)	50%
World Bank Grant	SDR17.65 (USD25 equivalent)	50%
<b>Total Estimated Project Cost</b>	<b>USD50</b>	<b>100%</b>
<b>Financing Agreements signed:</b>	2 August 2016	
<b>Effective Date of Project</b>	30 October 2016	
<b>Project Closing Date</b>	30 April 2022	
<b>Dates of World Bank Mission(s)</b>	29 May – 2 June 2017	

## **C. Project Purpose**

The project development objective (PDO) is to reconstruct and/or improve the disaster and climate resilience of selected public sector assets in provinces impacted by Tropical Cyclone Pam, and to provide immediate and effective response to an Eligible Crisis or Emergency.

Achievement of the PDO will be measured by the following indicators:

- a. Population on project islands with improved road and pedestrian access (number, with sub-indicator of breakdown of percentage of women/men); and
- b. Number of users/beneficiaries of schools reconstructed and upgraded to higher structural safety standards (number, with sub-indicator of breakdown of percentage of women/men).

The Project consists of the following parts:

### **Part 1. Road Reconstruction and Improvement. USD26 million**

- a. Carrying out road repair works and undertaking spot improvements to road sector assets affected by Tropical Cyclone Pam, including improving the resilience of road sector assets in provinces affected by Tropical Cyclone Pam.
- b. Provision of technical support for the design and supervision of the civil works under this part of the Project.

### **Part 2. School Reconstruction and Improvement. USD13 million**

- a. Reconstruction, rehabilitation, repair, or retrofit of schools affected by Tropical Cyclone Pam, including improving the resilience of schools in provinces affected by Tropical Cyclone Pam.
- b. Construction or reconstruction of at least one disaster resilient building, in selected schools, that complies with technical standards required for evacuation centres.
- c. Carrying out a program of activities designed to improve water supply and sanitation facilities and other amenities in schools affected by Tropical Cyclone Pam.
- d. Provision of technical support for the design and supervision of the civil works under this part of the Project.

### **Part 3. Public Building Reconstruction and Improvement. USD6.5 million**

- a. Reconstruction, rehabilitation, improvement, or retrofit of Selected Public Buildings affected by Tropical Cyclone Pam, including improving the resilience of Selected Public Buildings in provinces affected by Tropical Cyclone Pam.
- b. Provision of technical support for the design and supervision of the civil works under this part of the Project.

### **Part 4. Project Implementation and Technical Support. USD4.5 million**

- a. Carrying out a program of activities designed to enhance the capacity of the Recipient for Project management, implementation, coordination, monitoring and evaluation of the Project, such program to include the establishment and maintenance of a Project support team.
- b. Provision of technical assistance to support the Recipient in reviewing and assessing the existing legislative and institutional framework for the creation of a sustainable source of funding for maintenance of road assets and/or schools and/or Selected Public Buildings,

and developing action plans and/or recommendations to strengthen such legislative and institutional framework so as to improve its implementation.

- c. Carrying out a program of activities designed to build the capacity of outer-island contractors and communities to participate in improvement works to road sector assets and/or schools and/or Selected Public Buildings under the Project, and providing training to said communities on safe building construction methods.

**Part 5. Contingency Emergency Response. USD Nil.**

- a. Carrying out a program of activities designed to provide rapid response to an Eligible Crisis or Emergency, as needed.
- b. There have been no scope changes within this project to date and the implementation arrangements as described in the Financing Agreement, dated 2 August 2016 remain essentially unchanged.

## II. IMPLEMENTATION PROGRESS

### A. Overall Progress

The project essentially started with the arrival of the Project Manager/Coordinator (PMC) on 6 March 2017. The Safeguards Specialist started on [REDACTED] and the International Procurement Specialist (Emil Leau) started on 11 May 2017, however unfortunately Mr Leau left less than 2 weeks later because his wife was sick.

Overall, whilst the project has essentially recently started, the progress is slightly behind schedule however it remains on track for completion by the project closing date (30 April 2022). It is estimated that overall project progress around 5% against an overall elapsed project period of 12.1% with financial commitments of 4%.

Supervision Mission occurred between 29 May – 2 June 2017, which has been extremely useful for the early implementation of the project. During the Mission the overall approach for identification and selection of activities under Part 1, 2 and 3 were discussed, clarified and resolved with Government, integration of planning of Part 1 with R4D and PWD was discussed and clarified and sought to clarify the disaster resilience of Part 2 assets (ie a Structural Engineer's certificate to facilitate the use of classrooms as evacuation centres). Refer to Appendix 1 for mission action items.

The project Procurement Plan was drafted again by the PMC but will require further development upon the finalization of the PWD Annual Work Plan (and its augmentation with the Quarterly Review), finalization of the MoET list of school projects, acceptance of the list of Public Building repairs by the PIC and associated services defined.

A Project Operations Manual (POM) was re-drafted based on extensive comments from the World Bank and will be issued for no-objection in early July.

The Implementation Status is shown in Appendix 2. Comments on the format and content of the table is welcome and encouraged.

#### Next Steps:

1. Submit Procurement Plan upon completion of discussions with PWD and MoET
2. Submission of Project Operations Manual by early July 2017.

### B. Part 1. Road Reconstruction and Improvement

The works identified below have the highest priority to the Department, and supported by DFAT under their R4D program. In accordance with PWD's Rural Road Access Strategy and the underlying rational asset management assessment, the Kings Cross Road has the highest technical and socio-economic ranking to be upgraded.

The World Bank, PWD and VIRIP PST travelled to Tanna during the mission to further investigate and scope the works for the activities along the Lenakel to Kings Cross Road. During the site visit, in conjunction with the PWD District Manager, the scope was finalised. The scope now involves two packages of works:

- a. Fibre reinforced concrete pavement along the Lenakel to Kings Cross Road; 1) at the 400m Loanialiu Section (top of the hill) and 2) the 300m Lapangnagen Kupa Section which a short distance away.

- b. Improve the gravel road to seal of 5m wide and 12.9km long from Lenakel up to Chainage 14.7km to Kings Cross.

The PMC visited Malekula in early April to assess likely high priority works in that District. Most notably, bridge and culvert activities were identified at the following locations:

- Bushman's Bay Bridge. 45-50m Stream crossing
- Sarmet River Bridge. 35m stream crossing
- Tembimbi River Bridge. 20m stream crossing
- Maret River Bridge. Meandering 50m stream crossing and consider re-alignment upstream
- Batven Stream Crossing. 10m stream crossing
- Unua No 5 Stream Crossing. 10m stream crossing
- Pankumu River Bridge. Meandering 200m stream crossing and consider re-alignment upstream.
- Bremwe River Bridge. 32m crossing
- Lowesinwe River Bridge. 20m crossing (but may need re-alignment downstream)

In accordance with the PWD procedures, these activities were presented by the respective District Managers at the Quarterly Review of the Annual Works Plan on 19-20 April 2017 for review and approval by Director PWD.

#### **Next Steps:**

1. Issuance of RFT (Bitumen works) and ITQ (Fibre Reinforced Concrete Pavement) by early July 2017.
2. Finalisation of 2018 works, goods and services as per PWD's works programming leading up to November 2017 issuance of Annual Works Plan (AWP).

#### **C. Part 2. School Reconstruction and Improvement**

PMC had various meeting with MoET to identify schools, design and supervision requirements and packaging.

On 7 May 2017 MoET provided 66 schools packaged into 32 activities consisting of 62 primary and 4 secondary schools in geographic locations to minimize travelling and increase efficiency. Refer to Appendix 3. There is good logic in this approach. However, to maximize competition and cost effectiveness, bundling of some of these packages into larger 'slice and package'-type tenders may be warranted.

The list has been approved at Ministerial level, and procurement of a local Building Engineer consultant has commenced.

In terms of activities the following key features were identified:

- a. Upon review it was found that out of the 66 schools, only 27 have legal access to reconstruct and repair school buildings. Refer to Appendix 3.
- b. It was estimated that up to 25% of all school buildings may have asbestos containing materials. A handling and disposal procedure will be developed by an Asbestos Specialist. Sourcing of such a specialist has started.
- c. MoET believe that some school in Efate and Shepherds can be started in 2017. The schools require mostly new buildings for which 85% of the documentation has been

completed, with the remainder of works (essentially repairs), can be fully scoped upon mobilisation of the Building Engineer.

- d. There are concerns about the budget amount, given the most recent tender prices on similar works. To date the budgets have been based on broad estimates and only useful for allocation and prioritization. MoET used VT10,000,000 / double classroom / toilet / water tank and furniture in the PDNA some 24 months ago. So, until the project has better tendering data, it is recommended to continue to use these figures with caution.
- e. Many of these schools have not been inspected since shortly after TC Pam. Detailed building survey, selective asbestos surveys, community consultation and safeguard (environmental and social) are essential.

#### **Next Steps:**

1. Engagement of Building Engineer by 31 July 2017
2. Engagement of Asbestos Specialist by 31 July 2017

#### **D. Part 3. Public Building Reconstruction and Improvement**

A summary spreadsheets of activities under this Part were provided by PWD on 9 March 2017. Refer to Appendix 4. The list has been developed from projects that were assessed by PWD and/or proposals submitted to the Prime Minister's Office from other Government ministries.

PWD have noted though that given the time that has passed since the initial assessments or proposals being drafted they recommend that all of these projects be re-surveyed and re-assessed.

PWD noted that ministries have responsibility for their own infrastructure. PWD does not manage the assets of other ministries but does provide technical assistance on an operational basis. It is now apparent from a limited review of the listed activities that many of the scopes are ill-defined. It is understood that the scopes and estimates were undertaken by non-technical people within the Government ministries. This then compounds lack of confidence in the scopes and estimates provided. Accordingly, it has been decided to engage a Building Engineer as soon as possible to assess each Ministry proposal. Additionally, the Asbestos Specialist will inspect the public buildings.

Finally, PWD indicated that there may be other activities not included in the list due to gaps in messaging or confusion over the recovery program. Therefore, throughout the review process, any additional requests will be referred to the DSPPAC and PIC accordingly.

#### **Next Steps:**

1. Engage a Building Engineer in August 2017
2. Engage an Asbestos Specialist in August 2017

#### **E. Part 4. Project Implementation and Technical Support**

The PMC started on 6 March 2017 and he has started the process of engaging the Safeguards and Procurement Specialists. No objections were received for the Safeguard Specialist's evaluation, however there were concerns by the World Bank about the Procurement Specialist's selection, reviewed by the evaluation committee. The Safeguards Specialist (Iain Haggarty) started on [REDACTED] and the International Procurement Specialist (Emil Leau) started on 11 May 2017, however unfortunately Mr Leau left less than 2 weeks later because his wife was sick.

The sudden departure of Mr Leau and his lack of availability during the subsequent period has caused significant problems with the early implementation of the project, particularly procurement functions. This has had a roll-on affect, whereby the PMC and Safeguards Specialist has taken on the bulk of the procurement functions, which has been inefficient and problematic. A new expression of interest was released for a replacement Procurement Specialist with closing date at the end of July.

The next position to be engaged is the Project Accountant. In the meantime, Hellen Wilson Tom from Department of Energy has been actively assisting the PMC to activate the project accounts. Hellen's assistance is invaluable and very highly appreciated.

Terms of Reference for the following positions were also developed and issued for expressions of interest during the quarter: Monitoring and Evaluation Specialist, 2 x Building Engineers, Asbestos Specialist and Quality Control Engineer (to develop a Quality Control Manual).

#### **Next Steps:**

1. Replace International Procurement Specialist as soon as possible
2. Engage Project Accountant as soon as possible

#### **F. Part 5. Contingency Emergency Response**

During the period a delegation from Vanuatu attended the Third World Reconstruction Conference between 6-9 June 2017. The delegation consisted of:

Sam Namuri: Acting Director General, MIPU  
Gregoire Nimitik: Director DSPPAC  
Roy Ben: MoET  
Lawrie Carlson: PMC VIRIP

The outcomes and recommendations for future actions are listed in Appendix 7.

#### **Next Steps:**

1. Implement recommendations, as outlined in the report.

#### **G. Cross-Cutting Issues**

##### **Monitoring and Evaluation**

No activity during this reporting period, as the Monitoring and Evaluation Specialist (M+E Specialist) has not mobilised. It is anticipated that the M+E Specialist will initially review and potentially update the project's results framework, and provide relevant discussion issues/actions required with regard to ensuring the project objective and indicators are met.

##### **Safeguards**

Iain Haggarty: please provide...

Comment from the World Bank:

*“Under safeguards, it is suggested that this be separated into two sections; (i) Environment Safeguards, and (ii) Social Safeguards. The section should at a minimum outline what has been agreed and approved to date, e.g the Environmental and Social Management Plan. Under the social safeguards section, please include an update on the grievance redress mechanism, and report on or confirm that no complaints have been received to date, or how complaints will be/are being handled. The section should also reflect what gender-informed decisions are being taken through the consultative processes with regard to the planning and prioritization of works.”*

## **Risk Management**

The PMC has drafted a Risk Matrix (Appendix 5) which will be constantly reviewed and revised during the inception period of the project. Comments on the Risk Matrix are welcome and encouraged.

## **H. Work Programme**

A rolled up works programme will be drafted and included in future reports as Appendix 6, based upon the yet to be approved of the Procurement Plan.

### **III. PROJECT ISSUES**

#### **A. Resources**

No comments for this reporting period.

#### **B. Time Analysis**

The project has started since the mobilization of the PMC on 6 March 2017. Since the date of effectiveness, 12.2% of the project period has expired with no physical progress. Whilst this suggest a slow start, it is believed that with the identification of activities that can be fast-tracked progress will improve in comparison to the time expended.

#### **C. Meeting of Mission Milestones**

During the May-June Mission the Government agreed to a list of milestones. At this stage, VIRIP will be able to achieve those milestones.

#### **D. Coordination with Other Aid/Donor Agencies, Projects and Programmes**

It is more apparent that there will be clashes in objectives and implementation of VIRIP and R4D, as evident with the early stages of activity planning. Again, tripartite discussions are encouraged at two levels: Aid and Donor Agency with the Government and at a technical level between VIRIP, R4D and PWD teams. In both cases, it is recommended that the Government lead those discussions.

#### **IV. PROJECT SCOPE IN VIEW OF CURRENT PROJECT FINANCING**

##### **A. Financial Status**

An initial tranche of funds of USD2 million from the Grant has been deposited into the Reserve Bank account.

The 'Green Form' has been raised and approved, project code issued and chart of accounts developed.

PWD Financial staff have been briefed on the new project. However, a Project Accountant will be sourced to complement the PWD functions. In the meantime, Hellen Wilson Tom from Department of Energy has been actively assisting the PMC to activate the project accounts which has been invaluable and very highly appreciated.

##### **B. Projection to Meet Project Objectives**

###### **Proposed Scope and Estimates.**

No comments at this stage.

## Appendix 1: Next Steps

Actions	Responsibility	Date	Status
<i><b>New Issues and Actions Required</b></i>			
Prepare and submit a withdrawal application for eligible expenditures paid from the Designated Account	MIPU	Immediately	completed
Request an exception to the audit for the 2016 fiscal year	MIPU	26 June 2017	MIPU sent 22 June 2017
Update the POM with information on project implementation timelines, financial/budgeting plans, safeguards procedures	PST	30 June 2017	Expect submission early July 2017
Prepare and submit for approval a detailed project budget	MIPU	15 July 2017	In process
Provide PST with a structural engineer's certificate for standard classroom design	MOET	15 July 2017	In process
First sub-projects are to be included in the current (2017) PWD annual work plan prior to procurement	PWD	15 July 2017	In process
Revised activity proposals and ESMP for Kings Cross - Lenakel road for longer DBST segment and resubmit to IDA along with the supervision plan	PWD	15 July 2017	In process
Submit supervision plans to IDA for review and no objection	PWD	15 July 2017	In process
Recruit Asbestos Specialist	PST	15 July 2017	In process
Updated safeguard frameworks and submit to IDA for review, prior to being re-disclosed	PST	31 July 2017	In process
Obtain waiver from Central Tender Board to follow WB shopping threshold and procurement guidelines	PST	31 July 2017	CTB approved WB shopping and procurement methods, at its meeting on 29 June 2017
Procure the services of a local consulting engineering firm to inspect listed school buildings, assess damage, design, detail and specify scope of repair/retrofit/rehabilitation works as appropriate, including cost estimates	PST/MIPU/MOET	31 July 2017	In process
Prepare TORs and bid documents o design consultancy for the two Malekula culverts	PST	31 July 2017	In process
Undertake a detailed screening to develop a suitable list of candidate buildings for further inspection	PWD	31 July 2017	Completed 30 June 2017
Refine TOR for the engineering firm to include inspection and scoping of repairs, preparation of bidding documents and supervision of works	PST	31 July 2017	In process
Recruit the International Supervision Engineer consultant	PST	31 July 2017	
Recruit Community Liaison Officer	PST	31 July 2017	In process

Recruit PST Accountant	PST	31 July 2017	In process
Recruit PST M&E Specialist	PST	31 July 2017	In process
PST Contracts Administration Manual	PST	31 July 2017	In process
The PST will work in close cooperation with PWD HQ and Divisional staff to ensure that VIRIP-funded sub-projects are incorporated into the PWD annual planning process for 2018.	PWD/PST	30 Nov 2017	In process
<b><i>Previous Issues and Actions Required</i></b>			
Submission of overdue IFR	PST	14-Apr-2017	Not necessary, as first biannual IFRs due August 15, 2017.
Finalize the POM	PST	13-Apr-2017	To be submitted early July 2017
Update & finalize the Road Prioritization Tool	PWD	28-Apr-2017	In Progress, Integrated planning approach under discussion
Update the Procurement Plan	PST	28-Apr-2017	In Progress
MoET should provide the list of Schools to PST	MOET	31-Mar-2017	Completed
Finalize the public buildings	PWD	31-Mar-2017	In Progress
Possible CTB waiver on threshold for use of Shopping method	MIPU	30-Jun-2017	Completed 29 June 2017

Appendix 2: Implementation Status

Project Name	Contract Number	Date of Notification of Award	Original Contract Amount (Notification of Award)	Date Contract Signed	Proposed commencement date	Authorized Commencement Date	Program approval	Original duration (calendar/working days)	Original Completion Date	Cost of Variations	Extension of time (Calendar days)	Revised completion date	Revised contract amount
Project Manager/ Coordinator	TBA	29 December 2016	USD1,122,200	29 December 2016	20 February 2017	6 March 2017	N/A	1140 working days	21 December 2021	Nil	Nil	N/A	N/A
Safeguards Specialist	TBA									Nil	Nil	N/A	N/A
International Procurement Specialist	TBA	3 May 2017	USD218,750	3 May 2017	30 April 2017	11 May 2017	N/A	242 working days	30 April 2018	Nil	Nil	N/A	N/A

### **Appendix 3: Approved List of School**

Note: schools list as those affected by TC Donna in Torba Province are not approved for VIRIP.

## **Appendix 4: List of Public Buildings**

Note: activity scopes and cost estimates need to be fully assessed.

## Appendix 5: Risk Matrix

		Likelihood				
		Rare	Unlikely	Possible	Likely	Almost Certain
Consequence	Severe	Med	High	High	Extreme	Extreme
	Major	Med	Med	High	High	Extreme
	Moderate	Low	Med	Med	High	High
	Minor	Low	Low	Med	Med	Med
	Negligible	Low	Low	Low	Low	Med

**Adequacy of Control**

Level	Adequacy of Control
Unreliable	Unpredictable environment where controls are not designed or in place
Informal	Controls are designed and in place but are not adequately documented Controls mostly dependent on people No formal training or communication of controls
Standardised	Controls are designed and in place Controls have been documented and communicated to employees Deviations from controls may not be detected
Monitored	Standardised controls with periodic testing for effective design and operation with reporting to management Automation and tools may be used in a limited way to support controls
Optimised	An integrated internal control framework with real-time monitoring by management with continuous improvement Automation and tools are used to support controls and allow the organisation to make rapid changes to the controls if needed

Table 1: Likelihood Scale

Table 2: Consequence Criteria

Rating	Project Objectives	Financial	Safety	Environment	Social	Compliance	Reputation
Severe	Failure to meet all three objectives with termination of project	Cost over-run by 25% or financial loss greater than USD1M.	Fatality or permanent significant disability, long term impairment or illness significantly affecting the quality of life for an employee, contractor or member of the public.	Permanent impacts to populations of significant flora or fauna (e.g. threatened), highly significant heritage items, complete removal of habitat or significant impairment of ecosystem function.	Permanent destruction or removal of significant assets or resources belonging to individual or community, permanent loss of livelihood.	Claim or action could be brought in the Courts; and	Court, regulator or Government/ Cabinet inquiry concludes improper, corrupt or grossly negligent conduct.
Major	Project substantially fails to meet one objective of the project	Cost over-run between 15-25% or financial loss between USD500 and USD1M.	Long term or permanent disability, impairment or illness not significantly affecting the quality of life for an employee, contractor or member of the public.	Medium-long term (>10 years) physical impacts likely to cause impacts to flora/fauna populations, or direct impacts to flora / fauna populations. Adverse impacts to significant heritage items.	Criminal act of violence by contractor worker(s) on member(s) of local communities.	Regulators could bring prosecution and penalties (and potential imprisonment for individuals), and Claim or action could be brought in the Courts; and	Action by MIPU/PWD results in one or more Executives or senior managers being terminated.
Moderate	Project requires restructuring to meet revised project objectives	Cost over-run between 5% - 15% or financial loss between USD100,000 - USD500,000.	Hospitalisation with medical intervention of an employee, contractor or member of the public.		Significant or repeated criminal act(s) by contractor worker(s) on member(s) of local communities.	Regulator could bring prosecution for which the penalty (and potential imprisonment for individuals).	Government or Cabinet inquiry into our actions or operations.
	Project does not meet the target(s) of at least one indicator for the project objectives			Medium term (3-10 years) impacts on populations of native flora / fauna including loss of individuals of threatened species. Significant impacts on physical environment.	Destruction of significant assets or resources belonging to individual or community, leading to loss of livelihood for a period of two to three years.	Claim or action could be brought in the Courts; and	Prolonged and negative national media attention.
	Project requires time extension to meet project objectives				Petty crimes by contractor worker(s) on member(s) of local communities.	Regulator could bring prosecution for which a penalty or fine for an individual.	Short term negative national media attention.

## **Appendix 6: Works Programme**

To be developed in future Quarterly Reports.

## Appendix 7: Conference Report

## Conference Report

### Vanuatu Delegation

#### 3<sup>rd</sup> World Reconstruction Conference 6-9 June 2017, including ACP Special Event

**Purpose:** 3<sup>rd</sup> World Reconstruction Conference brought together 500 delegates from all over the World to share and develop knowledge of longer term reconstruction <sup>1</sup>(not immediate response and early recovery), including tools and resources increase resilience <sup>2</sup>and build back better after natural disasters.

**Outcome:** The Vanuatu delegation attended all of the sessions, including the ACP Special Event on 9 June 2017. The central themes of the conference that need to be considered in Vanuatu are as follows:

1. **Policy and Planning:** Government must be well prepared prior to disaster for reconstruction, including having an integrated policy framework in place, institutional structures developed, training completed and systems tested and refined.
2. Reconstruction efforts should be integrated with international agreements such as Sendai.
3. Reconstruction efforts can be to the detriment to development goals and initiatives. The competition between continued and repeated humanitarian responses and reconstruction efforts and development goals must be well understood. At present, the year-on-year impact of natural disasters represent around 6.6% GDP, in context with anticipated growth of 2% GDP, how can development occur? However, it is well noted that the efforts do not need to be mutually exclusive. Evidence suggests that a well-structured Reconstruction Programme can still support development goals.
4. Government must understand and address the long term impacts of disasters and to the fullest extent possible introduce resilience either prior to a disaster or as part of reconstruction.
5. The reconstruction efforts must be integrated and contiguous with the preceding response and early recovery phases to maximise coordination and minimise the socio-economic effects of the disaster and impacts on the environment.
6. Evidence suggests that well understood and fully scoped disasters have a much better chance of being fully funded.
7. **Funding:** Government must have either secured or ability to secure flexible funding prior to a disaster.
8. Government should explore a suite of funding opportunities to minimise the fiscal impact and provide liquidity immediately after a natural disaster. The PCRAFI insurance scheme can be complemented by a newly introduced scheme by the World Bank, called the Catastrophic Draw-down Option (Cat DDO). Once Cat DDO is established, this funding facility can provide funds immediately after a declared natural disaster to be a cash injection into the Government's budget. Funds up to around USD10 million can be used flexibly and for a range of activities. This facility is now being explored further to possibly leverage off regional funds, so not to have an impact on the Government's lending capacity.
9. **Leadership:** Government must ensure that the reconstruction efforts are well led and has the authority and capacity to direct and manage the Disaster Recovery Framework, as promoted by GFDRR.

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<sup>1</sup> The term 'reconstruction' and 'recovery' are used similarly by different international agencies. For the purpose of this report, the reconstruction includes the humanitarian normalisation of people's lives after a natural disaster.

<sup>2</sup> For the purpose of this report, the terms 'resilience' is the strengthening of the environment, social and infrastructure to withstand a future natural disaster.

10. The agency that leads the response and early recovery phases after a disaster should also lead the reconstruction efforts.
11. **Partnership:** Partnerships with local stakeholders including private sector, NGO and Civil Society, insurance companies and others must be well established prior to a disaster.
12. **Data:** Data for damage and needs assessments must be routinely collected prior to and available at the time of a disaster.
13. Baseline data collection must be of sufficient detail and scope and readily available at the time of a disaster for inclusion into a rapid needs assessment and PDNA.
14. **PDNA:** The Post Disaster Needs Assessment (PDNA) is now considered as best practice and is commonly integrated to post disaster funding decision making and agreements. Governments must have a tailored PDNA template in place prior to a disaster.
15. A PDNA is limited in scope and has a short time horizon because some information is unavailable at the time of its development and the Government has not chosen appropriate measures to undertake reconstruction. As such a Disaster Recovery Framework template should be in place prior to a disaster that should naturally follow on from the implementation of a PDNA.
16. A rapid needs assessment should be considered for more challenging and complex disasters, to reduce the timeline to implement reconstruction. A PDNA could be developed after the rapid needs assessment is complete.
17. **Learning and Toolbox:** Government must learn from previous experience and the experience of other, notably other natural disasters in the Pacific. These lessons learnt must be instituted into the current policies, practices and procedures.
18. Government should develop its 'toolbox' of policies, practices and procedures during periods of non-disaster and where possible share these practices with other countries.

**Recommendations:** WRC3 highlighted a number of recommendations for consideration by the Government:

1. **Policy and Planning:** It is recommended that the Government undertake a policy review for response, early recovery and reconstruction efforts to ensure that the Government and other partners are well organised, highly focussed and ready for a future natural disaster and that all efforts can be completed in an effective and timely manner and in line with development policies. As part of the policy review, the socio-economic impacts of a disaster must be understood in context with the development policies and addressing the current imbalance in economic impacts of natural disasters and the future development goals.
2. **Funding:** Where possible, funding arrangements are in place including insurance (sovereign and private). Government should fully explore the Cat DDO facility.
3. **Leadership:** Government should consider re-aligning current institutional arrangements, so that there is single leadership and institutional arrangements throughout the response, early recovery and reconstruction phases.
4. **Partnership:** It is recommended that a Partnerships Conference be convened to gain commitments from key stakeholders, funding arrangements, including insurance and operational arrangements prior to a disaster.
5. **Data:** It is recommended that the current arrangements for data collection across all agencies be reviewed to assess their ability to provide adequate data in a timely manner for a future disaster and if required subsequent recommendations be provided.
6. **PDNA:** It is recommended that the PDNA for TC Pam be reviewed in terms of effectiveness and the structure of the PDNA be reviewed for future use. It is recommended that a rapid needs assessment also be considered for fast-tracking of activities, where appropriate.

7. **Leadership and Toolbox:** It is recommended that a central repository be established to collect lessons learnt to be instituted into the current policies, practices and procedures. It is further recommended that the Government develop its own 'toolbox' of policies, practices and procedures during periods of non-disaster and where possible share these practices with other countries.