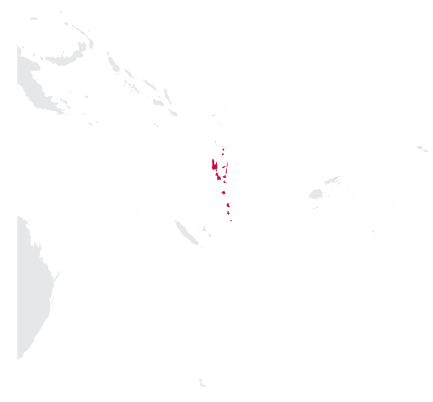




The Compact ended on April 28, 2011 and formally closed on August 26, 2011 concluding the administrative closure period. This is the final Quarterly Status Report.

**COMPACT GOAL**

The Vanuatu Compact focused on reducing poverty and stimulating economic growth by targeting the country's weak transportation infrastructure. The Compact benefitted poor, rural agriculture producers and providers of tourist-related goods and services by reducing transportation costs and improving the reliability of access to transportation services through the rehabilitation of the two most important national roads, the Efate Ring road and the Santo East Coast road.



**COMPACT AT A GLANCE**

Compact Signed	<b>03-02-2006</b>
Entry Into Force	<b>04-28-2006</b>
Compact End Date	<b>04-28-2011</b>
Compact Total	<b>\$65,690,000</b>
Amount Committed	<b>\$65,092,243</b>
Amount Expended	<b>\$65,092,243</b>
Estimated Program Beneficiaries	<b>39,203</b>
Estimated Increase in Household Income	<b>\$73,800,000</b>

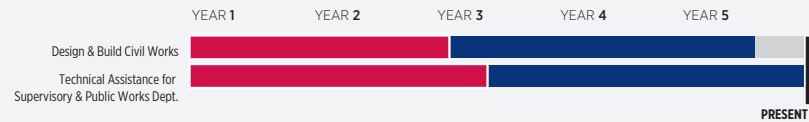
% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
<b>92%</b>	<b>Transport Infrastructure Project</b> <b>\$60.1</b>
<b>2%</b>	<b>Monitoring &amp; Evaluation</b> <b>\$1.0</b>
<b>7%</b>	<b>Program Admin</b> <b>\$4.5</b>

■ Project Preparation ■ Project Implementation

**Transport Infrastructure Project**

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>
<b>\$60,127,374</b>	<b>\$60,071,559</b>	<b>\$60,071,559</b>

The project focused on the rehabilitation and sealing of two priority roads, the Efate Ring road (92.5 km) and the Santo East Coast road (57.2 km); and the strengthening of institutional efforts and policy reform initiatives by building capacity within Vanuatu's Public Works Department through technical assistance and the provision of maintenance equipment.



**Projected Long-Term Results**  
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
<b>39,203</b> Over the 20 year life of the investment.	<b>\$73,800,000</b> Over the 20 year life of the investment

**PROJECTED OUTCOMES**

Reduced the proportion of households in the project catchment area living below the National Basic Needs Poverty Line on the island of Efate from 37.7% to 31.2% and from 14.6% to 7.3% on the island of Santo.

**RESULTS AT END OF COMPACT**

The Compact ended on April 28, 2011 and concluded administrative closure on August 26, 2011. Rehabilitation of both road projects completed successfully, inclusive of 30% additional contracted work to extend and widen sealed sections and enhance road safety and sustainability. Over 39,000 people are expected to benefit from Compact, with an estimated \$73.8 million in income gain over the 20 year life of the investment.

**PROJECT ACHIEVEMENTS**

The New Zealand Government is planning to contribute further funding for critical bridge rehabilitation along the Efate and Santo roads. An amendment to the Road Act and a Road Safety Campaign are being advanced by the Government of Vanuatu. The Public Works Department has approved \$1.6 million in the 2011 Business Plan for community-based routine road maintenance contracts to assist the sustainability of Vanuatu's 1,800 km of national roads.

The Compact was formally restructured in early 2008 due to circumstances that included escalating global construction costs and currency fluctuations. The construction and sealing of two national roads, the Efate Ring Road and the Santo East Coast Road, was the focus of the restructured Compact. In June 2009, the Government of Vanuatu signed a funding agreement with the Government of New Zealand to provide an additional NZD14 million in funding support to the project.

MCC is committed to reporting results and will fund evaluations to assess the full extent of impacts that can be attributed to MCC programs. These evaluations will be posted on [www.mcc.gov](http://www.mcc.gov) as they become available.

<sup>†</sup>Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.

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