

**MINUTES OF MEETING NO. 2  
of Steering Committee  
of Millennium Challenge Accountant Moldova (MCA-Moldova)**

*3 June 2010, 3.00 p.m.  
Government of the Republic of Moldova, office 524*

Members of the Steering Committee:

Vladimir FILAT	Prime Minister, Chair of the Committee
Victor BODIU	State Minister, Vice Chair of the Committee
Veaceslav NEGRUȚA	Minister of Finance
Valeriu COSARCIUC	Minister of Agriculture and Food Industry
Anatolie ȘALARU	Minister of Transport and Road Infrastructure
Gheorghe ȘALARU	Minister of Environment
Dinu ARMAȘU	Director of Foreign Investor's Association
Valentina CATANOI	Executive Director of the Alliance for Agricultural Cooperation
Valeriu PROHNIȚCHI	Director of Independent Analytic Center "Expert-Grup"
Sergiu NEICOVCEN	Executive Director of National Center for Assistance and Information of the Non-Governmental Organization "Contact"
Andrei ISAC*	Executive Director of the Environment Regional Center – Moldova (REC Moldova)

Remark:

\* On 3 June 2010 Mr. Andrei Isac was no longer holding the position of Executive Director of the Environment Regional Center – Moldova (REC Moldova). Therefore he could not attend the meeting of the Steering Committee.

Invited persons:

Laurenția UNGUREANU (Observer)	Acting Executive Director of the Environment Regional Center – Moldova (REC Moldova)
Brian ANSELMAN (Observer)	Representative of the US Embassy in the Republic of Moldova
Eduard Banaruc	Deputy State Minister
Elena Matveev	Director of the General Directorate for Public Debts, Ministry of Finance, member of the evaluation group of the proposals for selection of the Commercial Bank under the Compact program
Anatolii Usatîi	Director of the Investment Directorate, State Road Administration, member of the evaluation group of the proposals for selection of the Procurement Agent under the Compact program

***The meeting was attended by:***

Members of the Steering Committee:

Vladimir FILAT	Prime Minister, Chair of the Committee
Victor BODIU	State Minister, Vice Chair of the Committee
Veaceslav NEGRUȚA	Minister of Finance
Valeriu COSARCIUC	Minister of Agriculture and Food Industry
Anatolie ȘALARU	Minister of Transport and Road Infrastructure
Gheorghe ȘALARU	Minister of Environment
Dinu ARMAȘU	Director of Foreign Investor's Association

Valentina CATANOI  
Valeriu PROHNIȚCHI

Executive Director of the Alliance for Agricultural Cooperation  
Director of Independent Analytic Center “Expert-Grup”

Invited persons:

Laurenția UNGUREANU  
(Observer)

Acting Executive Director of the Environment Regional Center  
– Moldova (REC Moldova)

Brian ANSELMAN  
(Observer)

Representative of the US Embassy in the Republic of Moldova

Eduard Banaruc  
Elena Matveev

Deputy State Minister  
Director of the General Directorate for Public Debts, Ministry  
of Finance, member of the evaluation group of the proposals  
for selection of the Commercial Bank under the Compact  
program

Anatolii Usafii

Director of the Investment Directorate, State Road  
Administration, member of the evaluation group of the  
proposals for selection of the Procurement Agent under the  
Compact program

Meeting’s agenda:

1. Presentation and approval of the evaluation report of the applicants for the position of the Executive Director of Millennium Challenge Account Moldova (MCA-Moldova).
2. Presentation and approval of the evaluation report of the proposals from commercial banks for providing of the banking services to MCA-Moldova.
3. Presentation and approval of the evaluation report of the proposals for providing of the services of Procurement Agent to MCA-Moldova.
4. Other issues:
  - regarding the delegation of a representative of the non-governmental sector as member of the Executive Committee.

The meeting of the Steering Committee was opened and chaired by Vladimir Filat, Prime Minister of the Republic of Moldova, Chair of the Steering Committee. The Chair informed the participants that in accordance with the bylaws of the Millennium Challenge Account Moldova (MCA-Moldova) the meeting of the Steering Committee was convened, and announced the presence of the members at the meeting. At the meeting were present nine of 11 voting members of the Steering Committee. Mr. Sergiu Neicovcen, who notified about his impossibility to attend the meeting, and Mr. Andrei Isac who was no longer holding the position of Executive Director of the Environment Regional Center – Moldova (REC Moldova) were not present at the meeting. The Chair informed the members that on May 31, 2010 the members of the Steering Committee were sent the invitation for the meeting, agenda and relevant materials for the meeting, and mentioned that in accordance with the bylaws of the MCA-Moldova (clause 32), approved by Government Decision no. 161 of 4 March 2010, the meeting is deemed deliberative if it is attended by at least six voting members. Considering that in the meeting were participating nine voting members, the meeting was deemed deliberative. The Chair announced the names of the participants in the meeting.

The members of the Steering Committee presented the Impartiality and Confidentiality Declaration personally signed prior the examination of the meeting’s agenda.

The Chair of the Steering Committee further proposed to review the agenda of the meeting and approved it.

The agenda was approved unanimously by all voting members attending the meeting.

Further it started the presentation of the agenda's issues.

**First issue** of the agenda was presented by Mr. Eduard Banaruc, Deputy State Minister, who informed the members of the Steering Committee that by the decree dated 23 April 2010 of the State Minister was created the Evaluation Group for the position of Executive Director of MCA-Moldova, consisting of five members, representatives of State Chancellery, Ministry of Finance, Ministry of Environment, Ministry of Transport, and Ministry of Agriculture. The group convened for evaluation of the CVs of the applicants for the position of Executive Director on 29 April 2010. As response to the recruitment notification for Executive Director were received five CVs. Upon the evaluation of the CVs the Evaluation Group established a short-list of the three most qualified candidates, who were invited for interviews. Upon the evaluation of the CVs and conducted interviews, the Evaluation Group has established the most qualified candidate – Mrs. Valentina Badrajan. The entire version of the report describing the evaluation process of the candidates for the position of Executive Director of MCA-Moldova was sent to the members of the Steering Committee.

Upon the review of the materials, the first issue of the agenda was approved without objections by the Steering Committee.

The Chair of the Steering Committee requested that Mrs. Valentina Badrajan, Team Leader for Development of the Compact Program, join the meeting for the examination of the remaining agenda issues.

**The second issue** of the agenda was presented by Elena Matveeva, who informed the members of the Steering Committee that in order to implement the Compact program, in accordance with the grant agreements between Millennium Challenge Corporation (MCC) and the Government of Moldova, the services of a commercial local bank which will administer the bank accounts of MCA-Moldova shall be procured.

Considering that the majority of the payments within the program will be made directly by the United States Treasury to the beneficiaries' (contractors') accounts, the amount of the funds to pass through local accounts of MCA-Moldova will be small. The destination of these funds will be mainly the remuneration of the MCA-Moldova's personnel and payment of the operating costs of this entity.

In order to evaluate the financial information of the banks and to prepare the evaluation report, and to establish the short-list, the State Chancellery established an Evaluation Group, which included three persons, representatives of the State Chancellery, Ministry of Finance, and the Team for Development of the Compact Program.

The main criteria applied for establishing of the short-list of the commercial banks were: total assets, amount of the normative capital, level of profit, and participation in international banking groups.

Upon the evaluation in the short-list with the highest scoring were included the following banks:

1. MOLDOVA - AGROINDBANK S.A.;
2. VICTORIABANK S.A.;
3. Banca de Economii;
4. Moldindconbank S.A.;
5. MOBIASBANCA - Groupe Societe Generale S.A.

Upon the approval by MCC of the report on establishing the short-list, these banks were sent the Request for Proposal. This was developed in accordance with MCC standard documents for banking services, which include 11 evaluation criteria.

On 1 April 2010 the proposals were received and publicly opened in the presence of the representatives of the mentioned banks.

Upon the evaluation of the proposals, the Evaluation Group found some deviations from the requirements included in the Request for Proposal.

Upon the above-mentioned, the Evaluation Group finalized the evaluation of the proposals of the commercial banks for providing banking services to MCA-Moldova and appointed the successful bank. The entire version of the report describing the evaluation process of the proposals of the commercial banks was sent to the members of the Steering Committee.

Upon the review of the materials, the second issue of the agenda was approved without objections by the Steering Committee.

*The third issue* of the agenda was presented by Anatolii Usatii, who informed the members of the Steering Committee that, in accordance with Compact, the Government of Moldova shall ensure that MCA-Moldova will enter into a contract with one or more Procurement Agents, who will act on the name of MCA-Moldova, under the terms acceptable to MCC, for conducting procurements of goods, works and services necessary for implementation of the activities financed from the Compact. The services of the selected firm will be provided during the entire period of the first three years of program implementation. During the fourth year the services of the firm will include four oversight visits of two weeks each, and during the fifth year – two visits of similar length.

On 23 March 2010, after coordination and approval of the documentation by State Chancellery and MCC, was released the Request for Proposals for the services of the Procurement Agent.

In response to the Request for Proposals, proposals for Procurement Agent services were received from five foreign firms. Upon the review of all five proposals, the Technical Evaluation Report was developed, according to which two of the submitted proposals do not meet the minimum number of points necessary for examination of the financial proposals submitted by respective firms. The respective evaluation report was approved by MCC on 19 May 2010.

On 20 May 2010 were opened the financial proposals of the firms whose technical proposals secured the minimum necessary points: Louis Berger SAS (France), Crown Agents USA (USA) and Booz Allen Hamilton (USA).

Based upon the combined technical and financial evaluations it was established which firm received the maximum number of points, and which is recommended by the Evaluation Group for award of the contract for the services of the Procurement Agent. The entire version of the report describing the evaluation process of the proposals of the firms for providing Procurement Agent services was sent to the members of the Steering Committee.

Mr. Victor Bodiu requested Mr. Usatii to clarify the activity of the Procurement Agent, specifically whether assistance will be provided to the Transition to High Value Agriculture (THVA) Project or only to the Road Rehabilitation Project.

Mr. Usatii explained that the procurements under the THVA Project will be entirely conducted by the Procurement Agent. Under the Road Rehabilitation Project, the procurements will be conducted by the State Road Administration, but under the supervision of the Procurement Agent.

The Chair of the Steering Committee requested to be clarified the role of the Steering Committee in the procurement process and approval of the evaluation reports.

Mrs. Valentina Badrajan informed the members of the Steering Committee that the Committee shall review the reports of the Evaluation Groups, the activity of which will be supervised by the Procurement Agent. The Steering Committee will approve the reports of the Evaluation Groups in accordance with MCC Procurement Guidelines.

All procurements conducted by MCA-Moldova will be reviewed by the Procurement Agent, including for the Road Rehabilitation Project and THVA Project.

Further, she informed the members of the Steering Committee that under the Road Rehabilitation Project the State Road Administration will benefit from technical assistance under the Compact, which will finance the services of an international consultant and a number of local experts, including procurement specialists, a technical engineer and a project manager.

Also, the supporting information regarding this issue of the agenda, sent to the members of the Steering Committee, included the information that on 24 May 2010 one of the firms whose technical proposal did not secure the minimum number of points, and respectively whose financial proposal was not opened, challenged this decision. Currently the State Chancellery is drafting the response to this complaint. After the completion of the bid challenge process, MCA-Moldova will be able to sign a contract with the winning firm.

Upon the review of the materials, the third issue of the agenda was approved without objections by the Steering Committee.

*The fourth issue* of the agenda was presented by Vice Chair of the Steering Committee, Mr. Victor Bodiu, who informed the members of the Steering Committee that, according to the MCA-Moldova bylaws, the representatives of civil society and private sector from the Steering Committee shall appoint their representative in the Executive Committee within 15 calendar days starting 6 May 2010. As no information had been provided prior to the current meeting, this decision was to be taken during the current meeting.

The members of the Steering Committee required clarifications regarding the activity of the Executive Committee.

Mrs. Badrajan informed them that according the MCA-Moldova bylaws, there are five members representatives of civil society and private sector in the Steering Committee. These members shall convene in a meeting and appoint a person from these five as a member of the Executive Committee. The Executive Committee, which will manage certain activities under the Compact program, will be chaired by the Vice Chair of the Steering Committee (Mr. Victor Bodiu). The second member will be the Executive Director of MCA-Moldova, and the third member shall be a representative of civil society and private sector. The Executive Committee convenes between the meetings of the Steering Committee and decides a number of issues, such as: approval of disbursement requests, establishment of the Evaluation Groups, approval of the financial plan, and approval of operations manuals.

Upon the review of the information provided, the members of civil society and private sector in the Steering Committee attending the meeting decided to appoint as their representative in the Executive Committee Mrs. Valentina Catanoi, Executive Director of the Alliance for Agricultural Cooperation. Results of the voting process:

**Pro** - **3 members;**  
**Contra** - **0 members.**

The fourth issue of the agenda was approved unanimously by the voting member representatives of civil society and private sector in the Steering Committee, who attended the meeting.

Upon the review of the received information, **the Steering Committee DECIDES:**

- To approve the evaluation report of the candidates for the position of Executive Director of the MCA-Moldova; to appoint in the position of Executive Director of MCA-Moldova Mrs. Valentina Badrajan; and to submit for approval the respective evaluation report to MCC
- To approve the evaluation report of the proposals from commercial banks for providing banking services to MCA-Moldova, and to submit for approval the respective evaluation report to MCC.
- To approve the evaluation report of the proposals for providing Procurement Agent services to MCA-Moldova, and to recommend MCC the approval of the respective evaluation report.

- To appoint as the representative of the civil society and private sector in the Executive Committee Mrs. Valentina Catanoi, Executive Director of the Alliance for Agricultural Cooperation.

Vladimir FILAT	____ Signed ____	Prime Minister, Chair of the Committee
Victor BODIU	____ Signed ____	State Minister, Vice Chair of the Committee
Veaceslav NEGRUȚA	____ Signed ____	Minister of Finance
Valeriu COSARCIUC	____ Signed ____	Minister of Agriculture and Food Industry
Anatolie ȘALARU	____ Signed ____	Minister of Transport and Road Infrastructure
Gheorghe ȘALARU	____ Signed ____	Minister of Environment
Dinu ARMAȘU	____ Signed ____	Director of Foreign Investor's Association
Valentina CATANOI	____ Signed ____	Executive Director of the Alliance for Agricultural Cooperation
Valeriu PROHNIȚCHI	____ Signed ____	Director of Independent Analytic Center "Expert-Grup"