



**MINUTES no.7  
of the Steering Committee  
of Millennium Challenge Account Moldova (MCA Moldova)**

*December 7, 2010, 14.00 p.m.*

*Government of the Republic of Moldova, office 524*

**Members of the Steering Committee:**

1. Vladimir FILAT - Prime Minister of the Republic of Moldova, Chair of the Steering Committee
2. Victor BODIU - State Minister, Deputy Chair of the Steering Committee
3. Veaceslav NEGRUȚA - Minister of Finance
4. Valeriu COSARCIUC - Minister of Agriculture and Food Industry
5. Anatolie ȘALARU - Minister of Transports and Road Infrastructure
6. Gheorghe ȘALARU - Minister of Environment
7. Dinu ARMAȘU - Director, Foreign Investors Association
8. Valentina CATANOI - Executive Director, Alliance for Agricultural Cooperation
9. Valeriu PROHNIȚCHI - Director, Independent Analytical Center „Expert-Grup”
10. Sergiu NEICOVCEN - Executive Director, National Center for Assistance and Information of Non-government Organizations „Contact”
11. Victor COTRUȚĂ - Executive Director, Regional Environment Center Moldova (REC Moldova)

**Observers:**

1. Leslie J McCUAIG - Country Director for Moldova, Millennium Challenge Corporation
2. Valentina BADRAJAN - Executive Director, Millennium Challenge Account Moldova

**The meeting was attended by:**

***Members of the Steering Committee:***

1. Victor BODIU - State Minister, Deputy Chair of the Steering Committee
2. Veaceslav NEGRUȚA - Minister of Finance
3. Ștefan CHITOROAGĂ - Deputy Minister of Agriculture and Food Industry, *representing Mr. Valeriu Cosarciuc, Minister of Agriculture and Food Industry*
4. Boris GHERASIM - Deputy Minister of Transports and Road Infrastructure, *representing Mr Anatolie Salaru, Minister of Transports and Road Infrastructure*
5. Valentina CATANOI - Executive Director, Alliance for Agricultural Cooperation

- 6. Valeriu PROHNIȚCHI - Director, Independent Analytical Center „Expert-Grup”
- 7. Sergiu NEICOVCEN - Executive Director, National Center for Assistance and Information of Non-government Organizations „Contact”
- 8. Victor COTRUȚĂ - Executive Director, Regional Environment Center Moldova (REC Moldova)

**Observers:**

- 1. Leslie J MCCUAIG - Country Director for Moldova, Millennium Challenge Corporation
- 2. Valentina BADRAJAN - Executive Director, Millennium Challenge Account Moldova

**Invitees:**

- 1. Anatol USATÎI - Director, Road Rehabilitation Project, Millennium Challenge Account Moldova

**Agenda:**

1. Presentation and approval of the candidate selected by the evaluation commission for the position of Legal Advisor of Millennium Challenge Account Moldova.
2. Approval of the signing of the Implementing Entity Agreement between Millennium Challenge Account Moldova and State Road Administration to implement the Road Rehabilitation Project.
3. Approval of the Amendment to MCA Moldova Procurement Plan for October 2010 – March 2011 and procurements made through shopping procedure.

*The meeting was chaired by Mr. Victor Bodiu, State Minister, and Deputy Chair of Steering Committee.*

In his opening speech, Mr Victor Bodiu informed the participants that the Steering Committee of MCA Moldova was convened according to Millennium Challenge Account Moldova Bylaws and mentioned the members present at the meeting. For job-related reasons, Mr Valdimir Filat, Prime Minister of the Republic of Moldova and Chair of the Steering Committee, Gheorghe Salaru, Minister of Environment, Dinu Armasu, Director of Foreign Investors Association could not attend the meeting.

The chair of the session announced that according to clause 32 of MCA Moldova Bylaws, the meeting was deemed deliberative when at least 6 voting members were present. Since 8 voting members out of 11 and 2 non-voting observers were present, the chairman of the session found that all the conditions for convening the meeting were met.

The chair of the session introduced the agenda and proposed that it be approved. The members of the Committee confirmed that they had received the materials beforehand and got familiar with them.

Having looked through the agenda, the Steering Committee members had no objections to it and, upon the proposal of the chair of the session, approved it unanimously.

Prior to the meeting all the Steering Committee members had received the relevant materials on all the items on the agenda for review.

***First item.** Presentation and approval of the candidate selected by the evaluation commission for the position of Legal Advisor of Millennium Challenge Account Moldova.*

The chair of the session gave the floor to Mrs Valentina Badrajan, MCA Moldova Executive Director, to speak on the first item.

The rapporteur started by saying that according to MCA Moldova Bylaws, approved through the Government Decision no.161 of March 4, 2010, the Steering Committee, with prior approval of Millennium Challenge Corporation, must ensure competition based selection and approval of MCA Moldova key staff.

For this purpose, a commission was created through the Order of the State Minister no.229-A of July 6, 2010, complemented through the Order no.315 –A of September 24, 2010 to select the **MCA Moldova Legal Advisor**, chaired by Mr Roman Cazan, Deputy State Minister. The membership of the commission, terms of reference, qualification requirements, evaluation criteria and questions for the interview of the candidates were coordinated with and approved by MCC.

According to the terms of reference the Legal Advisor will provide assistance to MCA Moldova on all Compact-related legal issues, as well as legal support to MCA Moldova leadership in the operation of MCA Moldova. The Legal Advisor will be the secretary of the Steering Committee.

The announcement for this position was published in newspapers distributed countrywide. The deadline for submitting applications was May 10, 2010. Due to lack of qualified candidates, the selection commission decided to announce the competition repeatedly with the deadline August 13, 2010. This time 5 candidates applied for the position.

The interview with the short-listed candidates was held on September 27, 2010 in the presence of the representatives of MCC and of the MCC- contracted legal assistance company.

Having evaluated all the applications and conducted the interviews with the short-listed candidates, the selection commission decided unanimously that the most qualified candidate for that position was Mr Ghenadie Catlabuga.

The Curriculum Vitae and Cover Letter of the candidate proposed for this position were attached to the materials handed to the Steering Committee members.

Mr Victor Bodiou proposed that the decision of the evaluation commission to select Mr Ghenadie Catlabuga for the position of MCA Moldova Legal Advisor be approved by the Steering Committee.

The voting members of the Steering Committee, present at the meeting were unanimous in their decision to approve the evaluation report on the candidates for the position of Legal Advisor of Millennium Challenge Account Moldova and selected for this position Mr Ghenadie Catlabuga. The evaluation report is also subject to the approval of Millennium Challenge Corporation.

The chair of the session suggested proceeding to the second item on the agenda.

**Second item.** *Approval of the signing of the Implementing Entity Agreement between Millennium Challenge Account Moldova and State Road Administration to implement the Road Rehabilitation Project.*

Mr Anatol Usatii, Director of Road Rehabilitation Project of MCA Moldova, communicated that according to clause 15 (n) of MCA Moldova Bylaws the Steering Committee must approve the signing of agreements with any entity associated to the Institution, including implementing entity agreements, as well as any amendments to them. A similar provision is stipulated in the Compact Agreement (Annex I „Program Description”, Part A „Program Overview”, Article 3 „Implementation Framework”, Paragraph (d) „Implementing Entities”) and Program Implementation Agreement (Article 1 „General Responsibilities of the Parties”, Section 1.4 „Implementing Entities”) signed with MCC. As stated in the Compact Agreement, the Government of the Republic of Moldova must make sure that MCA Moldova contracts one or several procurement agents, who will act on behalf of MCA Moldova, under the

conditions acceptable to MCC, to make procurements of goods, works and services needed to perform the Compact activities.

Having made the necessary evaluations, MCC chose the State Road Administration (SRA) to implement the Road Rehabilitation Project under Compact.

In this respect, MCA Moldova, SRA and MCC drafted the relevant implementing entity agreement that has the following sections:

- Project management, including project scheduling and reporting;
- SRA role as Procurement Agent;
- Ensuring project quality by implementing a Quality Assurance Plan;
- Management and administration of road rehabilitation contracts and technical oversight contracts to the extent delegated by MCA Moldova;
- Contribution to the development and implementation of the Monitoring and Evaluation Plan;
- Environmental and social responsibilities;
- Performance of other functions related to Project implementation.

To build SRA capacities in project implementation, MCA Moldova will provide the SRA with the following:

- Contracting of individual consultants (international and local) as follows:
  - Project Coordinator;
  - Engineering and Management Consultant;
  - Senior Procurement/Contract Management Expert ;
  - Up to 3 (three) Procurement/Contract Officers;
  - Environmental and Social Consultant;
  - Engineering Consultant.
- Two vehicles, including vehicle operating costs;
- Furniture for the consultants contracted by MCA Moldova for the Implementing Entity;
- PCs, laptops and software for the consultants contracted by MCA Moldova for SRA (with prior approval by MCA Moldova according to the needs of each consultant), laser printer and copy machine;
- Licensed project management software;
- Office consumables.

To be able to comply with the requirements mentioned above, Mr Usatii asked for the approval of the Implementing Entity Agreement between the Millennium Challenge Account Moldova and State Road Administration.

Mrs Valentina Badrajan added that the Implementing Entity Agreement proposed for approval covered all the relevant issues and that some of the civil works would be supervised by MCA Moldova, and the procurements would be made in line with the US Government and MCC procurement rules.

Mr Veaceslav Negruta, Minister of Finance, mentioned that, since MCA Moldova and State Road Administration were two Moldovan legal entities, the Implementing Entity Agreement was to be signed in the state language.

Mr Victor Bodi, State Minister, proposed that the signing of the Implementing Entity Agreement for the implementation of the Road Rehabilitation Project between MCA Moldova and State Road Administration be approved, provided that the matter of the language was settled in consultations with MCC.

The voting members of the Steering Committee present at the meeting were unanimous in their decision to approve the signing of the Implementing Entity Agreement between Millennium Challenge Account Moldova and Road State Administration.

The chair of the meeting suggested proceeding to the third item on the agenda.

**Third item.** *Approval of the Amendment to MCA Moldova Procurement Plan for October 2010 – March 2011 and procurements made through shopping procedure.*

The third issue of the meeting was presented by Mrs Valentina Badrajan, MCA Moldova Executive Director, who said that according to the Procurement Guidelines of Millennium Challenge Corporation, before starting any procurement, such procurement must be stipulated in the Procurement Plan and duly approved. The Steering Committee, the governing board of Millennium Challenge Account Moldova, is empowered to approve the Procurement Plan of the institution, which is further subject to approval by Millennium Challenge Corporation.

On September 29, 2010 the Steering Committee of MCA Moldova approved the Procurement Plan for October 2010 – March 2011.

The more additional staff was contracted for MCA Moldova, more procurements, other than those laid out in the initial Procurement Plan, were to be made.

Therefore MCA Moldova came up with an Amendment, purporting to add new activities to the Procurement Plan in order to intensify Program implementation. Mrs Badrajan said that the Amendment to the Procurement Plan provided estimates of costs of services, works and goods that were just for the information of the members of the Steering Committee and could not be made public yet and proposed certain amendments.

### **1. Consultant for Detailed Design, Resettlement Action Plan and Supervision of Construction Works (DD/RAP/CS)**

On September 29, 2010 the Steering Committee decided that the Consultant in charge of the implementation of the Detailed Design and Resettlement Action Plan sub-activity as part of the Centralized Irrigation Systems Rehabilitation Activity should be selected through competition. This complex activity can be implemented in several ways and processes and implies several sub-activities in the construction area: *Detailed Design, Drafting of Resettlement Action Plan, Supervision of Construction Works, Performance of Construction Works, etc.*

After additional consultations with the MCC Infrastructure Department, it was decided to merge the Detailed Design activities (including Drafting of the Resettlement Action Plan) with Supervision of Construction Works and to procure the services of a single consultant that would be in charge of both. This would enable the designer to supervise the implementation of works, and any correction of the design, if necessary, would happen more quickly than in the case of different companies performing the two activities.

The Consultant's Technical Task (DD/RAP/CS) covers a period of 37 months from the date of consultant's mobilization.

### **2. Office equipment for the WUA (Water Users Association) Monitoring and Supervision Unit within the State Agency „Apele Moldovei”**

According to the technical task of the consultant in charge of implementing the Irrigation Sector Reform Activity, the consultant must fulfill tasks related to the creation of the Water Users Associations Monitoring and Supervision Unit within the State Agency “Apele Moldovei”. Creation of this entity is required through the Law of Water Users Associations no.171 of September 7, 2010. The company in charge of the reform will provide technical assistance through training and development of entity's

capacities. For this purpose MCA Moldova assessed the entity's needs for equipment, furniture and other necessary things.

### **3. Technical assistance and support to State Road Administration.**

According to the draft of the Implementing Entity Agreement to be signed between MCA Moldova and SRA for the implementation of the Road Rehabilitation Project, MCA Moldova will provide SRA with relevant resources to build SRA's capacities for project implementation. For this purpose the following activities were added to the Procurement Plan:

- contracting of individual consultants as follows:
  - Project Coordinator;
  - Engineering and Management Consultant;
  - Senior Procurement/Contract Management Expert;
  - Two Procurement/Contract Management Officers;
  - Environmental and Social Consultant;
- procurement of vehicles for SRA to facilitate implementation of program activities;
- procurement of office equipment for the aforementioned consultants.

### **4. Procurement of individual consultants' services**

Throughout the Program implementation by MCA Moldova, there is often the need to procure consultancy services of individual consultants. Very often the need for such services cannot be foreseen, whereas in some cases the urgent contracting of such experts is crucial. MCA Moldova consulted the MCC practice in managing such situations in countries implementing similar programs.

One of the practices identified during discussions with MCC is a budget line in each procurement plan approved by the governing board for such individual consultants. This enables quick contracting of experts in the current implementation activities of the institution avoiding the need to call the governing board in a rush, which is not always possible and can affect implementation of key program activities.

Therefore MCA Moldova proposed that the procurement plan in place be amended with a new clause about procurement of short-term (2-3 weeks) individual consultants (international and local).

Examples of such services are membership of individual consultants in technical evaluation panels (at the moment the proposals for Project Implementation Manager and DD/RAP/CS Consultant need to be evaluated), selection of members of ad-hoc tribunals for examining challenges against procurement decisions, institutionalized by the Executive Committee on October 25, 2010 (unlimited number, paid only when such tribunals are created) and consultancy services for other yet unidentified activities.

Selection of consultants according to this clause in the procurement plan would be reported on at each meeting of the Steering Committee.

### **5. Procurement of audit services.**

According to the provisions of the Compact Agreement each half-year all the disbursements made from MCC funds are subject to the financial audit.

The audit must be carried out by an independent auditor approved by the Corporation and included in the list of local auditors, approved by MCC Office of Inspector General. The procurement procedure is expected to be launched after the approval of the list of audit companies eligible for such services. The *least cost* procedure will be applied for procuring such services.

The basic period to be covered by the audit is October 2009 – June 2011. The contract will also provide for an optional period: July 2011 – December 2011. The selected company will conduct the audit by all financing sources.

The audit report, approved by MCC, will be posted on MCA Moldova website, as part of the measures to ensure transparency of the use of funds.

Considering those mentioned above, MCA Moldova included procurement of audit services in the amendments to the procurement plan.

## 6. Reporting on the procurements through *shopping* procedure.

According to the MCC Procurement Guidelines, the register of procurements made through shopping procedure (competition between at least three proposals) must be submitted monthly for approval to the Steering Committee.

The members of the Steering Committee were asked to approve the Amendment to the MCA Moldova Procurement Plan for the period of October 2010 – March 2011 and the procurements made through the shopping procedure.

Having examined the informative note and the information provided by Mrs Badrajan, the voting members of the Steering Committee present at the meeting were unanimous in their decision to approve the Amendment to the MCA Moldova Procurement Plan for the period October 2010 – March 2011 and procurements made through the shopping procedure.

Having examined the information provided, **the Steering Committee DECIDES:**

- To approve the candidate evaluation report for the position of Legal Advisor of the Millennium Challenge Account Moldova; to select for this position Mr Ghenadie Catlabuga and to submit the report to Millennium Challenge Corporation for approval.
- To approve the signing of the Implementing Entity Agreement for the implementation of the Road Rehabilitation Project between Millennium Challenge Account Moldova and State Road Administration.
- To approve the Amendment to MCA Moldova Procurement Plan for the period October 2010 – March 2011 and the procurements made through shopping procedure.

### *Members of the Steering Committee:*

Victor BODIU	_____ signed _____	State Minister, Deputy Chair of the Steering Committee
Veaceslav NEGRUȚA	_____ signed _____	Minister of Finance
Valentina CATANOI	_____ signed _____	Executive Director, Alliance for Agricultural Cooperation
Valeriu PROHNIȚCHI	_____ signed _____	Director, Independent Analytical Center „Expert-Grup”
Sergiu NEICOVCEN	_____ signed _____	Executive Director, National Center for Assistance and Information of Non-government Organizations „Contact”
Victor COTRUȚĂ	_____ signed _____	Executive Director, Regional Environment Center Moldova (REC Moldova)

Ștefan CHITOROAGĂ

\_\_\_\_\_signed\_\_\_\_\_

Deputy Minister of Agriculture and Food Industry, *representing Mr Valeriu Cosarciuc, Minister of Agriculture and Food Industry*

Boris GHERASIM

\_\_\_\_\_signed\_\_\_\_\_

Deputy Minister of Transports and Road Infrastructure, *representing Mr Anatolie Șalaru, Minister of Transports and Road Infrastructure*

**Countersigned:**

\_\_\_\_\_signed\_\_\_\_\_

Valentina BADRAJAN

\_\_\_\_\_signed\_\_\_\_\_

Executive Director, MCA Moldova