



**MINUTES no. 9**  
**of the meeting of the Steering Committee**  
**of Millennium Challenge Account Moldova (MCA Moldova)**

*April 22, 2011; 11:00*  
*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 - Secretary General of the Government, deputy chair of the Steering Committee
3. Veaceslav NEGRUȚA - Minister of Finance
4. Vasile BUMACOV - Minister of Agriculture and Food Industry
5. Anatolie ȘALARU - Minister of Transports and Road Infrastructure
6. Gheorghe ȘALARU - Minister of Environment
7. Alecu RENIȚĂ - Leader, Environmental Movement in Moldova
8. Alexandru SLUSARI - President, National Federation of Employers in Agriculture and Food Industry
9. Emilia MALAIRĂU - Executive Director, Employers Association „American Chamber of Commerce in Moldova”
10. Dumitru URSU - President, Banks Association in Moldova
11. Vladimir FLOREA - President, Employers Association “Union of Transporters and Road Workers in the Republic of 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. Vladimir FILAT - Prime Minister of the Republic of Moldova, chair of the Steering Committee
2. Roman CAZAN - Deputy Secretary General of the Government, *representing Mr*

*Victor BODIU, Secretary General of the Government, deputy chair of the Steering Committee*

3. Vasile BUMACOV - Minister of Agriculture and Food Industry
4. Anatolie ŞALARU - Minister of Transports and Road Infrastructure
5. Gheorghe ŞALARU - Minister of Environment
6. Alecu RENIŢĂ - Leader, Environmental Movement in Moldova
7. Alexandru SLUSARI - President, National Federation of Employers in Agriculture and Food Industry
8. Emilia MALAIRĂU - Executive Director, Employers Association „American Chamber of Commerce in Moldova”
9. Eugen DAŢCO - Executive Director, Union of Transporters and Road Workers in the Republic of Moldova, *representing Mr Vladimir FLOREA, chair of the Employers Association “Union of Transporters and Road Workers in the Republic of Moldova”*

**Observers:**

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

**Secretary of the Steering Committee:**

- Ghenadie CATLABUGA - Legal Advisor, Millennium Challenge Account Moldova

**Invitee:**

- Sergiu IUNCU - Transition to High Value Agriculture Project Director, Millennium Challenge Account Moldova

**Agenda:**

1. Report on the selection of MCA Moldova Consultative Group membership and nongovernmental members of the MCA Moldova Steering Committee.
2. Approval of the signing of the Agreement between the public institution Millennium Challenge Account Moldova and Apele Moldovei Agency on the implementation of Compact activities.
3. Approval of the negotiation results and signing of the contract with the project implementation manager (PIM).
4. Approval of the MCA Moldova Procurement Plan for the period April-September 2011.
5. Approval of procurements made by MCA Moldova in December 2010 - March 2011 through the *shopping procedure*.
6. Report on the individual consultancy services procured by MCA Moldova in the period of December 2010 - March 2011, and arrangements for approval of procurement decisions in MCA Moldova.

7. Approval of compensation rates for accommodation costs and per diems for the business trips of MCA Moldova staff.

**Issues to be addressed by the civil society and private sector representatives in the Steering Committee only:**

8. Nomination of one of the civil society and private sector representatives in the MCA Moldova Steering Committee to the MCA Moldova Executive Committee.
9. Selection of candidates to the vacancies in the MCA Moldova Consultative Group.

*The meeting was chaired by Prime Minister Vlad Filat, chairman of the Steering Committee.*

For job-related reasons the following members were not present at the meeting:

- Veaceslav Negruța, Minister of Finance;
- Dumitru Ursu, President of Banks Association in Moldova;
- Victor Bodi, Secretary General of the Government, deputy chair of the Steering Committee, represented by Roman Cazan, Deputy Secretary General of the Government;
- Vladimir Florea, President of the Employers' Association "Union of Transporters and Road Workers in the Republic of Moldova", represented by Eugen Dațco, Executive Director of the Union of Transporters and Road Workers in the Republic of Moldova.

The attendance of Mr Roman Cazan and Mr Eugen Datco was approved by the Millennium Challenge Corporation (MCC) prior to the meeting.

The chairman of the Steering Committee announced that according to clause 32 of MCA Moldova Bylaws, the meeting was deemed deliberative when at least 6 voting members were present. Since 9 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.

Prior to the meeting all the Steering Committee members had received the relevant materials on all the items on the agenda for review. The members of the Committee confirmed that they had received the materials beforehand and got familiar with them.

The chair of the session introduced the agenda and proposed that it be approved.

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.

***Item 1. Report on the selection of MCA Moldova Consultative Group membership and nongovernmental members of the MCA Moldova Steering Committee.***

The speaker, Valentina Badrajan, Executive Director of MCA Moldova, reported that the Bylaws of the Millennium Challenge Account Moldova (MCA Moldova) require that the institution establishes a Consultative Group of 7 members - 5 representatives of the civil society and private sector and 2 representatives of local public authorities. To this end, the Steering Committee of the MCA Moldova approved on February 18, 2011 the Regulation on the selection of the Consultative Group members, describing how to announce and hold the competition and evaluate and select the members of the Consultative Group.

From February 21 to March 4, 2011 a large outreach campaign was conducted to inform the civil society and the private sector about the launch of the competition for the MCA Moldova Consultative Group. For this purpose, announcements were published in 14 local and regional

publications, emailed to country-wide and local mass-media and picked up by several media portals and posted on the website of the MCA Moldova; informative letters were sent to organizations representing networks of non-governmental organizations in relevant areas, such as the National Federation of Farmers, Environmental Movement of Moldova, National Participatory Council, Chamber of Commerce and Industry, National Employers Confederation, Regional Development Councils etc. Apart from that, a presentation was held for 10 local organizations of the AGROinform network (Federation of Farmers).

12 organizations submitted applications that were further evaluated against the evaluation criteria stated in the Regulation on the selection of Consultative Group membership. To evaluate the candidates a working group of two representatives of MCA Moldova and one representative of the National Participatory Council was created.

The top ranking 5 organizations were the Environmental Movement of Moldova, Institute for Development and Social Initiatives „Viitorul”, National Federation of Employers in Agriculture and Food Industry, Employers Association „Union of Transporters and Road Workers in the Republic of Moldova”, Employers Association „American Chamber of Commerce and Industry”. In parallel, in the period March 4-14, 2011 the State Chancellery selected and proposed Mr. Mircea Martiniuc, head of Soroca rayon, and Mr. Ion Pantaz, mayor of Jora de Mijloc commune to stand for the local public administration authorities in the Consultative Group.

Consequently, on April 5, 2011, with prior approval of the selected candidates by the Millennium Challenge Corporation, the 7 members of the Consultative Group of MCA Moldova convened, as follows:

- Alecu Reniță - leader, Environmental Movement of Moldova
- Viorel Chivriga - coordinator, Institute for Development and Social Initiatives “Viitorul”
- Alexandru Slusari - president, National Federation of Employers in Agriculture and Food Industry
- Vladimir Florea - president, Employers Association “Union of Transporters and Road Workers in the Republic of Moldova”
- Emilia Malairău - executive director, Employers Association „American Chamber of Commerce and Trade in Moldova”
- Mircea Martîniuc - head of Soroca rayon
- Ion Pantaz - mayor of Jora de Mijloc commune

The civil society and private sector representatives in the Consultative Group of MCA Moldova further selected 5 non-governmental members of the Steering Committee (minutes of the meeting of the Consultative Group dated April 5, 2011). Mrs Badrajan introduced them to the Steering Committee as follows:

- Alexandru Slusari - President of the National Federation of Employers in Agriculture and Food Industry
- Emilia Malairău - Executive Director of the Employers Association „American Chamber of Commerce in Moldova”
- Alecu Reniță - President of the Environmental Movement in Moldova
- Vladimir Florea - President of the Employers Association “Union of Transporters and Road Workers in the Republic of Moldova”
- Dumitru Ursu - President of Banks Association in Moldova

The persons nominated to the Steering Committee also had the prior approval by the Millennium Challenge Corporation and became voting members of the Steering Committee for a 2-year term of office: April 5, 2011 - April 4, 2013.

As several members of the Consultative Group were nominated to the Steering Committee, the vacancies will need to be filled either with candidates from the additional list or through a new competition, as the non-governmental members of the Steering Committee may decide.

That being said, the Steering Committee members were handed the copy of the minutes of the meeting of the Consultative Group dated April 5, 2011 and the CVs of the non-governmental members of the Steering Committee, to take note of. The chair of the meeting greeted the non-governmental members and suggested proceeding to the second item on the agenda.

***Item 2.** Approval of the signing of the Agreement between the public institution Millennium Challenge Account Moldova and the Agency Apele Moldovei on the implementation of Compact activities.*

The speaker, Sergiu Iuncu, Transition to High Value Agriculture Project Director of MCA Moldova, informed the Steering Committee that the Compact projects must be implemented by implementing entities based on implementing agreements signed with MCA Moldova, stating the tasks and the obligations of both parties. The evaluations undertaken by MCC showed that Apele Moldovei Agency should implement the Irrigation Sector Reform and Rehabilitation of Centralized Irrigation Systems Activities under the Compact Transition to High Value Agriculture Project. However Apele Moldovei Agency will not act as a classic Implementing Entity and will confine only to providing support to the project implementation manager.

MCA Moldova, Apele Moldovei Agency and MCC drafted the implementing entity agreement for the Transition to High Value Agriculture Project with the following sections:

- Responsibilities of the Agency and MCA Moldova related to the implementation of project activities;
- Establishment of the Surveillance and Monitoring Unit for Water Users Associations;
- Consultancy regarding the detailed design of centralized irrigation systems;
- Performance of irrigation management transfer contracts;
- Provision of safe rooms for keeping the equipment provided to the Water Users Associations, as well as the equipment for measuring water quantity and quality;
- Other functions related to project implementation.

According to the above mentioned agreement, to build the capacities of the Apele Moldovei Agency in project implementation, MCA Moldova will provide the Agency with the following resources required to establish the surveillance and monitoring unit for water users associations:

- office equipment (computers, printer, copy machine and other related equipment);
- furniture (tables, chairs and other office furniture);
- one vehicle.

MCA Moldova will also build the technical capacities of water users associations in maintaining the rehabilitated centralized irrigation systems by providing each of the six Technological Irrigation Stations (TIS) of Apele Moldovei Agency, covered by those 11 centralized irrigation systems to be rehabilitated, with equipment and technical tools. What equipment and tools will be provided will be determined exactly in year 4 of Compact implementation, when the rehabilitation works will be in their final stage, and it will be easier to assess the needs. Currently, the tentative list of such equipment and tools to be provided to each TIS contains:

- Mobile technical stations for the irrigation systems;

- Maintenance equipment for the irrigation systems (excavators with high and low capacity, welding machines, waste water removal pumps etc.);

According to the agreement, some of the equipment meant for the establishment of the National Network of Real Time Water Quantity and Quality Monitoring will be delivered to the territorial units of the Apele Moldovei Agency, as follows:

- GIS servers with software and hydrological modelling modules;
- Computers and other related equipment;
- River basin monitoring equipment

That being said, and given that according to clause 15 (n) of MCA Moldova Bylaws, the Steering Committee must approve the signing of any agreement with any MCA Moldova associated entity, including the implementing entity agreements, Mr. Iuncu asked for the approval of the signing of the Agreement between the Millennium Challenge Account Moldova and the Apele Moldovei Agency on the implementation of the Irrigation Sector Reform and Rehabilitation of the Centralized Irrigation Systems Activities of the Transition to High Value Agriculture Project.

Having reviewed the materials received, the voting members of the Steering Committee present at the meeting approved unanimously the signing of the Agreement between the Millennium Challenge Account Moldova and the Apele Moldovei Agency on the implementation of the Irrigation Sector Reform and Rehabilitation of the Centralized Irrigation Systems Activities of the Transition to High Value Agriculture Project. The chair of the session suggested proceeding to the third item on the agenda.

*Item 3. Approval of the negotiation results and signing of the contract with the project implementation manager (PIM).*

The speaker, Mr. Sergiu Iuncu, Transition to High Value Agriculture Project Director of MCA Moldova, reminded that the Compact projects are implemented by means of implementing entities. In this regard, the evaluation showed that the Apele Moldovei Agency capacities in managing a complex and large-scale project are weak. Therefore, Millennium Challenge Corporation recommended that an international consultancy company with managerial and engineering skills and relevant experience should be contracted to manage the project implementation. This company will report to MCA Moldova about the implementation and performance of contractors under the two activities mentioned above and will inform the leadership of the Apele Moldovei Agency on the project implementation.

PIM procurement was launched in line with the MCA Moldova Procurement Plan for October 2010 - March 2011, approved by the Steering Committee on September 29, 2010. The deadline for submitting the applications was January 10, 2011. The following international companies submitted applications:

- GFA Consulting Group GmbH (Germany) in association with Consulting Engineers Salzgitter GmbH (Germany);
- WYG International Limited (UK) in association with GITEC Consult GmbH (Germany);
- SNC Lavalin (France) in association with SNC Lavalin (Romania);
- GOPA Worldwide Consultants (Germany), in association with AFC Consultants International GmbH (Germany) and AHT Group AG (Germany).

After a mixed evaluation (technical and financial), the winning company of the contract for PIM services was GOPA Worldwide Consultants in association with AFC Consultants International and AHT Group AG, with whom the negotiations of contract conditions were held.

According to the Program Implementation Agreement signed between the Moldovan Government and MCC, an external project implementation manager requires the approval of the governing body of the institution. To this end, the MCA Moldova Steering Committee was asked to approve the results of the negotiation with the consultant to provide project implementation management services and the signing of the contract with GOPA Worldwide Consultants in association with AFC Consultants International and AHT Group AG.

Having examined the materials, the voting members of the Steering Committee present at the meeting approved unanimously the negotiation results and the signing of the PIM contract between MCA Moldova and GOPA Worldwide Consultants in association with AFC Consultants International and AHT Group AG. The chair of the session suggested proceeding to the next item on the agenda.

*Item 4. Approval of the MCA Moldova Procurement Plan for the period April-September 2011.*

The speaker, Valentina Badrajan, Executive Director of MCA Moldova, reported on the Procurement Plan for April - September 2011 that needs to be approved first by the Steering Committee and then by the Millennium Challenge Corporation.

The total amount of the Procurement Plan is estimated at \$135.9 mln. As the amounts specified in the procurement plan are representing estimates of services, works, and goods, they are confidential and can be communicated only to the Steering Committee, but cannot be made public.

Mrs Badrajan stressed that the Procurement Plan describes each activity and spoke about the major procurements.

The major activities proposed in the Procurement Plan relate to the **Road Rehabilitation Project** that will rehabilitate a 93 km portion of the Sarateni-Soroca road.

For quality purposes and to ensure timely performance of the rehabilitation works, MCA Moldova plans to contract through competitive bidding, and with the available budget, a company to perform the technical supervision of road rehabilitation works - the so-called „project engineer” to be in charge of:

- pre-construction activities;
- management of civil works contracts;
- approval of materials, techniques and work schedules;
- supervision of works and monitoring of direct physical and financial progress;
- acceptance of works and approval of payments;
- technical assistance during the performance of works;
- supervision during the defect liability period.

The number of technical supervision contracts depends on the number of road rehabilitation contracts.

As for the **Transition to High Value Agriculture Project**, Mrs. Badrajan mentioned that it includes a number of activities as follows:

- Procurement of furniture, office equipment and one vehicle for the Surveillance and Monitoring Unit for Water Users Associations within the Apele Moldovei Agency;
- Development and implementation of the public outreach strategy on the Access to Agricultural Finance Activity.

The public outreach strategy and all the advertising materials are expected to be developed prior to the launch of the outreach activity expected to take place in late August 2011 along with the launch of the High Value Agriculture Post-Harvest Credit Facility.

- Investment Development Services.

As for the **Monitoring and Evaluation** part, MCA Moldova plans to procure evaluation surveys services. According to the Compact Agreement and the Monitoring and Evaluation Plan, MCA Moldova must have evaluation surveys conducted for the following activities of the Transition to High Value Agriculture Project:

- Evaluation of the Irrigation Sector Reform Activity and Rehabilitation of the Centralized Irrigation Systems Activity to identify the impact of these two activities on the crops, income, salaries and rent payments of project beneficiaries.
- Evaluation of Growing High Value Agriculture Sales Activity to determine to what extent the beneficiaries apply the modern practices brought forward by the program.
- Evaluation of the Access to Agricultural Finance Activity to find out to what extent it impacted the investments in the post-harvest infrastructure.

Other procurements in the MCA Moldova Procurement Plan for April-September 2011 referred to by Mrs Badrajan were as follows:

- Design and deployment of the Management Information System;
- Design of the MCA Moldova website;
- Development of the visual identity manual of MCA Moldova;
- Office equipment and furniture;
- Repair works for the MCA Moldova office;
- Provision of equipment/goods and vehicles for MCA Moldova.

Having said that, Mrs Valentina Badrajan asked for the approval of the MCA Moldova Procurement Plan for April - September 2011.

Having looked through the materials received, the voting members of the Steering Committee, present at the meeting, approved unanimously the MCA Moldova Procurement Plan for the period April - September 2011.

The chair of the session suggested proceeding to the next issue.

***Item 5. Approval of procurements made by MCA Moldova in December 2010 - March 2011 through the shopping procedure.***

The speaker, Mrs Valentina Badrajan, Executive Director of MCA Moldova, reminded the members of the Steering Committee that according to the MCC Procurement Guidelines all the procurements made through the shopping procedure (at least three bids) must be submitted on a monthly basis for approval to the top governing body of MCA Moldova.

Given that the monthly average amount of such procurements is quite low (about 1500 USD), and it is not always possible to convene the Steering Committee every month, MCA Moldova asked for the Millennium Challenge Corporation's agreement to empower the Executive Committee to approve the *shopping* procurements.

On April 20, 2011 MCC gave its agreement for the Executive Committee to be empowered with the approval of such procurements, provided that the procurements exceeding the amount of 25000 USD will be further submitted to the Steering Committee for information at its next meeting.

Having looked through the materials received, the Steering Committee members, present at the meeting approved unanimously the *shopping* procurements made by MCA Moldova in the period December 2010- March 2011.

The chair of the session suggested proceeding to the next issue.

***Item 6. Report on the individual consultancy services procured by MCA Moldova in the period of December 2010 - March 2011, and arrangements for approval of procurement decisions in MCA Moldova.***

The speaker, Mrs Valentina Badrajan, Executive Director of MCA Moldova, reminded that on December 7, 2010 the Steering Committee approved an amendment to the MCA Moldova Procurement Plan for the period October 2010 - March 2011.

According to one of the provisions of the amendment, MCA Moldova must report to the Steering Committee on all procurements of short-term individual consultancy (international and/or local for 2-3 weeks).

Therefore, since the last meeting of the Steering Committee on December 7, 2010 MCA Moldova procured the services of one individual international consultant for the evaluation of the technical proposals for the Project Implementation Manager.

Mrs Badrajan further communicated to the members of the Steering Committee that the MCC Procurement Guidelines are explicit about what procurement-related actions require the approval of the Steering Committee. These competences were submitted to the Steering Committee for information at the meeting dated July 16, 2010 and this meeting as well.

The Steering Committee members also learned that the number of procurement decisions submitted for their approval was higher than actually required in the Procurement Guidelines. The main reason was that all the procurements were arranged and made by MCA Moldova alone. According to the practice of segregation of procurement duties, such decisions need to be approved by another body than the one making the necessary arrangements for procurement and the procurements as such.

On September 7, 2010 MCA Moldova signed an agreement with Booz Allen Hamilton, a company providing Procurement Agent services for MCA Moldova. On September 3, 2010 the draft contract was approved by the MCA Moldova Steering Committee and by MCC. According to this contract, the Procurement Agent performs the MCA Moldova procurement activities, thereby ensuring the segregation principle.

Given that, MCA Moldova communicated the Steering Committee members the MCC requirements to the approval of procurements and that, from then on, MCA Moldova will comply with the MCC Procurement Guidelines, and the Steering Committee will need to approve only the procurement decisions required in those directives.

The members of the Steering Committee present at the meeting took note of the information provided and the chair of the session suggested proceeding to the next issue.

***Item 7. Approval of compensation rates for accommodation costs and per diems for the business trips of MCA Moldova staff.***

Mr. Vlad Filat, chair of the Steering Committee, suggested entrusting this issue to the MCA Moldova Executive Committee and empowering it with the final decision in this sense.

The members of the Steering Committee present at the meeting agreed to hand over the issue of compensation rates for accommodation costs and per diems for the business trips of MCA Moldova staff to the MCA Moldova Executive Committee.

***Further, as per clauses 40 and 55 of the MCA Moldova Bylaws, the civil society and the private sector representatives in the Steering Committee examined the following issues:***

***Item 8. Nomination of one of the civil society and private sector representatives in the MCA Moldova Steering Committee to the MCA Moldova Executive Committee.***

After debating the issue, the civil society and private sector representatives in the Steering Committee proposed Mrs. Emilia Malairau, voting member of the Steering Committee, to the MCA Moldova Executive Committee during her term of office in the Steering Committee.

Having examined the proposed candidate, the civil society and private sector representatives in the Steering Committee agreed unanimously to nominate Mrs. Emilia Malairau, voting member of the Steering Committee, to the MCA Moldova Executive Committee during her term of office in the Steering Committee.

***Item 9. Selection of candidates to the vacancies in the MCA Moldova Consultative Group.***

Mr. Alexandru Slusari suggested nominating to the Consultative Group Mr. Sergiu Harea, head of Economic Development in Chamber of Commerce and Industry of the Republic of Moldova, from the candidates included in the additional list. The civil society and private sector representatives in the Steering Committee agreed unanimously.

As for the other three vacancies in the MCA Moldova Consultative Group, the suggestion was to announce a new competition. The latter is expected to be launched by MCA Moldova as soon as possible, pursuant to the Regulation on the selection of Consultative Group membership.

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

1. Took note of the results of the selection of the MCA Moldova Consultative Group membership and selection of the non-governmental members of the MCA Moldova Steering Committee.
2. Decided to approve the signing of the Agreement between the Millennium Challenge Account Moldova and the Apele Moldova Agency on the implementation of certain Compact activities.
3. Decided to approve the negotiation results and the signing of the contract for project implementation management services between MCA Moldova and GOPA Worldwide Consultants in association with AFC Consultants International and AHT Group AG.
4. Decided to approve the MCA Moldova Procurement Plan for April - September 2011, according to annex no.1.
5. Decided to approve the procurements made by MCA Moldova through the *shopping* procedure in the period December 2010-March 2011.

6. Took note of the procurement of individual consultancy made by MCA Moldova in December 2010 - March 2011 and of the arrangements related to the approval of procurement decisions of MCA Moldova.
7. Decided to hand over the issue of the compensation rates for accommodation costs and per diems for the business trips of MCA staff to the MCA Moldova Executive Committee and empower it with the final decision in this sense.
8. Decided to approve the nomination of Mrs Emilia Malairau to the Executive Committee of MCA Moldova during her term of office in the Steering Committee.
9. Decided to nominate Mr Sergiu Harea, head of Economic Development Department of the Chamber of Commerce and Industry, to the Consultative Group of MCA Moldova and to announce new competition for the remaining three vacancies in the MCA Moldova Consultative Group.

**Vladimir FILAT**

Prime Minister of the Republic of  
Moldova

Chair of the Steering Committee

**Valentina BADRAJAN**

Executive Director of MCA Moldova

**Ghenadie CATLABUGA**

Legal Advisor, Secretary of the MCA  
Moldova Steering Committee