



**MINUTES no. 2**  
**Steering Committee**  
**of Millennium Challenge Account Moldova (MCA Moldova)**

*March 29, 2012; 5:00 pm*  
*Government of the Republic of Moldova; office 524*

**Steering Committee Members:**

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 NEGRUTA - Minister of Finance
4. Vasile BUMACOV - Minister of Agriculture and Food Industry
5. Anatolie SALARU - Minister of Transports and Road Infrastructure
6. Gheorghe SALARU - Minister of Environment
7. Alecu RENITA - Leader, Environmental Movement in Moldova
8. Alexandru SLUSARI - President, National Federation of Employers in Agriculture and Food Industry
9. Emilia MALAIRAU - 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. Victor BODIU - Secretary General of the Government, deputy chair of the Steering Committee

#### Committee

3. Veaceslav NEGRUTA - Minister of Finance
4. Boris GHERASIM - Deputy Minister of Transports and Road Infrastructure, *representing the Minister of Transports and Road Infrastructure*
5. Rodion BAJUREANU - Deputy Minister of Environment, *representing the Minister of Environment*
6. Valentin BOBEICA - Deputy leader of Environmental Movement in Moldova, *representing Mr. Alecu RENITA, the leader of the Environmental Movement in Moldova*
7. Serghei TONCU - Project Manager, Employers Association „American Chamber of Commerce in Moldova”, *representing Mrs. Emilia Malairau, Executive Director, Employers Association „American Chamber of Commerce in Moldova”*
8. Vladimir FLOREA - President, Employers Association “Union of Transporters and Road Workers in the Republic of Moldova”

#### Observers:

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

#### Secretary of the Steering Committee:

Ion JOSAN - MCA Moldova Procurement Director

#### Invitees:

- Elena Bodiu - MCA Moldova Finance and Administration Director
- Ion Josan - MCA Moldova Procurement Director

#### Agenda:

1. Report on and approval of the decision of the evaluation panel for applications for the position of MCA Moldova Communication and Documentation Director.
2. Approval of amendments to the Implementing Entity Agreement signed on February 8, 2011 between MCA Moldova and State Road Administration.
3. Approval of MCA Moldova Procurement Plan for April – September 2012.
4. Approval of procurements made by MCA Moldova through the „shopping” procedure from December 2011 till March 2012.
5. Approval of the signing of the contract with the company selected to provide Fiscal Agent services.

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

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

- Vasile Bumacov, Minister of Agriculture and Food Industry;

- Dumitru Ursu, President of Banks Association in Moldova;
- Alexandru Slusari, President of National Federation of Employers in Agriculture and Food Industry;
- Gheorghe Salaru, Minister of Environment, represented by Rodion Bajureanu, deputy minister of environment;
- Alecu Renita, leader of Environmental Movement in Moldova, represented by Valentin Bobeica, deputy leader of Environmental Movement in Moldova;
- Emilia Malairau, Executive Director, Employers Association „American Chamber of Commerce in Moldova”, represented by Serghei Toncu, Project Manager at Employers Association „American Chamber of Commerce in Moldova”.

Representation by Rodion Bajureanu, Valentin Bobeica and Serghei Toncu was approved by the Millennium Challenge Corporation (MCC) prior to the meeting as required by the MCA Moldova Bylaws.

The chairman of the Steering Committee announced that, according to clause 32 of the 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.

Mrs. Valentina Badrajan, MCA Moldova Executive Director, informed the Steering Committee members that the MCA Moldova Legal Advisor who according to the MCA Moldova Bylaws is also Secretary of the Steering Committee had resigned and according to clause 36 of the MCA Moldova Bylaws somebody else from the key staff of MCA Moldova should be nominated instead as Secretary of the Steering Committee and suggested Ion Josan, MCA Moldova Procurement Director, to be Secretary of that session.

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

The chair of the Steering Committee introduced the agenda and proposed that it should 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 Steering Committee, approved it unanimously.

***Item 1. Report on and approval of the decision of the evaluation panel for applications for the position of MCA Moldova Communication and Documentation Director.***

Mrs. Valentina Badrajan, the MCA Moldova Executive Director, informed the Steering Committee that according to the MCA Moldova Bylaws approved through the Government Decision no.161 of March 4, 2010 the Steering Committee must ensure selection through competition and approval of the key staff of MCA Moldova with MCC approval.

To this end the MCA Moldova Executive Committee decided on October 26, 2011 to establish an evaluation panel for the position of Communication and Documentation Director of MCA Moldova.

The Communication and Documentation Director will be a member of the management team of MCA Moldova, will fulfill the tasks laid down in the job description and will take part in all the relevant meetings and activities of MCA Moldova.

Mrs. Badrajan informed the Steering Committee members that the terms of reference, the qualification requirements, evaluation criteria and questions for interview had been consulted with and approved by MCC. The recruitment notice had been published in Logos Press newspaper and on the MCA Moldova website.

The short-listed candidates were interviewed on February 10, 2012 in the presence of a MCC representative.

Having evaluated all the applications and the interviews with the short-listed candidates the evaluation panel found unanimously that Inga Burlacu is the best candidate for the position of Communication and Documentation Director.

Inga Burlacu has good professional skills and over 10 years of experience in communication. Over the last years she provided assistance to a number of central administrative institutions in building their communication systems, such as the Ministry of Regional Development and Constructions, Ministry of Foreign Affairs and European Integration, including the Government and the Parliament of the Republic of Moldova. She provided inputs to develop communication strategies, conduct the structural and functional reform of communication systems, put in place good practices for transparency and visibility of the efforts of those institutions.

Mrs. Badrajan added that Inga Burlacu has experience in building relations with the civil society and development of cooperation mechanisms with NGO representatives in ensuring transparency in the decision making and was in charge of finalizing the Law on decision making transparency and enforcement mechanisms for this law. She also has experience of work with international organizations like the World Bank, DFID, and UNDP.

Since 2010 Inga Burlacu has been working for the Millennium Challenge Account Moldova as Public Relations and Media Officer. Therefore, she is familiar with the MCA Moldova activities and details of the Compact implementation as well as the MCC procedures, including the communication ones, which is critical for ensuring further transparency.

The members of the Steering Committee received Inga Burlacu's CV and the Cover Letter before the meeting to learn more about her experience.

Mrs. Badrajan stressed that the report of the evaluation panel that selected Inga Burlacu as the best candidate for the position of Communication and Documentation Director had been approved by MCC and asked for the approval of the decision of the evaluation panel to nominate Inga Burlacu as Communication and Documentation Director of MCA Moldova.

Having reviewed the materials, the voting members of the Steering Committee present at the meeting approved unanimously the decision of the evaluation panel to nominate Inga Burlacu as Communication and Documentation Director of MCA Moldova.

The chairman of the session suggested proceeding to the next item on the agenda.

**Item 2.** *Approval of amendments to the Implementing Entity Agreement signed on February 8, 2011 between MCA Moldova and State Road Administration.*

Since Mrs. Badrajan suggested removing this issue from the agenda the voting members of the Steering Committee present at the meeting decided unanimously to remove the second issue from agenda (Approval of amendments to the Implementing Entity Agreement signed on February 8, 2011 between MCA Moldova and State Road Administration).

The chairman of the session suggested proceeding to the third item on the agenda.

**Item 3. Approval of MCA Moldova Procurement Plan for April – September 2012.**

Mr. Ion Josan, MCA Moldova Procurement Director, informed the Steering Committee that according to the MCC Procurement Guidelines before launching any procurement it must be included in the Procurement Plan and duly approved. The Procurement Plan must be first approved by the top governing body of MCA Moldova – Steering Committee, and after that by MCC.

Ion Josan gave a brief overview of all procurements included in the Procurement Plan for the following 6 months (April 2012 – September 2012) and classified by project:

**Transition to High Value Agriculture Project**

**1. Rehabilitation works for lots 1 and 2 of centralized irrigation systems.**

In accordance with the 2012 work plan approved by the Steering Committee on February 7, 2012 MCA Moldova plans to announce in July-September an international open competition to select the construction companies experienced in performance of irrigation systems rehabilitation works to rehabilitate the centralized irrigation systems from Lot 1 (Lopatna, Jora de Jos, Criuleni) and Lot 3 (Cosnita, Puhaceni, Roscani).

According to the feasibility study conducted in 2009 by the American company MWH the estimated cost of the rehabilitation of the two lots is about 18.9 million USD.

The updated estimates for this procurement will be possible only after all detailed designs of the centralized irrigation systems are ready. In case of big differences between the estimates made by the feasibility study and the updated estimates made by the detailed design of the irrigation systems, the current procurement plan will need revision.

**2. Construction supervision services**

According to the logical implementation framework of the Centralized Irrigation Systems Rehabilitation Activity the construction works must be coordinated and supervised by a company (*Engineer*) experienced in application of FIDIC contracts. Therefore the Engineer that will supervise the construction works should be procured and mobilize before the start of the rehabilitation works. This means that the competition for Engineer services must be announced in the same time as the competition for construction services planned for July-September 2012.

**3. Resettlement Action Plan implementation services**

The rehabilitation of the centralized irrigation systems is conditioned and implies addressing all the litigations and conflicts with the persons that might be affected by the rehabilitation works before their start. To this end the consultancy company in charge of the detailed design of the centralized irrigation systems starting with May 2012 will provide to MCA Moldova resettlement action plans for each irrigation system which will identify all the affected persons and formulate measures to address the potential conflicts or compensate the damages caused. The resettlement action plan implementation services must be procured through competition in the first half of this year.

#### **4. Equipment for the national real-time water quantity and quality monitoring network (repeatedly)**

In accordance with Article 5 of the Implementing Entity Agreement signed between the Millennium Challenge Account Moldova and Apele Moldovei Agency approved by the Steering Committee on April 22, 2011, MCA Moldova committed to procure and deliver appropriate equipment for the establishment of the national real time water quantity and quality monitoring network, including equipment installation and calibration services.

Yet, this procurement was not made because additional coordination with international donors and other initiatives of the government was needed in order to avoid overlapping and waste of resources.

The key components of the equipment to be procured are: up to 10 real time water quantity and quality monitoring stations; geographic information system server; software for the geographic information system; software for the management of databases; geospatial software; geospatial modeling software; applications for database management system; up to 20 PCs and 10 printers for the River Basin Management Division of the Apele Moldovei Agency and for other institutions that will be part of the national real time water quantity and quality monitoring network.

This procurement includes equipment for 10 real time water quantity and quality monitoring stations and geospatial information system. The installation and calibration services will be part of this procurement and will be provided by the company that will deliver the equipment selected through competition.

#### **5. Procurement of office equipment for 7 WUAs.**

In accordance with the logic and implementation concept of the Irrigation Sector Reform Activity (ISRA) after Water Users Associations (WUAs) are established and duly registered for 7 partially operational irrigation systems, they will receive appropriate office furniture and equipment from MCA Moldova provided that WUAs will provide secure offices for the medium or long term. To this end, MCA Moldova plans to procure office furniture and equipment for 7 WUAs in the second quarter of this year.

#### **6. Implementation of outreach Credit Facility strategy under the Access to Agricultural Finance Activity (AAFA) (in progress)**

MCA Moldova intends to scale up the Post- Harvest Credit Facility outreach campaign and allocated resources for the following (April - September):

- development of TV and radio advertising and promotional materials;
- distribution of advertising materials (posting spots on TV and radio channels, posting banner on the websites of partners, writing and publishing articles in newspapers /magazines).

### **Road Rehabilitation Project**

#### **7. Individual consultants to support State Road Administration (SRA) (repeatedly)**

Some of these procurements are transferred from the activities approved by the Steering Committee at its previous meetings.

In accordance with the Implementing Entity Agreement signed between MCA Moldova and SRA, MCA Moldova will provide SRA resources to build the SRA capacities for project implementation. To this end MCA Moldova procured one international consultant in Engineering and Management, one Procurement/Contract Management Officer and one Environment and Social Consultant for SRA.

Procurement of consultancy approved through the previous plans failed because of small number of qualified candidates who applied or because of overestimated proposals submitted.

Therefore the following procurements (individual consultants) are included in the Procurement Plan repeatedly:

- Project Coordinator;
- 2 Contract Managers;
- Senior Procurement /Contract Management Expert.

### **Monitoring and Evaluation**

#### **8. Data quality control services**

According to the MCC monitoring and evaluation policies data quality control is a compulsory component at each stage of the Compact implementation cycle. Therefore, according to the provisions of the Compact Agreement and Monitoring and Evaluation Plan, MCA Moldova must conduct data quality control surveys starting with the second year of Compact implementation.

To conduct this survey MCA Moldova plans to contract in September 2012 an independent company. The key objectives of this survey will be to evaluate the quality of data in line with the standards defined in the MCC monitoring and evaluation policies. In particular the survey will evaluate the validity, reliability, timeliness, accuracy and integrity of data. The findings of the evaluation will be used to check the consistency and quality of data held by MCA Moldova, implementing entities and other institutions.

Similar Compact experiences revealed that the data quality control could take at least 10 weeks and efforts by about 4 consultants (international and local).

#### **9. Training for MCA Moldova staff**

M&E training for MCA Moldova staff organized and delivered by „Social Impact” (USA) started in February 2012 with the first training *Compact monitoring and evaluation policies*. The second training course *Compact impact evaluation* is expected to be delivered in September 2012.

### **Program Administration and Audit**

#### **10. Trainings for MCA Moldova staff**

The Procurement Plan nr.5 contains procurement of training services for MCA Moldova staff. The performance appraisal of MCA Moldova staff will identify their training needs to be further addressed through training that will increase their performances.

## **11. Procurement of 10 video reportages (repeatedly)**

Procurement of video reportage production services for Compact activities was first put in the previous procurement plan. The procurement failed because the financial proposals exceeded the estimated budget. Therefore, to make sure MCA Moldova procures quality services that will meet its requirements, MCA Moldova suggested that the budget for this procurement should be increased.

## **12. Project management training (repeatedly)**

The previous Procurement Plan included procurement of consultancy services for development of project management training, which will build the capacities of MCA Moldova staff for project management.

### **Common activities**

## **13. Procurement of individual consultancy**

Similarly to the previous procurement plans, MCA Moldova included in this procurement plan approval of individual short-term (2-3 weeks) consultancy (international and local) for each program component, like individual consultancy for the membership of evaluation panels for technical proposals, selection of membership of ad-hoc tribunals for review of challenges against procurement decisions, established by the Executive Committee on October 25, 2010 (paid when the tribunals (unlimited number) are established) and consultancy for other yet unidentified activities.

Mr. Josan asked for the approval of the MCA Moldova Procurement Plan for April – September 2012.

Having reviewed the materials, the voting members of the Steering Committee present at the meeting approved unanimously the MCA Moldova procurement plan for April-September 2012.

The chairman of the session suggested proceeding to the next item on the agenda.

**Item 4.** *Approval of procurements made by MCA Moldova through the „shopping” procedure from December 2011 till March 2012.*

Mr. Josan, MCA Moldova Procurement Director, informed the Steering Committee that in accordance with the amendments to the Procurement Guidelines approved by MCC on October 4, 2011 the Steering Committee was informed about on February 7, 2012 all procurements made through the „shopping” procedure (at least three bids) should be presented for the information of the MCA Moldova Steering Committee on a quarterly basis.

Therefore, Mr. Josan informed the Steering Committee about the shopping procurements made in December 2011- March 2012.

Having reviewed the materials, the voting members of the Steering Committee present at the meeting approved unanimously the shopping procurements made by MCA Moldova in December 2011 – March 2012.

The chairman of the session suggested proceeding to the last item on the agenda.

**Item 5.** *Approval of the signing of the contract with the company selected to provide Fiscal Agent services.*

Elena Bodi, the MCA Moldova Finance and Administration Director, reported to the Steering Committee that according to the MCC transparency and fiscal accountability requirements MCA Moldova must contract an international Fiscal Agent, whose role is to ensure transparency of the entire financial management process, make payments, keep records, develop financial reports. One of the key tasks of the Fiscal Agent is to act as an exclusive signatory for the documents of drawdown of funds from bank accounts on behalf of MCA Moldova.

Mrs. Bodi informed the Steering Committee that, having decided not to extend the contract with the former Fiscal Agent, Louis Berger SAS, for an optional period, MCA Moldova announced the competition for Fiscal Agent services. This procurement was included in the Procurement Plan no.4, approved by the Steering Committee on September 14, 2011.

Bids were submitted by several international companies.

The membership of the technical evaluation panel was approved through the decision of the Executive Committee no.18 on December 7, 2011 and consisted of 2 MCA Moldova representatives and 2 external consultants selected through competition.

Mrs. Bodi added that the new Fiscal Agent was selected in February 2012. After the technical and financial evaluation the winning company was Cardno Emerging Markets USA Ltd. Both the technical evaluation report and the final report were approved by MCC.

The negotiations with this company were successful and ended on March 27, 2012. The negotiations were led by the Procurement Agent. The MCC representative – the Financial Director for Moldova – also took part in negotiations as observer. According to the negotiated terms, Cardno Emerging Markets will deliver Fiscal Agent services for MCA Moldova for about 44.5 months. The contract with the new Fiscal Agent is expected to be signed in the second half of April, so as the consultant to start work on May 1, 2012.

In accordance with article 2.10 of the Compact Agreement and MCC Guidelines, all the material contracts require the approval of the MCA Moldova Steering Committee.

Therefore, Mrs. Bodi asked for the approval of the signing of the Fiscal Agent contract with Cardno Emerging Markets USA Ltd.

Having reviewed the materials, the members of the Steering Committee present at the meeting approved unanimously the signing of the Fiscal Agent contract with Cardno Emerging Markets USA Ltd.

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

1. Approve the decision of the evaluation panel for selection of Mrs. Inga Burlacu as Communication and Documentation Director of MCA Moldova.
2. To remove the second issue from the agenda of the Steering Committee (Approval of amendments to the Implementing Entity Agreement signed on February 8, 2011 between MCA Moldova and State Road Administration.).
3. Approve the MCA Moldova Procurement Plan for April – September 2012 (according to annex no.1).
4. Approve the shopping procurements made by MCA Moldova from December 2011 till March 2012 (according to annex no.2).

5. Approve the signing of the Fiscal Agent contract with Cardno Emerging Markets USA Ltd. (according to annex no.3).

**Vladimir FILAT** \_\_\_\_\_ signed \_\_\_\_\_  
Prime Minister of the Republic of  
Moldova  
Chairman of the Steering Committee

**Valentina BADRAJAN** \_\_\_\_\_ signed \_\_\_\_\_  
MCA Moldova Executive Director

**Ion JOSAN** \_\_\_\_\_ signed \_\_\_\_\_  
Procurement Director,  
Secretary of the MCA Moldova  
Steering Committee