



MINUTES no. 4
Steering Committee
of Millennium Challenge Account Moldova (MCA Moldova)

October 2, 2012; 11.00 am

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 NEGRUȚA - Minister of Finance
4. Vasile BUMACOV - Minister of Agriculture and Food Industry
5. Anatolie ȘALARU - Minister of Transport 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 URȘU - 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 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. Eduard BĂNĂRUC - Deputy Secretary General of the Government, *representing 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 Transport 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. Sergiu GUȚU - Head of the Legal Section of the Employers' Association “Union of Transporters and Road Workers in the Republic of Moldova”, representing Vladimir Florea, President of the Employers' Association “Union of Transporters and Road Workers in the Republic of Moldova”

Observers:

1. Jeffrey GOVEIA - MCC Deputy Resident Country Director for Moldova
2. Valentina BADRAJAN - Executive Director, Millennium Challenge Account Moldova

Secretary of the Steering Committee:

- Ion BORȘ - Acting Legal Advisor of the Millennium Challenge Account Moldova

Invitees:

- Elena Bodiu - Finance and Administrative Director of MCA Moldova
- Igor Perjan - Deputy Executive Director of MCA Moldova
- Leonid Mazilu - Procurement Officer of MCA Moldova

Agenda:

1. Report on and approval of the decisions of the evaluation panel for the position of Legal Advisor and Procurement Director of MCA Moldova.
2. Report on the extension of individual employment contracts.
3. Approval of the MCA Moldova Procurement Plan for the period of October 2012-March 2013.
4. Approval of the audit report delivered by the audit company Ernst & Young SRL for the period of October 2009 – December 2011.
5. Approval of the Action Plan for prevention, detection and mitigation of fraud and corruption in MCC operations.
6. Approval of amendments to the Implementing Entity Agreement of May 6, 2011 signed by the Millennium Challenge Account Moldova and Apele Moldovei Agency.

7. Report on the status of the bid challenge related to the contract award for the road rehabilitation works.
8. Report on the „shopping” procurements made by MCA Moldova in the period of July 2012 – September 2012.

The meeting was chaired by Vladimir Filat, Prime Minister of the Republic of Moldova and chair of the Steering Committee.

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

- Victor Bodiu, Secretary General of the Government, deputy chair of the MCA Moldova Steering Committee, who delegated Eduard Bănăruc, Deputy Secretary General of the Government, to the meeting;
- Vladimir Florea, President of Employers’ Association “Union of Transporters and Road Workers in the Republic of Moldova”, who delegated Sergiu Guțu, Head of the Legal Section of the Employers’ Association “Union of Transporters and Road Workers in the Republic of Moldova”, to the meeting.

The two representatives, *i.e.* Eduard Bănăruc and Sergiu Guțu, according to the provisions of the MCA Moldova Bylaws, were approved by the Millennium Challenge Corporation (MCC).

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 11 voting members out of 11 and 2 non-voting observers were present, the chairman of the session found that all the requirements for convening the meeting were met.

All the members of the Steering Committee received the materials before the meeting for review and approval of the decisions on all the issues on the agenda. The members of the Steering Committee confirmed the receipt of the materials before the session and got familiar with them.

The chair of the Steering Committee confirmed the agenda and suggested 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 session, approved it unanimously.

Item 1. Report on and approval of the decisions of the evaluation panel for the positions of Legal Advisor and Procurement Director of MCA Moldova.

The report was delivered by Valentina Badrajan, Executive Director of MCA Moldova, who reported that according to the MCA Moldova Bylaws, the Steering Committee with the prior approval of MCC, selects through competition and approves the MCA Moldova key staff.

I. Selection of the Procurement Director.

Mrs. Badrajan reported that according to the order of the Executive Director of MCA Moldova a competition panel was formed for the position of Procurement Director of MCA Moldova.

The Procurement Director will be part of the MCA Moldova management team, will perform all the job related duties according to the terms of reference and will take part in all the relevant meetings and activities of MCA Moldova. The terms of reference, qualification requirements, evaluation criteria and the interview questions had been consulted with and approved by MCC.

The job opportunity was advertised in the Logos Press newspaper and on the MCA Moldova website. The interview with the short-listed applicants was attended by a MCC representative.

Following the evaluation of applications, the evaluation panel selected Mr. Leonid Mazilu for Procurement Director.

Mr. Leonid Mazilu has the required skills and more than 7 years of experience in public procurements. Over the last years he provided assistance to a number of entities with international funding such as UNICEF, UNDP, Red Cross and SIDA. He took part in the development of the operational framework meant to improve the selection of companies, and development of the electronic mechanism for selection of bidders for UNDP.

Mrs. Badrajan added that since January 2012 Mr. Mazilu had been working for MCA Moldova as Procurement Officer and is, therefore, familiar with all the activities related to the Compact implementation, including the MCC procurement procedures, which is critical for the continuity of the transparency process under the Compact. The report on the selection of Mr. Mazilu delivered by the competition panel was approved by MCC.

II. Selection of the Legal Advisor.

Mrs. Badrajan said that a competition panel was established through the Order of the Executive Director of MCA Moldova to select the Legal Advisor of MCA Moldova.

The Legal Advisor will be part of the MCA Moldova management team, will perform job-related duties specified in the terms of reference and will take part in all the relevant meetings and activities of MCA Moldova. The terms of reference, qualification requirements, evaluation criteria and the interview questions had been consulted with and approved by MCC.

The job opportunity was advertised in the Logos Press newspaper and on the MCA Moldova website.

Following the evaluation of applications and the interviews with the short-listed applicants, the evaluation panel selected Mr. Ion Bors as the most appropriate applicant for Legal Advisor.

Mr. Borș has the relevant skills and more than 13 years of experience in legal issues. He has good knowledge of the Moldovan law, including the Civil Code, Tax Code, Labour Code, as well as the environmental legislation.

Mrs. Badrajan added that Mr. Bors had been working for MCA Moldova since 2010 as Legal Consultant and, therefore, is familiar with the activities of MCA Moldova and the details related to the implementation of the Compact. Ion Bors had been approved by MCC.

Therefore, Mrs. Badrajan asked for the approval of the decisions of the evaluation panels on the selection of Leonid Mazilu as Procurement Director and Ion Bors as Legal Advisor of MCA Moldova.

Following the report, the voting members of the Steering Committee present at the meeting approved unanimously the decisions of the evaluation panels to select Leonid Mazilu as Procurement Director and Ion Bors as Legal Advisor of MCA Moldova.

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

Item 2. *Report on the extension of individual employment contracts.*

The report was delivered by Valentina Badrajan, who reported that according to the MCA Moldova Bylaws, the MCA Moldova key staff requires the approval of the Steering Committee with the prior approval of MCC.

As requested by MCC, as well as according to art.55 item i) of the Labour Code, the individual employment contracts with the Deputy Director and Finance and Administrative Director of MCA Moldova were signed for a fixed term, with possible extension for 12 calendar months.

The successful implementation of the Compact requires continuity and full responsibility of the MCA Moldova key staff in order to ensure the implementation of the Compact projects. The MCA Moldova management, therefore, asked MCC to approve the extension of the two contracts. Approval of extension was received on August 30, 2012.

Mrs. Badrajan, therefore, asked for the approval of the extension of the individual employment contracts with Igor Perjan and Elena Bodiou for additional 12 months.

Having reviewed the materials received, the voting members of the Steering Committee present at the meeting approved unanimously the extension of the individual employment contracts with Igor Perjan and Elena Bodiou for additional 12 months.

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

Item 3. Approval of the MCA Moldova Procurement Plan for the period of October 2012-March 2013.

The report was delivered by Valentina Badrajan, who reported that according to the MCC Procurement Directives, before starting any procurement activities, they should be stated in the Procurement Plan and approved. The top level management body of MCA Moldova – the Steering Committee- has the prerogative to approve the Procurement Plan of MCA Moldova, which requires further approval by MCC. The Procurement Plan submitted for approval covers a 6-month term (October 2012 – March 2013).

Mrs. Badrajan briefly described every activity laid down in the Procurement Plan, by projects:

Transition to High Value Agriculture Project

1. Rehabilitation of central irrigation systems

In the period of October 2012 – January 2013 the company contracted to deliver the detailed designs of the 11 central irrigation systems selected for Compact funding is expected to complete the design documents. Once it delivers the designs for the first lot of irrigation systems to MCA Moldova, the latter will launch a number of international invitations for bids to select construction companies with relevant experience to rehabilitate up to 11 central irrigation systems.

In 2009 the American company MWH conducted the feasibility study to determine the estimated costs for rehabilitation of all the lots. Up-to-date cost estimates will be possible only after the detailed designs of all the central irrigation systems are completed. In case of major differences between the estimates of the feasibility study and the estimates following the detailed design the procurement plan will have to be revised.

2. Construction supervision services

The logical implementation framework of the Central Irrigation Systems Rehabilitation Activity provides for the supervision of the construction works by an engineering company, qualified in FIDIC requirements. Therefore, MCA Moldova must contract such a company, expected to mobilize before the start of the rehabilitation works. This, in turn, requires that an invitation for bids be announced to select the Engineer along with the bidding for the rehabilitation works expected to be held in October-December 2012.

This procurement was in the previous procurement plan and might be announced in October 2012.

3. Procurement of international consultancy services for bid evaluation panels for the rehabilitation of central irrigation systems.

According to the MCC Procurement Directives and MCA Moldova Bylaws bid evaluation panels must be formed to evaluate technical proposals and select the winning construction companies. All the panel members must have the relevant technical skills to revise and evaluate proposals. The panel members must have a wide range of skills to be able to evaluate the bids from various points of view, such as technical qualification, environmental and social issues, monitoring and evaluation, more specifically:

1. The evaluation panel members must have relevant skills to be able to review and evaluate the substance of the bids;
2. The evaluation panel members must have good knowledge of the area of the procurement;
3. Proficiency in English.

The members of the evaluation panels will be experienced experts in the management of infrastructure projects, engineering specific to irrigation, and will have past experience in evaluation of technical proposals. Taking into account the MCC recommendations, Mrs. Badrajan proposed that two international experts meeting the above requirements should be selected on a competitive basis.

4. Procurement of international consultancy services for technical evaluation panels for construction supervision

The invitation for bids for construction supervision according to the FIDIC requirements is expected to be announced in October.

According to the MCC Procurement Directives and MCA Moldova Bylaws to evaluate the technical proposals and select the winning companies, evaluation panels must be established made of experienced experts in the management of infrastructure projects, engineering specific to irrigation, and with past experience in evaluation of technical proposals.

Taking into account the MCC recommendations, Mrs. Badrajan proposed that one international expert should be selected on a competitive basis to the evaluation panel for construction supervision bids.

5. Procurement of the services of one international procurement expert (procurement transferred from the previous procurement plan)

To manage the procurement processes in accordance with the international standards, procurement of the services of an international procurement expert with rich experience in implementation of projects funded by international financial institutions was included in this Procurement Plan to enhance the MCA Moldova capacity.

One of the key tasks of the expert will be to provide consultancy to the Procurement Agent, MCA Moldova, and Procurement/Contract Administration Consultants contracted by MCA Moldova. This recruitment was suggested by MCC and reviewed by MCA Moldova with the direct engagement of the MCC Procurement Director.

6. Equipment for the national real time water quantity and quality monitoring network (repeatedly)

According to Article 5 of the Implementing Entity Agreement between the Millennium Challenge Account Moldova and Apele Moldovei Agency, MCA Moldova committed to procure

and deliver equipment for the national real time water quantity and quality monitoring network, including the installation and calibration services.

To procure such equipment and services involves announcing a number of invitations for bids, included in the previous procurement plan, some of which have already been announced, although not yet completed and, therefore, transferred for the following quarter given the need of additional consultations with the international donors.

The key components of the equipment are: lab equipment to monitor the surface water quality, geographic information system server, GIS software, database management software, geospatial applications; geospatial modelling software applications; applications of the database management system; work stations and copy machines to be delivered to the entities that will be part of the national real time water quality and quantity monitoring network.

This procurement does not include the equipment for the real time water level monitoring stations and the installation and calibration services, as the contract on the delivery and installation of the equipment for the real time monitoring of surface water level will be signed in October 2012. This equipment includes modern stations meant to monitor the water level with radar and pressure sensors, hydrometric gauges, hydrometric equipment and an additional kit to secure the operation of the stations.

7. Implementation of the Access to Agricultural Finance Activity outreach strategy (AAFA) (on-going activity)

In September 2012 MCC completed the evaluation of the pilot phase of the AAFA Credit Facility and, consequently, the AAFA and the eligibility of loans might be revised. Anticipating these changes, MCA Moldova plans to conduct an outreach campaign on the Post-Harvest Credit Facility, including on the new loan requirements following the evaluation. This outreach campaign will also convey the businesses the message that the Credit Facility will be resumed and continued after it slowed down during the evaluation period. Therefore, the following allocations from the MCA Moldova budget for the period of October 2012 – March 2013 are expected:

- production of TV and radio advertising and promotional materials;
- broadcasting the advertising materials (on TV channels and radio stations, placement of a banner on the partners' websites, articles in newspapers/journals).

8. Consultancy for the implementation of the Resettlement Action Plans under the Central Irrigation Systems Rehabilitation Activity.

According to the MCC requirements and World Bank Operational Policies 4.12, MCA Moldova contracted a consultant to develop Resettlement Action Plans under the Central Irrigation Systems Rehabilitation Activity.

Implementation of this plan, according to the World Bank policies and Moldovan law, requires procurement of consultancy, which will include:

1. Updating and recalculation of compensations during the construction works;
2. Payment of compensations to the project affected persons;
3. Arrangements for the Complaint Review Committees.

Monitoring and Evaluation Activities

Data Quality Control Services

According to the MCC Monitoring and Evaluation Policies, the data quality control is a compulsory requirement in the implementation of Compacts. Therefore, according to the Compact Agreement and the Monitoring and Evaluation Plan, MCA Moldova is expected to

conduct the data quality control survey starting with the second year of the Compact implementation.

For this survey, MCA Moldova plans to contract by the end of March 2013 an independent local consultant for the period of March 2013- March 2014 through an option-based contract. The consultant will conduct two evaluations of the data quality – for the Compact implementation period of 2010-2012 and for the Compact implementation period of 2013-2014. The key requirement to the consultant is to have a team of evaluators led by an expert with international experience.

The major objectives of this survey will be to evaluate the data quality against the standards laid down in the MCC Monitoring and Evaluation Policies, in particular in terms of validity, reliability, timeliness, accuracy and integrity. The evaluation findings will be used to check the coherence and quality of data held by MCA Moldova, implementing entities and other stakeholders.

Program Administration and Audit

1. Procurement of office furniture, equipment and software applications

MCA Moldova will contract international consultants and provide them with offices in MCA Moldova, as well as employ additional staff, and therefore will procure relevant equipment (PCs, copy machines etc.) and software licences.

It also plans to procure furniture and office equipment to secure the smooth operation of MCA Moldova.

2. Training of MCA Moldova staff

Training in organizational leadership will be delivered to the directors of the MCA Moldova (10-15 people) in order to develop their skills to be able to:

- manage the organizational changes and engage the staff in achievement of the Compact strategic goals;
- use and manage the available resources;
- make decisions and delegate tasks;
- consolidate and motivate the team, etc.

3. Training in Environment Protection, Occupational Health and Safety

Once the rehabilitation works on the M2 Sarateni-Drochia junction start and in the view of the rehabilitation of the central irrigation systems to start soon, training will be delivered in environment protection / occupational health and safety to the MCA Moldova staff engaged in such activities (10-15 people). This training is expected to build the skills of the MCA Moldova experts for evaluation of the contractors' operations related to the environment protection, mitigation of harms or negative impact on the people and pollution, noise and other consequences of their operations. The MCA Moldova staff is also expected to gain practical skills for the evaluation of the activities carried out by the contractors related to the health and safety of the contractors' staff and/or beneficiaries.

4. Time Management Training

Training will be delivered to the MCA Moldova staff (30 people) in time management. More specifically:

- Identification and prioritization of the activities supporting the achievement of the individual and organizational objectives.
- Elimination of time eaters.

- Efficient planning, arrangement and performance of activities with the contractors and implementation partners.

The training will be delivered by international experts. The cost of each training session will be estimated following the bidding.

Activities common to all projects

Procurement of individual consultancy services

MCA Moldova included in the procurement plan procurement of short-term (2-3 weeks) individual consultancy (international and local) for the purposes of various activities.

More specifically: selection of members of ad-hoc tribunals to review potential bid challenges, as well as consultants for other activities not yet identified.

Therefore, Mrs. Badrajan asked for the approval of the MCA Moldova Procurement Plan for the period of October 2012 – March 2013.

Having reviewed the materials received, the voting members of the Steering Committee present at the meeting approved unanimously the MCA Moldova Procurement Plan for the period of October 2012 – March 2013.

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

Item 4. *Approval of the audit report delivered by the audit company Ernst & Young SRL for the period of October 2009 – December 2011.*

Elena Bodi, the Finance and Administrative Director of MCA Moldova, reported that in March- April 2012 the financial operations with the Compact and 609g Grant funds in the period of October 2009-December 2011 were audited by the audit company Ernst & Young SRL. The contract with the audit company provided for two additional options – the audit for the period of January-June 2012 and the audit for the period of July-December 2012.

According to the MCC procedures and MCA Moldova Bylaws the SC members must take note of the audit report.

Mrs. Bodi said that the audit found no errors or noncompliance with the MCA Moldova internal procedures or MCC Guidebooks and no spending for other purposes than the Compact ones, or noncompliance with the internal control system of MCA Moldova.

On April 15, 2012 the audit report was sent to the Office of Inspector General and on September 27, 2012 MCA Moldova received its final approval. As the period subjected to the audit was longer than usually and since the audit report found no violations, OIG conducted additional investigations to make sure of the accuracy of the audit report. It found no violations and sent a letter to the top management of MCC acknowledging lack of noncompliance or violations. This letter was attached to the materials delivered to the SC members and will be posted on the MCA Moldova website.

Because the audit report found no violations, MCC included MCA Moldova on the list of the countries subjected to the annual audit, instead of the semi-annual one. Starting from 2013 MCA Moldova will be subjected to annual audits. This will help save the Compact funds and time of MCA Moldova staff and Fiscal Agent. Mrs. Bodi reported that according to the MCA Moldova Work Plan, the next audit is expected to start in mid-October 2013. According to the contract terms the audit company is expected to submit to OIG the draft audit report for the period of January – June 2012 by October 30, 2012.

Mrs. Bodi asked for the approval of the Audit Report for the period of October 2009 – December 2011.

Having reviewed the materials received, the voting members of the Steering Committee present at the meeting approved unanimously the Audit Report for the period of October 2009-December 2011.

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

Item 5. *Approval of the Action Plan for prevention, detection and mitigation of fraud and corruption in MCC operations.*

Igor Perjan, the Deputy Executive Director of MCA Moldova, reported that in 2010 MCC started implementing the Fraud and Corruption Prevention, Detection and Mitigation Policy. According to it, the responsibility for this process lies with the Steering Committee, the Compact management and implementation teams.

MCA Moldova proposes to the SC to review and approve the Action Plan for prevention of corruption and fraud in Compact implementation that was consulted with MCC.

Mr. Perjan said that this document regulates the procurements and financial management and states a number of compulsory requirements and specific actions to be taken by MCA Moldova in order to ensure transparency of the decision making, goods and services procured, consultants employed during the project activities, performance of activities according to the contract terms.

This Action Plan was developed in a participatory manner and considered the recommendations of MCA Moldova, contractors and MCA Moldova partners. The methodology of the anti-corruption plan provides for the review and prevention, identification of and reporting on the fraud and corruption risks. This mechanism ensures a high level of transparency and compliance with the financial management procedures.

The anticorruption action plan provides recommendations formulated by the MCC Evaluation Mission to Moldova at the beginning of this year.

Therefore, Mr. Perjan asked for the approval of the Anti-Fraud Plan.

Having reviewed the materials received, the voting members of the Steering Committee present at the meeting approved unanimously the Anti-Fraud Plan.

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

Item 6. *Approval of amendments to the Implementing Entity Agreement of May 6, 2011 signed between the Millennium Challenge Account Moldova and Apele Moldovei Agency.*

Valentin Bozu reported that according to the provisions of point 15, item (n) of the MCA Moldova Bylaws, the prerogative of the Steering Committee is to approve the signing of implementing entity agreements with the implementing entities and any amendments to them.

On April 22, 2011 the Steering Committee approved the signing of the Implementing Entity Agreement with Apele Moldovei Agency assigning it with the implementation of specific activities related to the Rehabilitation of the Central Irrigation Systems Rehabilitation Activity (CISRA) and the Irrigation Sector Reform Activity (ISRA). The Implementing Entity Agreement between MCA Moldova and Apele Moldovei Agency was signed on May 6, 2011.

Mr. Bozu continued by stressing the need to amend the Implementing Entity Agreement with Apele Moldovei related to the development of the designs of the central irrigation systems to be rehabilitated under CISRA. Once developed the designs are expected to be subjected to technical review. The responsibility for contracting technical review services lies with the beneficiary, i.e. Apele Moldovei. Therefore, the amendment to the Implementing Entity

Agreement will state the responsibility of Apele Moldovei Agency to ensure the technical review of the designs and the allocated budget for such services from the Compact funds.

Mr. Bozu stressed that the proposed amendments had been consulted with Apele Moldovei agency and MCC and asked SC to approve the signing of the Amendment no.1 to the Implementing Entity Agreement between the Millennium Challenge Account Moldova and Apele Moldovei Agency.

Having reviewed the materials received, the voting members of the Steering Committee present at the meeting approved unanimously the signing of the Amendment No.1 to the Implementing Entity Agreement between the Millennium Challenge Account Moldova and Apele Moldovei Agency.

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

Item 7. *Report on the status of the bid challenge related to the contract award for the road rehabilitation works.*

Ion Bors, the acting Legal Advisor of MCA Moldova, reported that at the last meeting the Steering Committee members were reported about the bid challenge related to the contract award for the rehabilitation of a 93 km segment of the Sarateni-Soroca-Dorchia junction road.

Following the review, the Tribunal issued 7 procedural decisions, the deadline for issuance of the decision being extended twice.

Mr. Borş reported that in the meantime the bid results were challenged in the Moldovan court, but later the claimant withdrew the challenge.

On July 23, 2012 the challenger suggested MCA Moldova a reconciliation transaction to be concluded.

During the bid challenge review, MCA Moldova had regular consultations with the MCC representatives and to prevent the suspension of the road rehabilitation works and additional costs related to the further review of the litigation through international arbitration, on August 1, 2012 MCC approved the reconciliation transaction in order to terminate all the litigations both at international and national level.

The reconciliation agreement was signed and submitted to the Tribunal for approval. The Tribunal's final decision was adopted on August 28, 2012.

Therefore, according to the MCC Procurement Directives Mr. Bors proposed the MCA Moldova Steering Committee to take note of the report on the status of the bid challenge related to the contract award for the road rehabilitation works.

Having reviewed the materials received, the voting members of the Steering Committee present at the meeting took note of the status of the bid challenge in relation to the contract award for the road rehabilitation works.

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

Item 8. *Report on the „shopping” procurements made by MCA Moldova in the period of July 2012 – September 2012.*

Leonid Mazilu reported that according to the Procurement Directives approved by MCC on October 4, 2011 the MCA Moldova management body must be reported on a quarterly basis on the „shopping” procurements (at least three bids) made by MCA Moldova.

Mr. Mazilu informed the Steering Committee about the procurements made through the „shopping” procedure in the period of July 2012 – September 2012.

Having reviewed the materials received, the voting members of the Steering Committee present at the meeting approved unanimously the „shopping” procurements made in the period of July 2012- September 2012.

At the end of the meeting **the Steering Committee DECIDED to:**

1. Approve the decisions of the evaluation panels to appoint Leonid Mazilu as Procurement Director and Ion Bors as Legal Advisor of MCA Moldova.
2. Approve the extension of the individual employment contracts with Igor Perjan and Elena Bodiu for additional 12 months.
3. Approve the MCA Moldova Procurement Plan for the period of October 2012 – March 2013 (according to annex no.1).
4. Approve the Audit Report for the period of October 2009 – December 2011.
5. Approve the Anti-Corruption Action Plan (according to annex no. 2).
6. Approve the signing of the Amendment no.1 to the Implementing Entity Agreement between the Millennium Challenge Account Moldova and Apele Moldovei Agency (according to annex no. 3).
7. Take note of the report on the status of the bid challenge related to the contract award for road rehabilitation works.
8. Approve the „shopping procurements” made by MCA Moldova in the period of July 2012 – September 2012 (according to annex no.).

Vladimir FILAT

_____ (signature)_____

Prime Minister of the Republic of
Moldova

Chair of the Steering Committee

Valentina BADRAJAN

_____ (signature)_____

Executive Director of MCA Moldova

Ion BORS

_____ (signature)_____

Acting Legal Advisor,

Secretary of the Steering Committee of
MCA Moldova