



**MINUTES no. 5**  
**Steering Committee**  
**of the Millennium Challenge Account Moldova (MCA Moldova)**

*December 20, 2013; 10:00 am*  
*Government of Moldova; office 524*

**Members of the Steering Committee:**

1. Iurie LEANCĂ - 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. Anatol ARAPU - Minister of Finance
4. Vasile BUMACOV - Minister of Agriculture and Food Industry
5. Vasile BOTNARI - 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. 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. Iurie LEANCĂ - Prime Minister of the Republic of Moldova, chair of the Steering Committee
2. Roman CAZAN - Representative of Mr. BODIU, Secretary General of the Government, deputy chair of the Steering Committee
3. Anatol ARAPU - Minister of Finance
4. Vasile BUMACOV - Minister of Agriculture and Food Industry

- 5. Vasile BOTNARI - Minister of Transport and Road Infrastructure
- 6. Gheorghe ȘALARU - Minister of Environment
- 7. Alecu RENIȚĂ - Leader, Environmental Movement in Moldova
- 8. Alina GHELEȚCHI - Representative of Mr. SLUSARI, President, National Federation of Employers in Agriculture and Food Industry
- 9. Elena BUZU - Representative of Mrs. MALAIRĂU, Executive Director, Employers' Association „American Chamber of Commerce in Moldova”
- 10. Dumitru URSU - President, Banks' Association in Moldova
- 11. Dumitru ALBULESA - Representative of Mr. FLOREA, President, Employers' Association “Union of Transporters and Road Workers in the Republic of Moldova”

**Observers:**

- Leslie McCUAIG - Country Director for Moldova, Millennium Challenge Corporation
- Valentina BADRAJAN - Executive Director, Millennium Challenge Account Moldova

**Secretary of the Steering Committee:**

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

**Invitees:**

- Valentin BOZU - Deputy Executive Director of MCA Moldova
- Leonid MAZILU - Procurement Director of MCA Moldova
- Elena BODIU - Finance and Administrative Director of MCA Moldova
- Inga BURLACU - Communication Director of MCA Moldova
- Sergiu IUNCU - Director of Transition to High Value Agriculture Project of MCA Moldova

**Agenda:**

- 1. Approval of amendments to the MCA Moldova Procurement Plan for October 2013 - March 2014.**
- 2. Approval of Amendment no.1 to the contract no. PP7/PA&A/CS/LCS/03/257 signed with ICS KPMG Moldova Srl for the audit of financial reports.**
- 3. Approval of termination of contract no. PP1/THVAP/CS/QCBS/05/015 of May 20, 2011 signed with GOPA Worldwide Consultants, AFC Consultants International GmbH and AHT Group AG (Germany) for delivery of consultancy as Project Implementation Manager for the Transition to High Value Agriculture Project.**
- 4. Report on the bid challenge for rehabilitation of central irrigation systems.**
- 5. Report on the „shopping” procurements made by MCA Moldova from October to December 2013.**

## **6. Report on the MCC's Implementation Letter on the Transition to High Value Agriculture.**

*The meeting was chaired by Prime Minister Leanca, the chair of the Steering Committee.*

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

### **Item 1. Approval of amendments to the MCA Moldova Procurement Plan for October 2013 - March 2014.**

Leonid Mazilu, Procurement Director, reported that according to the MCC Procurement Directives, before starting any procurement, it shall be included in the Procurement Plan and approved accordingly. The MCA Moldova's senior management body – the Steering Committee – is empowered to review and approve the Procurement Plan and its updates that must be further submitted to MCC for approval.

Given the recent Compact developments, the Procurement Plan had to be completed with a new budget line, more specifically contracting of a construction company for the rehabilitation of the Chircani-Zirnesti irrigation system in the Lower Prut area.

The savings made under the Transition to High Value Agriculture project (THVA), the Road Rehabilitation Project (RRP), and the administrative budget lines will be allocated for the rehabilitation of the Chircani-Zirnesti system.

Therefore, Mr. Mazilu asked the Steering Committee to approve the MCA Moldova's Procurement Plan for the period of October 2013- March 2014.

The members of the Steering Committee approved unanimously the amendments to the MCA Moldova's Procurement Plan for the period of October 2013 – March 2014.

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

### **Item 2. Approval of Amendment no. 1 to the contract no. PP7/PA&A/CS/LCS/03/257 signed with ICS KPMG Moldova Srl for the audit of financial reports.**

Elena Bodiu, the Finance and Administrative Director, reported that according to the MCA Moldova's Bylaws, all the amendments to the material contracts require the approval by the MCA Moldova's Steering Committee.

On October 25, 2013 MCA Moldova signed the contract with the audit company ICS KPMG Moldova SRL for the audit of the financial reports for the left Compact period. According to the audit contract, the audit will cover three periods – the base period to end on December 31, 2013, the first optional period to end on December 31, 2014 and the second optional period to end on December 30, 2015.

Recently, the USAID Office of Inspector General decided to revise the audit periods for all the Compact implementing countries. Therefore, according to the donor's Implementation Letter dating November 7, this year the audit periods will be as follows:

- Base period from January 1, 2013 to March 31, 2014 covering 15 months;
- Option I from April 1, 2014 to March 31, 2015 covering 12 months;
- Option II from April 1, 2015 to December 30, 2015 covering 9 months (including the Compact closeout period).

Mrs. Bodiu added that MCA Moldova negotiated with ICS KPMG Moldova Srl the amendment of the contract. As overall the three audit periods have not been changed, the negotiations did not lead to changes in the total audit cost.

The amendment to the audit contract had been coordinated in advance with MCC and on December 19, this year MCA Moldova received „no-objection” from the donor.

Mrs. Bodiuc asked the Steering Committee to approve the Amendment no.1 to the contract no. PP7/PA&A/CS/LCS/03/257 signed with ICS KPMG Moldova SRL.

The members of the Steering Committee unanimously approved the Amendment no.1 to contract no. PP7/PA&A/CS/LCS/03/257 signed with ICS KPMG Moldova SRL.

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

***Item 3. Approval of termination of contract no. PP1/THVAP/CS/QCBS/05/015 of May 20, 2011 signed with the association of GOPA Worldwide Consultants, AFC Consultants International GmbH and AHT Group AG (Germany) for delivery of consultancy as Project Implementation Manager for the Transition to High Value Agriculture Project.***

Mr. Iuncu, THVA director, communicated to the members of the Steering Committee the rationale behind the termination of the contract with GOPA Worldwide Consultants, AFC Consultants International GmbH and AHT Group AG (Germany) for Project Implementation Manager services (PIM Consultant) under THVA.

He stressed that termination of the contract with the PIM Consultant allow for significant savings that will be allocated for the rehabilitation of irrigation systems.

On October 24, 2013 MCC approved the termination of the contract with PIM and the official notice was sent to the consultant on October 28, 2013. According to the notification letter, the contract is deemed as terminated on December 31, 2013.

Mr. Iuncu asked the members of the Steering Committee to approve the termination of the contract no. PP1/THVAP/CS/QCBS/05/015 of May 20, 2011 signed with the association of GOPA Worldwide Consultants, AFC Consultants International GmbH and AHT Group AG (Germany) under the clause 2.7.1 (f) (termination by MCA Moldova).

The members of the Steering Committee of MCA Moldova unanimously approved the termination of contract no. PP1/THVAP/CS/QCBS/05/015 of May 20, 2011 signed with the association of GOPA Worldwide Consultants, AFC Consultants International GmbH and AHT Group AG (Germany).

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

***Item 4. Report on the bid challenge for rehabilitation of central irrigation systems***

Mr. Bors, Legal Advisor, reminded the members of the Steering Committee that at the previous meeting from October 11, 2013 MCA reported on the bid challenge for the rehabilitation of the central irrigation systems Jora de Jos, Cosnita, Puhaceni and Roscani on the Nistru River.

The Bid Challenge Panel considered the bid challenge and on October 18 rejected the challenge for noncompliance with the submission deadline.

The members of the Steering Committee took note of the report on the bid challenge process.

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

***Item 5. Report on the „shopping” procurements made by MCA Moldova from October to December 2013.***

The report was delivered by Mr. Mazilu.

The members of the Steering Committee received the list of „shopping” procurements made from October to December 2013 that is also public and available on the official website of MCA Moldova.

The members of the Steering Committee took note of these procurements and the chair of the meeting suggested proceeding to the next item.

**Item 6. Report on the MCC’s Implementation Letter on the Transition to High Value Agriculture.**

Mrs. Badrajan, executive director of MCA Moldova, communicated to the Steering Committee that on December 19 MCC informed about its decision to reallocate funds for CISRA of THVA project.

Such Implementation Letter was required to prioritize the MCC funding for the rehabilitation of specific CIS with higher Economic Recovery Rate.

Additionally to the request to allocate enough funds for the rehabilitation of the Chircani-Zirnesti system, MCC requested that the commitment to allocate additional funds for investments in high – value agriculture should be confirmed, in particular extension of the eligible investments for funding from the resources of the Access to Agricultural Financing Activity (AAFA) to include investments in agriculture.

Mrs. Badrajan asked the members of the Steering Committee to:

- take note of the report and accept the terms stated in the MCC’s Implementation Letter on High Value Agriculture Project;
- empower Victor BODIU, the Government’s key representative according to the COMPAC Agreement, to sign the Implementation Letter.

The members of the Steering Committee took note and accepted the terms stated in the Implementation Letter of the Millennium Challenge Corporation on the Transition to High Value Agriculture Project and unanimously agreed that Mr. BODIU should sign the Implementation Letter.

Having examined the reports, **the Steering Committee DECIDED TO:**

1. Approve the amendments to the MCA Moldova’s Procurement Plan for the period of October 2013 – March 2014.
2. Approve the Amendment no. 1 to the contract no. PP7/PA&A/CS/LCS/03/257 signed with ICS KPMG Moldova Srl for delivery of audit services (*according to annex no. 1*).
3. Approve the termination of the contract no. PP1/THVAP/CS/QCBS/05/015 of May 20, 2011 signed with the association of GOPA Worldwide Consultants, AFC Consultants International GmbH and AHT Group AG (Germany) for delivery of Project Implementation Manager services under the Transition to High Value Agriculture Project.
4. Take note of the report on the bid challenge for the rehabilitation of the central irrigation systems.
5. Take note of the report on the „shopping” procurements made by MCA Moldova from October to December 2013 (*according to annex no. 2*).

6. a) Take note of the report on and accept the terms stated in the MCC's Implementation Letter on the Transition to High Value Agriculture of December 19, 2013 (*according to annex no. 3*);

b) Empower Mr. BODIU, the Government's key representative according to the COMPACT Agreement, to sign the Implementation Letter.

**Iurie LEANCĂ**

Prime Minister of the Republic of Moldova

Chair of the Steering Committee

\_\_\_\_\_ (signature) \_\_\_\_\_

**Valentina BADRAJAN**

Executive Director of MCA Moldova

\_\_\_\_\_ ( signature) \_\_\_\_\_

**Ion BORȘ**

Legal Advisor of MCA Moldova,

Secretary of the Steering Committee of MCA  
Moldova

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