



MILLENNIUM FOUNDATION KOSOVO

Minutes of the 5th Board of Directors' Meeting

February 28, 2019 at 11:00 AM,

MFK Conference Room

The Board of Directors ("**Board**") of Millennium Foundation Kosovo ("**MFK**") held the 5th regular meeting at the above-mentioned date and time for which notice was duly given on 21st of February 2019 in accordance with (i) the Statute of MFK ("**Bylaws**"), and (ii) the Millennium Challenge Threshold between the United States of America, acting through the Millennium Challenge Corporation ("**MCC**"), and the government of Republic of Kosovo (the "**Government**"), executed on 12 September 2017 (the "**Threshold**").

I. PARTICIPANTS

BOARD MEMBERS:

Valdrin Lluka, Minister of Economic Development
Pranvera Dobruna, Advisor of the Prime Minister
Ardian Arifi, Deputy Chief of Staff of President
Tea Bakaj, Advisor of the Minister of Justice
Denion Galimuna, NGO/Kosovo Foundation for Open Society (Alternate)
Laura Kryeziu, NGO/Leadership and Growth Council – LGC
Rea Kryeziu, Private Sector / Kosovo Chamber of Commerce (Alternate)

BOARD OBSERVERS:

Petrit Selimi, Chief Executive Officer (CEO) at MFK
Sarah Olmstead, MCC Country Director for Kosovo.

OTHER

PARTICIPANTS:

Arta Krasniqi, MFK Legal Consultant
Kastriot Orana, MFK Executive Secretary
Anila Statovci Demaj, MFK Director of Administration and Finance
Burim Hashani, MFK Energy Director
Agron Kelmendi, MFK Governance Director
Agron Bektashi, Environmental & Social Performance Specialist
Arton Çitaku, MFK Procurement Manager

Chairperson of BoD: Valdrin Lluka, Minister of Economic Development

Board Secretary: Arta Krasniqi, Legal Consultant at MFK

II. PROCEEDINGS

Meeting called to order at 11:00AM CET.

In accordance with MFK Statute, the Board Secretary asked the Board Members to vote for approving the alternate representatives of the Non-Government Board members: Ms. Rea Kryeziu delegated by Mr. Berat Rukiqi and Mr. Denion Galimuna delegated by Mr. Luan Shllaku. The Board unanimously approved the delegated members. The Board Secretary declared the presence of a quorum consisting of a majority of the six (6) voting members of the Board in accordance with the Statute, with three Governmental Board members and three Non-Governmental Board members.

Board Member Ms. Laura Kryeziu raised a concern of Board members practice not attending individually the meetings and sending alternates on their behalf. Sh emphasized that with all due respect for their job and engagement, they have to be present at the Board meetings, and only occasionally they could send their delegates.

CEO of MFK – Mr. Petrit Selimi explained that MFK bylaws allows board members to send their delegates when they cannot attend the meetings individually. He mentioned that in other countries where MCC provides support, they have as well high-level Board Members (e.g. Prime Ministers and other Ministers), and understanding their very busy agendas, the MCC allowed the practice for sending representatives on behalf of the Government high level officials to attend board meetings and vote on Management proposals.

MCC Country Director for Kosovo – Ms. Sarah Olmstead proposed that the Secretary of the Board sends in advance the yearly schedule for Board meetings to the MFK Board in order for them to plan in advance. Since the Chairperson of the Board Mr. Avni Arifi was absent, the MFK CEO called to vote for Minister Mr. Valdrin Lluka as interim chair of the board for this board meeting. All Board members voted unanimously for Mr. Lluka, Minister of Economic Development to act as chairperson for that meeting.

The Chairperson Mr. Lluka thanked the Board members for their attendance on the meeting and invited the MFK CEO to proceed with presenting the agenda of the meeting.

List of attendance was circulated to all board members and other participants to the meeting and was duly signed by everyone.

The meeting duly and legally convened and opened for the transaction of business.

III. DISCUSSION OF AGENDA ITEMS

1. Approval of the agenda

MFK CEO presented the agenda of the meeting and called for a vote by the Board members. Subsequently, the agenda was approved unanimously by the Board.

2. Confirmation of approval of the minutes of previous Board meeting

MFK CEO explained that the minutes of the last Board meeting were approved by the Board and duly signed by the Chairperson and the Board Secretary. However, since in these minutes it was not reflected the amendment of the MFK Statute on Board Secretary issue, previously held by the MFK Director of Administration and Finance and amended to be replaced by Legal Advisor of MFK, he proposed that such amendment be acknowledged in this meeting reflected in the minutes of the current meeting. The Board formally acknowledged and approved the proposal of MFK CEO.

3. Ratification of decision via e-mail to appoint MFK Board Secretary

The Board unanimously voted pro ratification of decision to appoint Arta Krasniqi - MFK Legal Consultant as Secretary to the Board of Directors of MFK in accordance with the MFK Statute.

4. Presentation by MFK CEO

MFK CEO briefed MFK Board members on MFK recent developments:

- Large tender for Energy project – PİEE activity is currently under review and evaluation by the Technical Evaluation Panel (TEP)
- Another tender for District Heating Metering (DHM) will soon be launched;
- Launching of the activity - Women in Energy Scholarships took place in February 20, 2019;
- MFK met with MCC team for compact development – Vice President of MCC – Ms. Karen Sessions.

- Kosovo's Government is currently forming the Team for MCC Compact Program;
- The team will work to design the project, will stay close to Constrains Analysis;
- MCC Country Director for Kosovo – Ms. Sarah Olmstead will be representing MCC in Threshold and Compact, whereas MFK team will be focused on the implementation of Threshold program.

5. Presentation by Program Directors on respective projects:

5.1 Energy Project (Renewable Energy Landscape Project)

CEO invited the Energy Director in the meeting to update the board members on RELP program. Mr. Burim Hashani, the Energy Director joined the meeting and informed the Board members that the energy team has been working jointly with MCC to select the members for evaluation panel for PIEE tender. There are five bids that are good companies, and the elected technical evaluation panel is currently evaluating the bids. Based on timeline, the plan is to sign the contract with the elected company during April 2019. Mr. Hashani mentioned that due to the request of many interested companies to apply for the District Heating Metering tender, the deadline for submitting bids for DHM is extended for two additional weeks.

He also mentioned that ongoing discussions with KCGF regarding the IPP Project Finance Facilitation activity, however the KCGF Board has not yet decided whether they want to cooperate with MFK. MFK Management stand is that we do not receive a positive answer from them soon, we will have to cancel this activity as we will be late for implementing this activity. After his presentation, Mr. Hashani left the meeting.

5.2 Transparent and Accountable Government Project (TAG Project)

MFK CEO invited the Governance Director in the meeting to update the Board members on TAG Project. Mr. Agron Kelmendi, Director of Governance in MFK informed the Board about Workshop for CMIS with some of stakeholders. Regarding the first TAG Project Activity on the Public Access to Judicial Information, Mr. Kelmendi mentioned the workshop with relevant stakeholders in order to identify the intervention in the CMIS. Currently, MFK is in the process of designing the Terms of Reference for this activity. There are other stakeholders involved such as USAID, Norwegian Embassy in Kosovo and MFK is coordination activities with all the

stakeholders involved in the development of the CMIS. Further, he informed that MCC will soon send an expert to support the implementation of the activity.

Regarding the 2nd Tag Project Activity on the Environment Data Collection, Mr. Kelmendi said that the third air quality monitoring (AQM) station is about to be relocated within a week. Further, he informed that ToRs for this activity were sent to MCC for formal approval (No- Objection). After his presentation, Mr. Kelmendi left the meeting.

The 7th board member, Mr. Ardian Arifaj from office of the President joined the meeting at 12:10 PM.

6. Proposal and approval of ESMS Manual

CEO briefly introduced the ESMS Manual jointly prepared by the MFK Environmental & Social Performance Specialist Mr. Agron Bektashi and the MCC ESMS Consultant. He invited Mr. Bektashi to present the main points of the ESMS Manual and its importance to the Threshold Program. Mr. Bektashi explained that the ESMS Manual aims at establishing environmental performance standards and how these standards are incorporated into the overall Threshold Program. Further, he added that ESMS Manual serves as a practical handbook designed to establish appropriate levels of environmental and social performance. ESMS is designed to be consistent with the Environmental and Social Legislation of the Government of Kosovo, Millennium Challenge Corporation (MCC) Environmental Guidelines, the IFC Performance Standards and the Millennium Challenge Corporation (MCC) Gender Policy and Guidelines. In addition, he explained how an ESMS is a dynamic process, that involves the continued engagement between MFK, implementing entities, local communities, government authorities and other stakeholders. Further, he added that ESMS standards aim at avoiding when possible, mitigating adverse impact to people and the environment and giving due consideration to vulnerable populations, groups and individuals (including women, children and people with disabilities, and people marginalized by virtue of their sexual orientation or gender identity) and other marginalized groups of people and individuals that are affected or potentially affected by MFK financed activities.

Mr. Bektashi informed the Board that the ESMS Manual will be revised on annual basis. Hence, several main and sub-plans to be developed in next coming months such as: development of Environmental and Social Management Plan and Health and Safety Management Plan as well as

ESMS sub-plans: Waste Management Plan/Hazardous and non-hazardous waste; Emergency Preparedness and Response Plan and Grievance Mechanism Plan.

The Chairperson of the Board called for a vote on the approval of ESMS Manual which was approved by raising hands unanimously.

RESOLVED that the Board hereby approved the MFK ESMS Manual.

7. Proposal and approval of MFK Policies

MFK CEO invited the MFK Legal Consultant, Ms. Arta Krasniqi to briefly present to the Board of MFK the Conflict of Interest Policy, Confidentiality Policy and Code of Business Ethic and Personal Conduct Policy which she has developed in coordination with MCC Office of General Counsel (OGC). Ms. Krasniqi explained that legal requirements for developing these policies derive from the Threshold Agreement, MFK Statute and the MCC Accountable Entities Guidelines

Ms. Krasniqi presented the *Conflict of Interest Policy (CoI)*. She explained the purpose of the CoI is to ensure that an MFK director, officer, employee, agent, representative, volunteer, or member of a stakeholders' committee always acts in the best interest of the MFK, and to protect against an alternative or conflicting financial, commercial, family, private or other interest interfering with the implementation benefits of the Threshold program. Furthermore she explained that conflict of interest occurs when an MFK representative uses his or her position with the MFK for private gain; gives preferential treatment to any person or firm; loses independence or impartiality in making decisions for or on behalf of the MFK, thereby causing a risk to achieving the Threshold's goals and objectives; or creates the perception of a conflict, thereby damaging the reputation of the Threshold and the MFK.

Ms. Krasniqi also briefly presented the *Confidentiality Policy* by emphasizing the importance of having this policy in protecting the confidential information of MFK and providing guidance to members of the Board of Directors, Key Staff, employees, consultants, contractors, agents or representatives of MFK and members of any MFK Stakeholder Committee in the handling and treatment of confidential information of MFK. In addition, she pointed out that the policy explains how each MFK representative is bound by this policy and is required to maintain strictly

confidential of all Confidential Information, and shall take reasonable efforts to prevent the intentional or unintentional use or disclosure of such Confidential Information, unless he/she is explicitly authorized by MFK with the prior written approval of MCC.

Ms. Krasniqi also presented the *Code of Business Ethic and Personal Conduct Policy*. She explained to the Board that the purpose of the Code is to ensure that all MFK personnel are fully aware of the MFK's expectations and policies regarding ethical business practices and standards of conduct and avoidance of conflict of interest and are therefore able to conduct themselves accordingly. She said that the Code is a broad outline, designed to guide each MFK representative when making decisions and is aims to help handling business situations professionally, fairly and legally. It provides guidance on proper behavior, anti-fraud and corruption, prohibition against payments, gifts, or entertainment to public officials, compliance with health, safety and environment standards, duty to avoid and disclose conflict of interest, protection of confidential information and protection of personal data.

The Chairperson called for a vote on the approval of Conflict of Interest, Confidentiality and Code of business Ethics and Personal Conduct policies which were approved by raising hands unanimously.

RESOLVED that the Board hereby approved the MFK Conflict of Interest, Confidentiality Policy and Code of business Ethics and Personal Conduct.

8. Proposal and approval of QDRP5 for Program Quarter 7, April-June 2019

MFK CEO invited the Director of Administration and Finance Director Ms. Anila Statovci Demaj in the meeting to present the Request for Disbursement ("QDRP5") to the Board members.

Ms. Anila Statovci Demaj, presented to the Board members the narrative report with relevant information for the Fifth Disbursement Request, highlighting the expenses that will take place in this quarter. QDRP5 will cover commitments for the quarter April – June 2019 and respective needs for payments.

The Chairperson called for a vote on the approval of QDRP5 which was approved by raising hands unanimously.

RESOLVED that the Board hereby approved the QDRP5 for Program Quarter 7, April-June 2019.

9. Proposal to amend the Procurement Plan

MFK CEO invited the Procurement Manager of MFK in the meeting to present the changes in the Procurement Plan.

Mr. Arton Çitaku, the Procurement Manager, presented the changes in Procurement Plan (“PP”), and informed that the PP was made in cooperation with MCC, MCC consultants and MFK staff.

He presented proposed changes to the Procurement Plan as follows:

- 1) The 1st activity is amended to change the managing strategy from hiring few consultants to hiring an Implementing Entity/Company (IC) to foresee the Internship and Scholarship Program, in general. This activity is called Women in Energy (WE) – Internship and Scholarship Program. In the previous procurement plan, the calculation has been made only for one year of the internship program, excluding the scholarship activity. The MFK initially has not envisaged the scholarship program within the budget for the implementation of the Internship activity, but now, after finalization of the draft TOR, it is required that IC would be responsible for implementation of the women internship as well as scholarship activity. Therefore, the total amount estimated has increased after more accurate estimation made for the entire cycle (3 years) for implementation of the Women in Energy (WE) – Internship and Scholarship program.
- 2) The 2nd justification for amending the Procurement Plan for new activity (NA). The Gender and Social inclusion activities foresee necessary the need for the different Communication outreach activities for successful implementation of the activities which needs to raise awareness and to target in particular young girls to consider carrier in the energy sector. MFK initially has not envisaged the budget for those activities and after further development of the details of the activity, there is a need for an additional budget for those activities as a new procurement.
- 3) The 3rd justification for amending the Procurement Plan (activity 2.18 in procurement plan). This activity is canceled due to the change in the implementation strategy with regards of the managing the Internship activity as was foreseen in the current procurement plan from three consultants for the Internship Program to change for a company as implementing entity (IC) for implementation of the activity Women in Energy (WE) – Internship and Scholarship program. The MFK initially has not envisaged that scholarship

program within the budget for the implementation of the internship activity, but now finalizing the draft TOR, it is envisaged that IC would be responsible for implementation of the women internship as well as scholarship activity.

- 4) The 4th justification for amending the Procurement Plan (activity 2.19 in procurement plan). This activity is canceled due to the change in the implementation strategy with regards of the managing the Internship activity as was foreseen in the current procurement plan from three consultants for the Internship Program to change for a company as implementing entity (IC) for implementation of the activity Women in Energy (WE) – Internship and Scholarship program. The MFK initially has not envisaged that scholarship program within the budget for the implementation of the internship activity, but now after finalizing the draft TOR, it is envisaged that IC would be responsible for implementation of the women internship as well as scholarship activity.

The Chairperson called for a vote on the proposed amendment of Procurement Plan #2 which was approved by raising hands unanimously.

RESOLVED that the Board hereby approved proposed amendment to of Procurement Plan #2.

9. Proposal for salary adjustment due to inflation rate for 2018

MFK CEO presented to the Board members the proposal for salary adjustment of MFK staff due to the inflation rate which based on the publication of Kosovo's Agency for Statistics during 2018 it has been on average 1.1%. Furthermore, the information rate has accelerated to 2.9% in December 2018 and 3.1% in January 2019. He explained that MFK employment contracts for both staff and consultants provide a provision on adjustment of total salary due to changes in consumer prices resulting from inflation.

The Chairperson called for a vote on the approval of 2% salary adjustment due to inflation rate in 2018 which was approved by raising hands unanimously.

RESOLVED that the Board hereby approved the 2% salary adjustment for all MFK employees and consultants.

10. Others

The Chairperson of the Board Mr. Valdrin Lluka informed the Board and other participants in the meeting that the Kosovo Energy Efficiency Agency (KEEA) will move in the same building as

MFK, in the 7th floor. CEO Selimi mentioned that the Government will provide office space the for Compact Development team in the 8th floor of the same building that MFK has its offices. MFK CEO expressed his gratitude to the Board members for their attendance and proactive participation in the meeting.

III. ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at: 12:35PM.

Certified by:

 27/03/2019

Name: Arta Krasniqi

Secretary of the MFK Board of Directors

Acknowledged by:


Name: Valdin Lluka

Chairman of the MFK Board of Directors,

