



# MILLENNIUM FOUNDATION KOSOVO

**MILLENNIUM FOUNDATION KOSOVO**  
**Minutes of the 14<sup>th</sup> Board of Directors' Meeting**  
**Friday, June 25, 2021 at 11:00 AM**  
**via Zoom**

The Board of Directors ("**Board**") of Millennium Foundation Kosovo ("**MFK**") held the 14<sup>th</sup> regular meeting at the above-mentioned date and time for which notice was given on 27<sup>th</sup> of May 2021 in accordance with (i) the Statute of MFK ("**Bylaws**"), and (ii) the Millennium Challenge Threshold Program Grant Agreement 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 Program**").

## **I. PARTICIPANTS**

### **BOARD MEMBERS:**

1. Blerim Vela, Chief of Staff to the President – online
2. Luan Dalipi, Chief of Staff to the Prime Minister – online
3. Nita Shala, Deputy Minister of Justice – online
4. Mentor Arifaj, Deputy Ministry of Economy - online
5. Berat Rukqiqi, President of Kosovo Chamber of Commerce - online
6. Jelena Djokic, Non-government board member representing Academia/Serbian community

### **BOARD NON-VOTING OBSERVERS:**

1. Petrit Selimi, MFK Chief Executive Officer (CEO) – in person
2. Sarah Olmstead, MCC Country Director for Kosovo – in person

**CHAIRPERSON OF BOD:** Blerim Vela, Chief of Staff to the President

**BOARD SECRETARY:** Arta Krasniqi, MFK Legal Advisor – in person

## **II. OPENING OF THE MEETING AND DETERMINATION OF QUORUM**

The Chairman of the Board Mr. Blerim Vela (hereinafter "the Chairman") opened the meeting and invited all participants for a short introduction considering the changes to the Board composition/ex-officio government board members as a result of new government established in March 2021. The Chairman of the Board in consultation with the Board Secretary determined the presence of the quorum since in the meeting participated six Board Members, whereas the MFK Statute requires the presence of 4 voting members consisting of at least 2 Government Board Members and at least 1 Non-Government Board Member.

### **III. APPROVAL OF THE AGENDA**

The Chairman presented the agenda for the meeting and invited all board members to declare themselves if they agree with its content and/or if they have any proposals to include in the agenda. Chief of Staff to the Prime Minister Mr. Luan Dalipi requested to put forward a motion to move agenda item no.6 [Short presentation on the Threshold Program project and activities] before agenda item no.5 [Approval of QDRP 14 for Program Quarter 16 July-September 2021]. This motion put on voting by the Chairman and subsequently was duly approved by all six board members present in the meeting. As a result, the agenda item no.6 was moved to agenda item no.5, whereas agenda item no.5 was put under agenda item no.6.

The Chairman called for a vote by the Board Members to approve the agenda with the proposed changes. All six Board members present at the meeting unanimously approved the agenda.

### **IV. DISCUSSION AND APPROVAL OF AGENDA ITEMS**

#### **1. Confirmation of approval of the minutes of 13<sup>th</sup> Board meeting**

The Chairman of the Board, he invited Board Secretary to provide the background with regards to the minutes of the last MFK Board meeting. The Secretary explained that the minutes of the 13<sup>th</sup> Board meeting held on March 9, 2021, were presented to the Board for their review and approval and the Board has approved the content of the meeting via email. However, considering the changes in the composition of the ex-officio Board members, the Secretary explained that in this meeting it is not required from the new government board members to approve the minutes of the previous meeting taking into account that they have not participated in such meeting. Further, the Secretary explained that the minutes of the 13<sup>th</sup> Board meeting will be co-signed by the former Chairman of MFK Board Mr. Faton Peci who participated and chaired the meeting and the Secretary of the Board. Further, conform the transparency requirements of MFK Statute, the signed minutes will be published in MFK website. In this regard, the Chairman of the Board mentioned that minutes of 11<sup>th</sup> and 12<sup>th</sup> MFK board meeting are not yet published in MFK website. Although the Secretary wanted to clarify this matter, the Chairman of the Board stated that there is no need for explanation in this regard.

After discussion, following resolution was passed:

“RESOLVED THAT: Minutes of the 13<sup>th</sup> MFK Board meeting held on March 9, 2021 to be signed by the former Chairman of MFK Board Mr. Faton Peci and Board Secretary and published in MFK website.”

#### **2. Presentation by MFK CEO – Petrit Selimi and MCC Country Director for Kosovo - Sarah Olmstead on the overall implementation of Threshold Program**

The Chairman of the Board invited MCC Country Director for Kosovo Ms. Sarah Olmstead to provide a short presentation on the key developments of the Threshold Program during quarter 15.



MCC Country Director for Kosovo Mr. Olmstead stated that she will not provide detailed information with regards to the implementation of Threshold Program projects and activities since this will be covered by MFK directors and activity managers in the upcoming agenda item no.5. Further, she added that a lot of programming that is associated with the pilot activities in energy must take place during this summer, therefore this is a critical point of implementation as in fall/winter season the MFK does not have much options to implement the energy efficiency activities. Moreover, she emphasized the importance of this Board meeting to approve the QDRP in order not to lose the critical time for implementation of the Threshold Program.

The Chairman of the Board thanked the MCC representative for the brief presentation and invited MFK representative (MFK CEO – Mr. Petrit Selimi) to also provide a short presentation on the status of implementation of the Threshold Program. MFK CEO informed the Board that the program is in the peak phase of the implementation of the projects and activities, considering that this is the last year of the Threshold Program, therefore, by September this year, MFK together with MCC plans to organize a workshop in order to start with the close-out of the Program. Further, he mentioned that next week MFK will commence the works in Lipjan municipality as part of the Subsidies for Energy Efficiently (“SEEK”) Project namely Apartment Energy Retrofits Intervention Package (“AER IP”) which will start with energy efficiency measures for the selected buildings within this municipality. Similarly, this project will be implemented in the South Mitrovica region and currently MFK is completing the process of engaging the company which will perform the works in the selected multi apartment buildings (“MABs”). Moreover, the Household Energy Retrofits (“HER”) within the SEEK Project, the construction work of some of the selected households throughout Kosovo have started, whereas the remaining are either in the process of accepting the offers and signing the grant agreements in order proceed with construction works as part of the energy efficiency measures within this project. Further, he informed the Board that some programs will be closed by September this year since they have been fully implemented such as the Environmental Data Collection Activity within the Transparent and Accountable Governance Project. Whereas the Public Access to Judicial Information Activity (“PAJI”) will start imminently. In addition MFK CEO highlighted that despite the pandemic situation, MFK had to follow both U.S and local rules yet all MFK staff have managed this challenging times and worked hardly in implementing the program, although in MCC’s projects worldwide it is common not to see a diagonal implementation rate of the program but it starts in a low level due to a lot of preparatory and pre-implementation phase and in the last phase we see an “L-shape” of both implementation rate and expenditures of allocated budgets during the last year of program.

The Chairman of the Board thanked MFK CEO for the presentation and gave the floor to board members for questions and clarifications.

Deputy Minister of Economy Mr. Mentor Arifaj mentioned that on the 22<sup>nd</sup> of June, together with the Chairman and Mr. Luan Dalipi they visited MFK offices to review procurement and personnel contracts. He mentioned the MFK CEO’s employment contract and in this regard, they have raised some questions regarding the legal aspects of such contract. Therefore, he requested to put forward the motion to provide the Board with all information related to the process leading to the amendment of the employment contract of MFK CEO which was done on January 26<sup>th</sup>, 2021. Further he added that this issue was not clear enough for the government board members and they have inquiry in this regard. The Chairman put this motion on voting and except for Mr. Berat Rukqiqi (non-government board member) who abstained from voting, all other five board members approved the motion proposed by Mr. Arifaj.



After discussion, following resolution was passed:

“RESOLVED THAT: MFK Management Unit is required to provide information leading to the decision of amendment of MFK CEO employment contract.”

Further, the Chairman of the Board raised a question regarding the vacant 7<sup>th</sup> seat in MFK’s Board due to the resignation of former non-government Board member Mr. Luan Shllaku and proposed a motion to ask the MFK Management Unit why the process for the selection of this vacant seat in the MFK Board has not yet been initiated. All six Board members approved the motion put forward by the Chairman.

After discussion, following resolution was passed:

“RESOLVED THAT: MFK Management Unit to provide a written response to the MFK Board regarding the vacant seat of the 7<sup>th</sup> non-government Board members and why the process has not been yet initiated.”

### **3. Short presentations on the Threshold Program projects and activities delivered by project director and activity managers**

#### **3.1 Presentation on Reliable Energy Landscape Project**

The Chairman of the Board invited the MFK Energy Director Mr. Burim Hashani to provide a brief presentation on the Reliable Energy Landscape Project (“RELP”). Mr. Hashani informed the Board that RELP comprises of three major activities: (i) Pilot Incentives for Household Investment in Energy Efficiency; (ii) District Heating Metering Activity; and (iii) IPP Finance Facilitation Activity.

##### 3.1.1 Pilot Incentives for Household Investment in Energy Efficiency

The first one is a very large piloting project, and the key objective of this activity is to determine the types of intervention elements that are most cost effective for motivating investments in energy efficiency and transfer this knowledge and experience to the Kosovo institutions – the Agency for Energy Efficiency. In this activity we have put some targets: incentives for 2600 houses; 25 multi-family apartment buildings and women-owned businesses. The total budget for this activity is USD 20.7 million and MFK has engaged an implementation consultant in September 2019 (contract signed) whereas the project was launched on December 2019. The Implementation Consultant has designed the details of the project and currently we are in implementation phase. With regards to the intervention packages under the PIEE Activity, he informed the Board that there are three intervention packages: (i) Household Energy Retrofits (“HER”) – 1500 houses with several modalities will be tested and different subsidy levels for different income groups; (ii) Apartment Building Retrofits (AER) – 25 multi apartment family buildings selected from seven municipalities in Kosovo (Prishtina, Gjakova, Mitrovica, Lipjan, Viti, Graçanica, Novobërdo); and (iii) Women Energy Entrepreneurs which includes technical assistance and Grants to more than 200 Women-Owned Businesses in Kosovo. Moreover, under this project as per the requirements of MCC, we have engaged a Supervisory Engineer company to supervise and monitor the works of both Implementing Consultant as well as the Qualified Installers.

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### 3.1.2 District Heating Metering Activity

Mr. Hashani explained to the Board this is also a piloting activity which includes incentives for installation of thermostatic valves, heat meters and heat cost allocators for about 14,00 residential costumers of district heating company “Termokos” in the Municipality of Prishtina. The objective of this activity is to support the energy regulator with design of thermal energy pricing methodology and consumption-based tariffs. Moreover, it aims to support Termokos ’corporate transition from spatial billing system to consumption-based billing as well as upgrading the costumers’ database with new software for pricing and billing. The total budget of this activity is USD 10.9 million and MFK has engaged an Implementation Consultant to implement this activity on October 2019. The original contract term was September 2021, however following the extension of the Threshold Program until September 2022, the term of this contact was extended at no cost until June 2022.

### 3.1.3 Independent Power Producers (“IPP”) Finance Facilitation Activity

Under this activity, there are three key components: (i) Development of renewable energy credit guarantee product which aims to support energy finance as well as cover all incremental operating costs related to establishing a separate window to increase its capacity in project finance and IPP Guarantee Window. In this aspect MFK has identified the Kosovo Credit Guarantee Fund as the implementing entity that is mandated to provide partial guarantee to Micro, Small and Medium enterprises. This RE Guarantee Window will be operated by KCGF and MFK is providing the technical assistance to this institution in order to increase their capacities to also support the businesses in energy sector; (ii) Project screening and development – Kosovo Project Accelerator aims to establish a pipeline of bankable projects to provide targeted technical assistance and trainings to IPPs, banks and local experts; (iii) Market standardization component aims to create a standardized template for technical documents as well as provision of trainings to banks and market regulators the use of standardized framework for renewable energy project financing.

After the presentation delivered by Mr. Hashani, the Chairman raised two questions as follows: The first question was in regards to AER IP, the term “Multi-Apartment Building” is being used by MFK. In this regard, is there a specific legal term within the laws in Kosovo that defines what is the “Multi-Apartment Building”? Mr. Hashani explained that there are several terms/abbreviations used in this regard, while MFK uses the “Multi-Family Apartment Buildings” since it fits to the nature of the project. Further, he mentioned that there is a draft Law on Residential Councils which has not yet been passed which would provide exact definitions in this regard. Same terms have been used in the past by a World Bank project in Kosovo. The second question the Chairman raised was related to the discrepancy in the number of households retrofit in the presentation: the first one states that there will be 2600 houses benefiting from the project, whereas in the next slide, it states that there will be 1500 houses. He requested from Mr. Hashani to explain this discrepancy. Mr. Hashani explained that the number of the household beneficiaries is indicative and relies on the available budget. The learnings from the first iterations under HER IP, show the need to lower expectations based on the timing available to implement these energy efficiency measures. The Chairman asked whether there was a Board decision to lower the number from 2600 to 1500 households or how was this decided? Mr. Hashani explained that no such decision was need to be brought by the Board or MCC considering the piloting nature of the project, therefore this number was never set in stone and was not foreseen under the contract, nor is a key performance indicator.



Ms. Jelena Djokic raised a question regarding the visibility of the project under PIEE which shows that this a certain house/apartment-buildings are supported financially by MCC and is being implemented by MFK. MFK CEO explained that MFK is bound by the MCC visibility guidelines, therefore, from the initiation of the works MFK puts the visibility posters to show that who is supporting these works.

Mr. Mentor Arifaj proposed a motion to be put forward requesting from MFK Management Unit to provide all relevant documents and information on PIEE activity by July 2<sup>nd</sup>, 2021. The Chairman put forward this motion for approval by board members. All six board members unanimously approved this motion.

After discussion, following resolution was passed:

“RESOLVED THAT: MFK Management Unit is required to provide all relevant documents and information on PIEE activity by July 2<sup>nd</sup>, 2021.”

### **3.2 Presentation on Transparent and Accountable Governance Project:**

#### 3.2.1 Environmental Data Collection Activity

The Chairman invited the activity manager of Environmental Data Collection Activity Mr. Agron Kelmendi to provide a brief presentation to the Board. Mr. Kelmendi presented the results of this activity, since the implementation is completed. The following sub-activities implemented under this sub-activity are as follows: (i) The Air Quality Monitoring Network, through which MFK has supported the main beneficiary of this activity - Kosovo Hydrometeorological Institute (“KHMI”) through installation of brand-new network to monitor and report the air quality data in real-time. Furthermore, we have created a national portal for air quality monitoring data which is available as online portal and accessible in smart phones as special app in order to be used by the citizens of Kosovo who can be informed about the air-quality in Kosovo in real-time basis; (ii) Emission Inventory for Kosovo and Air Quality Modelling sub-activity which has targeted the Kosovo Environmental Protection Agency (“KEPA”) as the main beneficiary. Through this sub-activity MFK has managed to identify the main sources of air pollution in Kosovo and for KEPA to be able to use the data on air pollution in their daily work; (iii) Supported Kosovo Public Health Institute (“KPHI”) with trainings on health advisory information system and recommendations in order to use these platforms when they communicate with the public. In addition to this, a series of trainings were delivered to both KMHI and KPHI aiming at strengthening their skills on how to use the air quality data available in the portals in order to help them in decision making. Finally, through this activity MFK has supported KHMI with 40 diffusion tubes. The budgeted of this this activity is USD 3 million and has been 100% utilized.

The Chairman requested clarifications in relation to Mr. Kelmendi’s presentation specifically regarding the Behavior and Outreach Campaign presented in the slide, asking on how will the behavior change be measured considering the project will be completed in September 2021. Mr. Kelmendi explained that MFK intends to engage another contractor to get the results and measure the specific behavior change. In addition, MFK CEO explained that through the MFK Monitoring and Evaluation component which covers all projects and activities of the Threshold Program, this

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particular activity will also be measured from M&E team by MFK but also by independent evaluators hired by MCC.

### 3.2.2 Public Access to Judicial Information Activity

The Chairman invited the activity manager Ms. Arta Krasniqi (Legal Advisor and Board Secretary) to provide a short presentation on the PAJI Activity. Ms. Krasniqi informed the Board that she has been managing the PAJI activity from February, 2021 since the project manager is on maternity leave until July 1<sup>st</sup>, 2021. She informed the Board that the objective of PAJI activity is to build on the improvement of the administration of justice in Kosovo, transparency of the rule of law institutions, as well as also support the Kosovo Judicial Council, Kosovo Prosecutorial Council and the Ministry of Justice (MoJ) in improved communication and outreach. By introducing two new information technology systems the PAJI project aims to bring into center the public access to judiciary. The Open Data Platform (hereinafter ODP) and Case Tracking Mechanism (hereinafter CTM) will provide the public a focal point for asking questions to and keeping judicial institutions accountable. Further, she explained that these systems will enable Kosovo citizens to have a general and per-case basis overview of how their justice system works. In addition, she added that, currently the data generated through the Case Management Information System (“CMIS”) are only internally available among the direct users of the system i.e., court and prosecution staff while not directly or timely available for the public.

Moreover, she informed the Board that MFK has engage an Implementing Consultant with the contract being signed on January, 2021. The PAJI activity consists of two phases: (i) Situational and Technical Assessment, including Legal Environment Assessment; and (ii) Project Management, Supervision and Verification of the Individual Case Tracking Mechanism (“CTM”) and the Online Data Platform (“ODP”). The first phase is completed and currently the project manager is working with the Implementing Consultant to finalize the Terms of References for engaging a company that will develop the required software/hardware related to CTM and ODP solutions within the CMIS as well as provide trainings to the end-users of this platforms. The role of the Implementing Consultant will be to manage the project as well as supervise and monitor the work of the contractor.

The Chairman requested clarification with regards to coordination of project and activities currently being implemented within the Ministry of Justice, precisely he asked how MFK coordinates its activities with other stakeholders working in the same field/judicial sector. MFK CEO requested the floor to address this question. He added that MFK has closely coordinated this activity all donor-funded projects in Kosovo working in the Rule of Law (“RoL”) field, civil society organizations, media sector as well as with the main beneficiaries of the project: Kosovo Judicial Council and Kosovo Prosecutorial Council. Moreover, the Implementing Consultant has held series of meetings with all stakeholders including the Ministry of Justice as part of the assessment of situational, technical and legal environment phase under the scope of this activity.

Deputy Minister of Justice Ms. Nita Shala added that weeks ago the MoJ held strategic coordination meetings with all relevant projects in the RoL field in Kosovo and has identified a lot of overlapping of projects which could be addressed if there is coordination among these projects in order to increase their efficiency. With regards to the CMIS database, she mentioned an issue with KJC and KPC since they are reluctant to share relevant information with the MoJ because

they consider it as an influence to their institutional independence and there is lack of information to what level they are able to share this information with the public. In response to Ms. Shala's observation, MFK CEO explained that the PAJI activity's objective is to get the anonymized data from the CMIS and through the Open Data Platform that will be developed by MFK to allow the MoJ, CSOs, media sector, business community, academia and other relevant stakeholders and have access to such data which ultimately supports data-driven decision making which is also the main objective of this activity as part of the Transparent and Accountable Governance project.

Ms. Shala requested from MFK to involve the MoJ in coordination meetings with stakeholders under this Activity. Ms. Krasniqi informed her that PAJI contractor during the assessment phase of the activity has held meetings with representatives of MoJ which are reflected also in the Inception Report and Assessment report delivered by the PAJI contractor. Upon agreement, she will provide a copy of such reports to Ms. Shala.

Note: The Chairman informed the Board that the member of the Board Mr. Berat Rukiqi left the meeting due to other engagements. For the minute's purposes, Mr. Rukiqi left the meeting at 12:30pm. Board member Ms. Jelena Djokic also left the meeting at 12:35pm.

Ms. Shala requested the Chairman to put forward a motion for approval by the Board. She stated the following: "considering that at MFK Board there are four new government Board members representing Kosovo institutions and for the sake of better understanding the organization, she proposed to conduct a performance and financial audit of MFK by the Kosovo National Audit Office ("NAO")." She said that the government Board members would need to make an official request to the NAO making reference to Article 18 [Audit Mandate] paragraph 6 of the Law no.05/L-055 on the Auditor General and the National Audit Office of the Republic of Kosovo.

MCC Country Director for Kosovo Ms. Olmstead highlighted the importance of prior consultation with MCC Finance Department in relation to this request, considering the MFK has an independent external auditor which has been approved by MCC Office of Inspector General.

The Chairman put forward this motion for approval by board members. All five board members present in the meeting unanimously approved this motion.

After discussion, following resolution was passed:

"RESOLVED THAT: The Board requires from MFK Management Unit to submit a letter-request to Kosovo National Audit Office to conduct a performance and financial audit of MFK."

### 3.2.3 Presentation of Kosovo Open Data Challenge Activity

The Chairman invited the Open Data Challenge activity manager Ms. Megi Pishtari to provide a brief presentation for the Board. Ms. Pishtari stated that the main objective of this activity is to improve public availability and use of data by the civil society, business community, academia in order to promote data- driven decision- making by providing grants in four different challenges presented in the following:

- i. Labor Force Dig Data Challenge – nine projects are already implemented by the selected grantees;



- ii. Air Quality Dig Data Challenge – currently four projects are being implemented by the grantees which will increase use and analysis of air quality open data and awareness raising on air pollution and mitigation measures to reduce the air pollution;
- iii. Energy Dig Data Challenge – the selected grantees will implement energy data solutions with the project objective to increase awareness on energy consumption, distribution and efficiency measures; and
- iv. Judicial Dig Data Challenge – the call for application will be open by August, 2021 and the selected grantees will be required to implement judicial data related solutions in order to increase use and analysis of judicial open data.


Due to the lack of quorum, the Chairman of the Board asked for advice from the Secretary on how to proceed. The Secretary explained that Section 3.12 b) (ii) of MFK Statute provides the following: “[I]f a quorum is not present at any meeting of the Board, the members of the Board present at the meeting will adjourn the meeting until a quorum is present.”

Since the agenda item no.6 [Presentation and approval of QDRP 14 for Program Quarter 16, July - September 2021] could not be approved during the Board meeting due to the lack of quorum, the remaining Board members present in the meeting requested from MFK Director of Administration and Finance Ms. Anila Statovci Demaj to provide an informal presentation outside of the Board meeting. Whereas the for approval of QDRP 14 it was agreed that this motion is sent to the Board for approval via email as foreseen under Section 3.12 b) (iv). In addition, the Chairman and two other Board members present in the meeting requested that an informal presentation on MFK Gender and Social Inclusion activities to be delivered by Ms. Violeta Krasniqi Rexha after the meeting is adjourned.

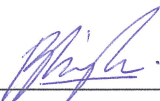
**V. ADJOURNMENT**

In accordance with Section 3.12 b) (ii) of MFK Statute, the Chairman of the Board due to lack of quorum to proceed further with the remaining agenda items, adjourned the meeting at 12:45PM.

**Certified by:**

 28/09/2021  
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 Arta Krasniqi, MFK Board Secretary

**Acknowledged by:**

 29-9-2021  
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 Blerim Vela, Chairman of MFK Board of Directors



