



# MILLENNIUM FOUNDATION KOSOVO

## MILLENNIUM FOUNDATION KOSOVO

### Minutes of the 17<sup>th</sup> Board of Directors' Meeting Tuesday, March 15, 2021 at 11:00 AM via Zoom

The Board of Directors ("**Board**") of Millennium Foundation Kosovo ("**MFK**") held the 17<sup>th</sup> regular meeting at the above-mentioned date and time for which notice was given on the 7<sup>th</sup> of February 2022 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. Mentor Arifaj, Deputy Ministry of Economy – online
4. Berat Rukiqi, President of Kosovo Chamber of Commerce - online
5. Jelena Djokic, Non-government board member representing Academia/Serbian community- online

##### BOARD NON-VOTING OBSERVERS:

1. Petrit Selimi, MFK Chief Executive Officer (CEO) – in person
2. Sarah Olmstead, MCC Country Director for Kosovo – online
3. Caitlin Reichart, MCC Deputy-Country Director for Kosovo - online

**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

Chairman of the Board Mr. Blerim Vela (hereinafter "the Chairman") opened the meeting at 11:10 am and informed all participants that the government board members have only an hour available for this meeting. He requested from Board Secretary Ms. Arta Krasniqi to confirm the presence of the quorum in order to convene the meeting. Board Secretary by making reference to the requirements stipulated under Section 3.12 paragraph b) (ii) of MFK Statute, confirmed the presence of quorum since in the meeting participated five (5) Board Members out of which three (3) government board members and two (2) non-government board members.

#### III. APPROVAL OF THE AGENDA

Chairman presented the agenda for the meeting and requested a change in agenda item no. 11 (Presentation of projects and activities) to be delivered before agenda item no.5 (Presentation and approval of QDRP 17) in order for the Board to have a clear understanding of implementation of Threshold Program activities during the quarter before approving the projected commitment and disbursement needs. Accordingly, he

invited all board members to declare themselves whether they agree with such proposal and the content of the agenda and/or if they have any proposals to include in the agenda.

All five (5) Board members present in the meeting unanimously approved the agenda and proposed changes to it.

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

##### *1. Confirmation of approval of the minutes of 16<sup>th</sup> Board meeting*

Chairman of the Board invited Board Secretary to provide a background on the minutes of the last MFK Board meeting. The Secretary explained that the minutes of the 16<sup>th</sup> Board meeting held on December 24, 2021, were sent to the Board for their review and approval via email. Consequently, the Chairman of the Board called for a vote to approve these minutes. All five Board members present at the meeting approved the minutes of the 16<sup>th</sup> Board meeting by a unanimous vote. After discussions, following resolution was passed:

“RESOLVED THAT: Minutes of the 16<sup>th</sup> MFK Board meeting held on December 24, 2021 are approved by the Board and shall be co-signed by the Board Secretary and the Chairman of the Board and published in MFK website.”

##### *2. 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 activities of the Reliable Energy Landscape Project (“RELP”) namely (i) Pilot Incentives for Household Investment in Energy Efficiency; (ii) District Heating Metering Activity; and (iii) IPP Finance Facilitation Activity.

##### *2.1 Pilot Incentives for Household Investment in Energy Efficiency (SEEK Project)*

Mr. Hashani started the presentation on the key developments of the intervention packages under PIEE activity during this quarter.

- *Household Energy Retrofits (HER) intervention package* - Mr. Hashani stated that in the last quarter MFK has closed the 2<sup>nd</sup> iteration call for grant applications under Household Energy Efficiency Retrofits (HER) whereas the 3<sup>rd</sup> iteration call has been launched on early January 2022 emphasizing the changes in each model of these interventions. In the 2<sup>nd</sup> iteration we have implemented energy efficiency retrofits for 205 houses and the 2<sup>nd</sup> iteration 500 houses have been retrofitted. In the 3<sup>rd</sup> iteration the subsidies have been reduced to a lower cap up to 6,500 euro per each grant and have trained and qualified over 100 installers. The interest of households to apply for the 3<sup>rd</sup> iteration has been very high which led to temporarily closing the application earlier due to financial limitations in providing grants to all interested and qualified applicants. It is predicted that around 1200 households in total will benefit from the HER intervention until the closure of the SEEK project.
- *Apartment Buildings Energy Retrofits (AER) intervention package* - On AER Intervention package, Mr. Hashani informed the Board that currently MFK is concluding the

administrative processes for 25 multi apartment buildings (MABs) in six municipalities around Kosovo.

The energy retrofits of selected MABs in Novo Bërdë municipality have been completed; eight MABs in Lipjan municipality are almost completed, whereas for other MABs in Viti, Mitrovica, Prishtina and Gjakova municipalities we are in the process of signing contracts with companies that will conduct the works and we anticipate to be concluded by the end of the Threshold End Date.

All interventions under AER, MFK has signed co-funding agreements in order to jointly fund these interventions and except for Lipjan municipality, in other MABs the owners of apartments will also provide funding in support of implementing this energy efficiency measures of respective MAB(s).

### 2.2 District Heating Metering Activity

Mr. Hashani informed the Board that the procurement for the supply, installation, maintenance of relevant equipment and services for the introduction of consumption-based heat metering and thermostatic heating valves in Prishtina District Heating Company "Termokos", MFK has announced the winning bidder and in the coming week the contract negotiations and contract signature is planned.

Due to lengthy procurement process for this contract, the time left for implementation has been reduced to 7-8 months therefore MFK is negotiating with the winning bidder for a compressed timeline to supply and install the relevant equipment in support of this activity. For any remaining works that would not be completed during the Threshold Program term, MFK in agreement with Termokos and Municipality of Prishtina are planning to assign these contracts to them to ensure successful completion of activity and on the basis that Prishtina Municipality has provided funds to jointly fund these interventions.

Chairman of the Board asked Mr. Hashani if Termokos's heating season which starts on October 15<sup>th</sup> each year might affect the citizens access to thermal heating is installation of DHM related equipment takes place during that period. Mr. Hashani explained that based on the contractor's proposed implementation schedule, it is expected that around 70% of installations to be concluded by September 2022. MFK CEO informed the Chairman that currently MFK is discussing these matters with Termokos in order to find a suitable solution to mitigate these types of concerns and MFK considers that 1-2 days of shortage of heating does not impose a high risk for the Termokos's customers.

### 2.3 Independent Power Producers ("IPP") Finance Facilitation Activity

Mr. Hashani informed the Board that a new contractor who is working a lot with private sector to develop the pipeline project for using the renewable energy and energy efficiency guarantee product that will be provided by Kosovo Credit Guarantee Fund (KCGF).

While MFK has provided the technical assistance to KCGF for this product, German Development Bank - KfW has provided the necessary capital for this product, KCGF will sign a counter-guarantee agreement with U.S. International Development Finance Corporation (DFC) whereas MFK will pay the origination fee to DFC for KCGF to use this mechanism to reduce the credit risk.

### 3. Presentation by MCC CD Sarah Olmstead and MFK CEO Petrit Selimi on overall implementation of Threshold Program

Chairman of the Board invited MCC Country Director for Kosovo Ms. Sarah Olmstead and MFK CEO Mr. Petrit Selimi to provide a brief update on the implementation of Threshold Program during December 2021-

March 2022. Due to limited time available of government Board members, Mr. Olmstead emphasized the importance of having agenda items no.5, 6 and 8 (*QDRP17 Program Closure Plan and HR Manual*) voted by the Board during this meeting. For the remaining agenda items that would not be otherwise reviewed and voted during the meeting, she requested the Board members to allow for vote via e-mail and provide their vote at their earliest convenience. She pointed out that these items are of critical importance to MCC and MFK.

Mr. Selimi informed the Board that in the last quarter there has been a flurry of activities of the Threshold Program being implemented. Currently, we are in the final stages of procurement processes for engaging the contractors to implement the DHM and PAJI activities and we are expecting to sign contracts with them during this week. Further he added that MFK is in the right path to conclude most of the Threshold Program activities by end of September 2022. Yet for DHM activity, MCC has exceptionally allowed for implementation until end of November 2022. The period from October 1, 2022 to February 28, 2023 is a closure period of the Threshold Program and MFK will be dealing with closure of all activities (procurement, administration, financial and legal) and winding up the MFK as the accountable entity of this program. More details on the closure of the program are provided in the draft-Program Closure Plan which is part of the agenda for this meeting.

Chairman of the Board, upon agreement with other Board members, requested from MFK CEO to provide a report on monthly basis that would include information on the progress of implementation of the Threshold Program including the utilization of the MCC Grant Funding.

4. *Presentation and approval of QDRP 17 for Program Quarter 19 covering the period April – June, 2022*

Chairman of the Board invited the MFK Director of Administration and Finance Ms. Anila Statovci Demaj to present the QDRP17 for Program Quarter 19. Ms. Statovci provided a brief presentation on the QDRP 17 explaining resources needed for program implementation in the upcoming quarter based on the current status of projects and activities.

Chairman invited Board members to vote for approving the QDRP17 presented by MFK DAF. All five (5) Board members present in the meeting voted in favor of approving the QDRP 17.

“RESOLVED THAT: QDRP 17 is approved by the Board and shall be submitted to MCC for final approval through No-Objection. Disbursement Request Form shall be signed by the Chairman, MFK CEO and MFK Fiscal Agent after this meeting.”

5. *Presentation and approval of MFK Human Resources (HR) Manual*

MFK DAF reminded the Board that this agenda item was presented in the previous meeting and also has been submitted for review and voting via e-mail, however no decision has been taken. Therefore, MFK s once again requesting the Board to provide their vote during this meeting. Further she explained that from the start of its operations, MFK has been following MCC HR Manual designed for all MCC programs worldwide and follow the local labor law, until recently when MCC requested MFK to develop a specific HR manual which integrates both MCC requirements and applicable laws.

Chairman invited Board members to vote for approving the proposed draft of MFK HR Manual. Three (3) votes were in favor and two (2) abstentions. Due to lack of the necessary positive votes, this motion was not passed by the Board.

6. Presentation and approval of MFK Program Closure Plan (“PCP”)

Chairman invited MFK DAF to present this agenda item to the Board. She explained to the Board that development of such plan is a requirement from MCC rules and regulations that requires a detailed plan for closing of the Threshold Program projects and activities, termination of all kinds of contracts, disposition of program assets, filing last audits and winding up of MFK as the accountable entity established for the purposes of implementing this program. Further she stated that MFK has hired an independent consultant to support MFK with drafting this plan and working closely with both MFK and MCC.

Chairman invited Board members to vote for approving the MFK Program Closure Plan presented by MFK DAF. All five (5) Board members present in the meeting voted in favor of approving the MFK PCP.

“RESOLVED THAT: MFK PCP is approved by the Board by unanimous consent and shall be submitted to MCC for final clearance through No-Objection.

7. Presentation and approval of MFK Staff Retention Plan during closure period

MFK DAF explained that proposed Staff Retention Plan is part of the Program Closure Plan which identifies staff whose jobs are deemed critical to the smooth administrative closing of the Threshold Program. In line with this requirement, MFK has performed an assessment of the staffing needed to successfully and responsibly close the Threshold Program which requires your approval here.

Chairman invited Board members to vote for approving the MFK Staff Retention Plan presented by MFK DAF. All five (5) Board members present in the meeting voted in favor of approving the MFK Staff Retention Plan.

“RESOLVED THAT: MFK Staff Retention Plan is approved by the Board through unanimous consent.

Due to limited time availability of Board members present in the meeting, the Chairman of the Board proposed that the remaining agenda items no. 8, 9, 10 and 11 be reviewed and voted by the Board via email. Accordingly, the Chairman requested from the Secretary to submit with the Board a request for approval of following agenda items:

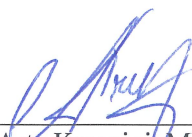
- Agenda item no.8: Naming the Principal Representative for the Threshold Program as part of the Program Closure Plan;
- Agenda item no.9: Presentation and approval of MFK Staff Handbook;
- Agenda item no.10: Approval of salary adjustments due to inflation rate 2021
- Agenda item no.11: Presentation and approval of extension of the term and additional services for the implementing consultant “Niras” of Environmental Data Collection activity.

V. ADJOURNMENT

The Chairman of the Board adjourned the meeting at 12:15pm.


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Certified by:

 13.06.2022  
Arta Krasniqi, MFK Board Secretary



Acknowledged by:

 14-6-2022  
Blerim Vela, Chairman of MFK Board of Directors



# MILLENNIUM FOUNDATION KOSOVO

## Millennium Foundation Kosovo

17<sup>th</sup> Board of Directors Meeting  
Tuesday March 15, 2022 from 11:00 am - 12:30pm  
MFK Offices, Motherboard Conference Room / Via Zoom

No.	Name and Surname	Position	Signature
1.	Blerim Vela	Chief of Staff, Office of the President	<i>Online</i>
2.	Luan Dalipi	Chief of Staff of the Prime Minister	<i>Online</i>
3.	Mentor Arifaj	Deputy Minister of Economy	<i>Online</i>
4.	Nita Shala	Deputy Minister of Justice	<i>Absent</i>
5.	Jelena Djokic	Non – government board member representing CSOs/Academia	<i>Online</i>
6.	Berat Rukiqi	Non-government board member /President of Kosovo Chamber of Commerce	<i>Online</i>
7.	Petrit Selimi	MFK Chief Executive Officer /Non-voting Observer	<i>[Signature]</i>
8.	Arta Krasniqi	MFK Legal Advisor and Board Secretary	<i>[Signature]</i>

9.	Sarah Olmstead	MCC Country Director for Kosovo/Non-voting Observer	<i>Online</i>
10.	Caitlin Reichart	MCC Deputy-Country Director for Kosovo/Non-voting Observer	<i>Online</i>