

Minutes of the First Steering Committee Meeting

Project: Clean technology innovation programme for SMEs and start-ups in the Republic of Moldova.

Project Name: Clean technology innovation programme for SMEs and start-ups in the Republic of Moldova

Date of Meeting: 02.11.2022

Time: 15:00 - 16:30 Chişinău time (EEST)

Minutes prepared by: Natalia Ochinca

Online meeting platform: Virtual meeting via Zoom meeting application

Attendees:

- Gerswynn Mckuur, Global Coordinator - Global Cleantech Innovation Programme (GCIP).
- Laura Glasberg, Country Focal Point - Global Cleantech Innovation Programme (GCIP).
- Constantin Borosan, State Secretary for Energy at the Ministry of Infrastructure and Regional Development.
- Nicolae Olari, Head of the Energy Policy Directorate at the Ministry of Infrastructure and Regional Development.
- Aurel Jucov, Principal Consultant within The Foreign Assistance Division at the Ministry of Finance.
- Dona Scola, National Country Programme Coordinator at UNIDO in Moldova.
- Denis Andrieş, Director of SME Clients Department at Victoriabank.
- Anastasia Mălai, Funding Project Manager at Victoriabank.
- Stela Drucioc, Project Manager at the Ministry of Environment.
- Violina Varta, Deputy Director of the Energy Efficiency Agency.
- Mircea Migherea, Head of Public Procurement and Legal Department within Energy Efficiency Agency.

Absent list:

- Mihai Tirsu – Director, Institute of the Power Engineering
- Olga Tagadiuc - Director General at National Agency for Research and Development
- Marin Ciobanu - Invest Moldova Agency
- Olga Rataj – Global Cleantech Innovation Programme Manager

Moderator: Nicolae Soloviov, National Coordinator (GCIP Moldova)

Assistant: Natalia Ochinca, Administrative Assistant (GCIP Moldova)

Agenda, and Notes:

The activities of the meeting started according to the Agenda.

Nicolae Soloviov opened the meeting and welcomed all participants to the first Project Steering Committee meeting of the GCIP Moldova.

Participants were invited to briefly introduce themselves and name the entities they represent.

Opening remarks

- **Gerswynn Mckuur**, Global Coordinator - Global Cleantech Innovation Programme (GCIP)

The meeting began at 15:00 Chişinău time with the opening remark from Mr. Gerswynn Mckuur.

He thanked his participants for agreeing to participate in this meeting. Gerswynn emphasized the importance of the Project Steering Committee (PSC), how it works, and the Terms of Reference, and explained how this committee works.

Gerswynn reminded PSC members that they have the opportunity to review the Terms of Reference and invited them to help finalize it by emailing back by November 30 to issue a final version of it.

He emphasized the key points of the PSC as he talked about the ways of implementing the project. It emphasized the important aspect of providing advice to the project management team, to discuss the progress made within the project, the revision of the current budget, or the work plan if necessary.

It was mentioned that if any significant amendments have to be done within the budget perspective or the work plan, the PSC needs to address a letter of justification to the GEF Secretariat of UNIDO to approve any material changes. Also, important points were mentioned that the Chairperson (agreed by PSC parties), Members (all representatives of institutions), and Secretariat (EEA), has to meet twice a year and sometimes, on special occasions as required.

All the meetings should start only if 2/3 members are present.

Mr. Borosan asked how many PSC members are present during the first PSC meeting.

To this question, answered Nicolae Soloviov, who confirmed the presence of the representatives from the Ministry of Finance, the Ministry of Infrastructure and Regional Development, the Energy Efficiency Agency, Victoriabank, and UNIDO and the absence of the representative from the Ministry of Environment, Institute of the Power Engineering and National Agency for Research and Development.

Mr. Borosan suggested organizing the next PSC meeting with all the representatives from all institutions. In addition to that, Gerswynn, as well, emphasized the importance of attendance of all participants at these meetings, this way, showing strong dedication and commitment.

Meanwhile, Ms. Stela Drucioc, from the Ministry of Environment has joined the call.

She was delegated by Iordanca-Rodica Iordanov, State Secretary of the Ministry of Environment to attend the meeting.

Mr. Borosan proposed that any objections to this above procedure should be done in writing, by email.

- **Establishing the Project Steering Committee.**

According to the procedure, Mr. Mckuur proposed that Mr. Borosan be the Chairperson of the PSC, as he is the State Secretary of the Entity who is responsible for the energy sector in the country and asked all attending representatives if they had any objections to it. No objections were voiced.

Mr. Mckuur handed over the meeting to Mr. Borosan, to continue the agenda.

Nicolae Soloviov, the National Coordinator, offered to present further the agenda.

Introduction to the project (15.20 – 15.40).

- **Laura Glasberg**, Presentation of the Global Cleantech Innovation Programme (GCIP).

Ms. Glasberg introduced to all members the concept of the GCIP, and gave a brief overview of the project, its budget, duration, monitoring, and evaluation process. All the most important aspects of the project were presented in detail.

Mr. Borosan notified that he had another upcoming meeting scheduled in 20 minutes and asked to accelerate the presentations and the National Coordinator presented 3 presentations prepared for the PSC meeting.

- **Nicolae Soloviov**, Presentation of the GCIP Moldova.

Ms. Soloviov introduced all members to the activities that were undertaken to prepare for the project implementation.

Were presented with all preparatory activities. Special attention was on the activities of the 2019 year.

In June 2019, was organized the First Stakeholders Meeting of the Project. The meeting was attended by the Ministry of Economy, Ministry of Environment, Ministry of Finance, and Ministry of Internal Affairs. Also, the event was attended by representatives of NGOs, Academia, and the private sector.

In August 2019, was received the Non-Objection Letter from the GEF Country Focal Point, and the dossier of the project was sent to UNIDO to continue the application process.

In parallel activities, were organized direct meetings with different Ministries, and we received support letters from them.

From the Ministry of Finance, was received confirmation about including the project in the Medium-Term Budgetary Framework, from the Ministry of Economy, was received confirmation that the project is important for the economy of the country, and from the Ministry of Environment received confirmation that the project will have a positive impact on the environment of the country.

Also, in 2019 the Energy Efficiency Agency and UNIDO agreed to test the Concept of the project at the national level. Was agreed that UNIDO will cover the costs for prizes of the Moldova Eco Energetica competition, but the Energy Efficiency Agency, will cover the organization's costs.

As a result of the test, were received 78 Applications from different sectors, were selected 5 winners, and started the procedure of preparation for the implementation

Additional confirmation about covering the costs for prizes for the winners of 2019 was received from UNIDO.

Progress in the project implementation (15.40 – 16.00).

- Nicolae Soloviov, Presentation of the GCIP Moldova activities in the period 01.07.2022 – 31.10.2022.

The 2nd presentation Nicolae presented the GCIP Moldova's main activities that were implemented within the **01.07.2022- 31.10.2022** period.

a) Public Events:

The activities that were carried out at the national level:

- **July 26, 2022**, "Investor Connect": the event attendant more than 100 entrepreneurs from the Republic of Moldova. During the event were presented 5 financing instruments and 1 cooperation agreement was signed.
- **August 13-14, 2022** – The "Climathon" event. The objective of this event was to be an activity of the Pre-Accelerator Program. The participants had the opportunity to learn about the Legal framework, financing opportunities, and technologies available in Moldova. Special attention was on the activities of GCIP Moldova and the application process. All participants received support on the development of the project ideas and developed a project proposal to apply to the GCIP Moldova call for application.
- **September 13-19, 2022** – Training sessions at the National level (National Academy), with the semi-finalists of the current year 2022, as well as the semi-finalists of 2019, which aims to formalize the project proposals presented for evaluation.
- **September 20- November 23, 2022** – International level training sessions (Global Academy), held together with semi-finalists from Nigeria and South Africa, with the objective of developing project proposals in standard form for final evaluation.
- **September 20- November 23, 2022** – Mentoring sessions at the national level.

b) Recruitment of the PMU, National Consultants, Mentors, and Judges.

The mentoring program this year was not allocated any budget, therefore, no CV applications were received. The same situation was with the process of selection for the Judges. Even, the job announcements for hiring Mentors, and Judges were posted on the Energy Efficiency Agency's webpage and on Facebook and other media.

However, due to the fact that this vacancy had no budget was also allocated, and no applications were received.

Regarding the procedure for contracting the National Consultants, it was mentioned as a delayed procedure due to administrative processes. Also, for this reason, many activities of the project could not be implemented on time.

The non-contracting of national consultants led to a series of delays in the execution of project activities at the national level.

Analysing progress implementation (16.00 – 16.30).

- Nicolae Solovio, Identification, and analysis of the main barriers to the implementation of the project in the period 01.07.2022 – 31.10.2022 and discussion of the potential solutions.

In the third presentation, **Mr. Solovio** presented some analysis of the main barriers to the implementation of the project. Presented in detail the political, administrative, and other barriers relating to the lack of skilled manpower of the EEA's staff.

- a) **Political Barriers:** Domestic political risk indicators have improved following the election of a reformist government in July 2021, but the process of the transfer from the previous administration and also, cooperation during the transfer, blocked the main activities of the project.

The project preparation activities were initiated in 2018 and were carried out until 2021. In 2021, a new Government was created in the party that was in opposition in 2018. Considering that the Director of the Agency for Energy Efficiency was the exponent of the former Government, in the period from 2021 to September 2022, the activities of the Agency for Energy Efficiency, particularly those related to the implementation of projects, faced additional obstacles to execution. Since September, after the Director of the Energy Efficiency Agency resigned, this barrier was partially removed.

- b) **Administrative Barriers:** Since the Agency for Energy Efficiency is an administrative authority, all purchases and contracts must be made in accordance with Law 131 on public procurement. For this reason, all activities are implemented with delays.

One of the problems is that all purchases and contracts must be carried out in accordance with Law 131 on public procurement.

In order to comply with all the procedures, the Energy Efficiency Agency must develop the Plan for the Acquisitions (Procurement Plan), should budget the sum, coordinate the procedure, etc. These obligations caused the subcontracting of national consultants to be completed only in October/November of 2022.

Due to the procurement procedures, the project activities cannot be completed on time. There is a risk that every year, the activities will not be carried out as scheduled and will be transferred to the next year.

The Chairperson notified everyone that he has to leave the meeting. Before he left, Mr. Borosan mentioned that EEA will be reorganized soon, most probably as a Public Institution. He also asked the National Coordinator to inform him later about the decisions that need to be taken.

Nicolae Olari will attend the meeting further and respond to the addressed questions from the MIDR side.

Mr. Solovio continued the discussion by listing the next barrier:

- c) **Barriers related to lack of skilled manpower:** Since the activity of the Energy Efficiency Agency is associated with the activity of civil servants and with low salaries, for this reason, the Agency has a permanent lack of qualified personnel, especially for the implementation of projects.

One of the main current problems of the Energy Efficiency Agency is the lack of qualified personnel, in particular, the personnel who have experience in implementing multilateral projects funded by international donors. Currently, none of the AEE staff has experience in implementing projects

financed by UNIDO or GEF. The level of knowledge of the English language is very low, for this reason, the AEE staff does not have the capacity to develop the technical documentation of the project.

During the meeting were presented 2 solutions:

1. The first solution is when the Ministry of Infrastructure and Regional Development presents a guarantee that the project will be implemented without political and administrative barriers after the probation of the new amendments to the EEA's statute.
2. The second solution is to identify a new institution as a Project Execution Entity (PEE) which is not dependent on the change in the political situation during the project's implementation period. Also, one of the criteria should be that the new institution is not obliged to contract national consultants based on public procurement procedures. And, finally, and what is most important, the new institution will have already contracted or employed specialized technical staff, especially staff that will perform the tasks of the national consultants.

One of the representatives, Mr. Olari, asked Mr. Soloviov what kind of guarantees they need from the MIDR side, and the National Coordinator suggested for they write a letter of support or a letter of confirmation that the project's activities will continue further and the new amendments to the EEA's statute will not affect the implementation of the project at the national level.

Meanwhile, Mr. Soloviov shared once again his third presentation and asked Mr. Migherea, one of the Energy Efficiency Agency's representatives, whether the agency could continue the implementation of the current activities of the project. Mr. Migherea emphasized that this topic should be discussed with Mr. Balan or Mr. Colun, who is the Head of Project Implementation and Monitoring within EEA.

Mr. Migherea explained that the Agency statute will change very soon, and all the procurement procedures need to be in accordance with Law 131.

Nonetheless, he highlighted the fact that every year, they need to start the procurement procedures and make all the public acquisitions on www.achizitii.md, a platform for the organization of all procurements. Mr. Soloviov asked Mr. Migherea about the situation regarding hiring national consultants for the project. Mr. Migherea said that on the 7th of November the contract with the consultants should be signed and within 2 days, The State Treasury from Moldova will register these contracts on a yearly basis.

During the discussion session, Ms. Drucioc highlighted the importance of the project and the proposed activities will bring positive impact. In the description of results, there were more described the activities, such as meetings and seminars, that the obtained results. One result can be considered the signing of the Execution Agreement. Other results were not well described in the opinion of Ms. Drucioc. Also, Ms. Drucioc asked what deliverables will be submitted to the Ministry of Environment for examination. The answer from Mr. Soloviov was that no delivery will be submitted to the Ministry of Environment, only to the Steering Committee members. Ms. Drucioc asked for submission in advance of all documents to be examined at the SC sessions.

Mr. Soloviov said he will prepare a detailed response to them and also, notified that every member would receive periodic reports, regarding the activities, which were implemented within the project.

Concluding remarks, close the Steering Committee meeting 16.30.

- Mr. Mckuur, Global Coordinator - Global Cleantech Innovation Programme (GCIP).

Mr. Mckuur thanked all PSC representatives for the 1st PSC Meeting.

He advised sharing all the main project's barriers with MIDR in the coming month. He also noted that all project reports and results need to be sent to each PSC representative and everybody from the Committee, ultimately, these are to be discussed during the next meeting.

- Mr. Soloviov thanked all the members for their active participation and concluded the meeting.

He informed that PMU will be started activities on both options relating to the continuation of the execution of the project at the national level.

The PMU will the start preparations for the identification of a new PEE including the developed of a ToR which will be shared with all PSC Members by 30th of November 2022.

The Secretariat would inform the members of an extra Committee Meeting that will take place in December.

Signatures:

Nicolae Soloviov

Natalia Ochinca

Gerswynn Mckuur

Laura Glasberg

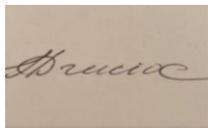
Constantin Borosan

Nicolae Olari

Aurel Jucov

Dona Scola

Denis Andrieş

Stela Drucioc 

Violina Varta

Mircea Migherea

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