

## Terms of Reference

### **Support to the Government of the Republic of Moldova to Development of Millennium Challenge Corporation Compact Proposal (Energy Expert)**

#### **1. Background**

The Millennium Challenge Account (MCA) is an initiative of the United States to support policies and programs that advance a country's progress in achieving sustainable economic growth and poverty reduction. For the accomplishment of these purposes, the MCA provides considerable grant financing for selected investment proposals, developed by eligible countries (Compact proposals).

The Republic of Moldova has undertaken a number of structural reforms, among which the regulatory reform project leading to eased administrative burdens and more transparent regulation of the entrepreneurs; the central public administration reform project leading to a more effective and efficient governance; and the public finance management project aiming at increased accountability and transparency with regard to public finances. Besides these important projects, the Republic of Moldova has to strengthen its capacity to respond to the challenges of European integration.

The engagements of the Government of Moldova to continue the needed actions and reforms towards improving the investment climate, raising the efficiency of the public sector resource management, strengthening the social protection system, providing investments for education and public health, as well as corruption control, offers a new boost for private sector development aimed to contribute to rendering quality services to people and ensuring a sustainable country growth.

To provide further incentive for policy reform, Millennium Challenge Corporation (MCC) established a Threshold Program for countries that demonstrate a significant commitment to meeting the eligibility criteria. By awarding a MCC grant of USD 24.7 mln grant, the Republic of Moldova has been accepted to implement its Threshold Country Plan targeted to fight and prevent corruption in various areas.

On November 8, 2006 the MCC Council selected the Republic of Moldova as an eligible country for Millennium Challenge Account development assistance. Recognizing that development is achieved by country's own efforts, policies, and people, Millennium Challenge Corporation (MCC) gave the opportunity to identify priorities for achieving sustainable economic growth and poverty reduction in a broad consultation with the society.

The MCA program is reflected in a Compact that defines responsibilities and includes measurable objectives and targets to assess the progress in economic growth and poverty reduction. As an eligible country, now Moldova was invited to develop and submit to

Millennium Challenge Corporation (MCC) a proposal that can form the basis for future negotiation of Compact.

During Spring/Summer 2007, Republic of Moldova conducted a deep analysis of binding constraints to economic growth as a first step in developing country's proposal to MCC. The analysis identifies core barriers to growth and development and provides a logical basis for future proposal. According to it, the weak infrastructure (including water-to irrigation infrastructure) and investment climate are the binding constraints at the moment. The analysis' results were widely discussed, tested and confirmed during extensive public consultation events in June-July 2007. In September 2007, MCC formally acknowledged the good quality of report.

## **2. Description of Assignment**

### **2.1 Objectives**

The Energy Expert will be a part of Moldova's core team of consultants (MCA Moldova Team) established for developing the Compact proposal to Millennium Challenge Corporation. The incumbent will work under guidance and in collaboration with economists/development experts of the team and report to the MCA Moldova Team Leader.

Specific objective of the assignment is to develop the energy infrastructure investment component as a part of full Compact proposal, through a series of actions that will include but not limited to: cost estimation, cost-benefit analysis, discussions on prioritization and choice between several alternatives, public consultations, proposal drafting and demonstrating how the program will lead to economic advantages in benefit of all Moldovan society.

Expert's activity should contribute to the fulfillment of the strategic objective – development and official submission of Moldova's Compact Proposal.

### **2.2 Inputs**

The Energy Infrastructure Expert is expected to provide ongoing advice and assistance in proposal development and program design by fulfilling the following tasks:

#### ***A. Identify and discuss feasible scenarios of investments in energy infrastructure***

Under this task, the Energy Expert is directly involved in identification and design of the potential energy investment components, which would have a pronounced effect on the incomes of a large group of beneficiaries. It is expected that energy investment component will come with feasible scenarios of how the improved energy infrastructure would interact with market demand for energy and ultimately result in new business opportunities; and propose a mechanism for it.

Potential projects are subject to discussion with interested and relevant stakeholders and have to be informed by cost-benefit analysis and beneficiary analysis.

#### ***B. Draft the Energy Component of Compact Proposal***

Based on the informed analysis mentioned above, the Energy Expert together with the MCA core team will develop the Energy Investment Component of the Compact proposal.

### **2.3 Results**

The result of the assignment is Moldova's Compact proposal forwarded to the MCC. The proposal should be based upon the constraints analysis, results of public consultations and discussions, and relevant analyses, including cost-benefit analysis, environmental analysis, social impact and gender analysis.

### **2.4 Deliverables:**

The Energy Expert together with the MCA core team is responsible for delivering the following paper:

- a. Chapter on energy investments of the Moldova's Compact proposal, with necessary calculation and explanations attached as annexes.

## **3. Time frame and institutional arrangements**

The timeframe for the work of the Energy Expert is **November 15<sup>th</sup>, 2007 until January 31<sup>st</sup>, 2008**. Extension is possible but it will depend on the progress of Compact development in general, and will be governed by different TOR.

The MCA core team is working under the leadership of the First Deputy Prime-Minister of the Republic of Moldova and the MCA Moldova Team Leader. The MCA Moldova Team Leader will periodically review the performance of the Energy Expert and inform the UNDP /Moldova Office accordingly.

## **4. Qualification Requirements**

- University degree in Engineering, Economics or other relevant field;
- Good knowledge of energy infrastructure issues;
- Minimum 5 years of relevant experience in energy infrastructure;
- Experience in drafting TOR/business/project proposals is an advantage;
- Good report writing skills;
- Fluent in spoken Romanian. English is desirable but not crucial;
- Good computer skills (MS Office).