MILLENNIUM CHALLENGE ACCOUNT – KOSOVO
MINUTES OF THE 11TH BOARD OF DIRECTORS MEETING

Thursday, December 11, 2025, from 10:00 AM
via Teleconference / Microsoft Teams

The Board of Directors ("***Board***") of Millennium Challenge Account-Kosovo ("***MCA-Kosovo***") held the 11th regular meeting at the above-mentioned date and time for which notice was duly given on December 4, 2025 in accordance with (i) the Statute of MCA-Kosovo ("***Statute***"); (ii) that certain Millennium Challenge Compact, by and between the United States of America, acting through the Millennium Challenge Corporation ("***MCC***"), and the Government of Kosovo (the "***Government***"), dated July 15, 2022 (the "***Compact***"); and (iii) that certain Program Implementation Agreement, by and between MCC and the Government (the "***PIA***"), dated July 15, 2022.

I. PARTICIPANTS

BOARD MEMBERS:

1. Arton Ahmeti, Secretary General of the Ministry of Finance, Labour and Transfers – online;
2. Luan Dalipi, Chief of Staff of Prime Minister – online;
3. Leonita Shabani, Secretary General of the Ministry of Economy – online;
4. Fadile Dyla, Secretary General of the Ministry of Education, Science, Technology, and Innovation – online;
5. Learta Hollaj, Chief of Staff of the Presidency – online;
6. Mimoza Krasniqi, Chief Executive Officer of Education Code, Civil Society Representative – online;
7. Adrian Zeqiri, Chief Executive Officer at ECMI Kosova, Civil Society Representative – online;
8. Lulzim Syla, Managing Partner at Elen Company, representing MIRECK - online.

NON-VOTING OBSERVERS:

1. Rinor Gjonbalaj, MCC Resident Country Director for Kosovo - online;
2. Florina Sefaj, Chief Executive Officer, MCA-Kosovo - online.

OTHERS PRESENT:

1. Elmedina Bajgora, Acting General Counsel/Legal Director, MCA-Kosovo - online;
2. Burim Hashani, Deputy Executive Director for Programs, MCA-Kosovo - online;
3. Dritëro Jashari, Deputy Executive Director for Operations, MCA-Kosovo – online.

CHAIRPERSON OF THE BOARD: Arton Ahmeti, Secretary General of the Ministry of Finance, Labour and Transfers

BOARD SECRETARY: Elmedina Bajgora, Acting General Counsel/Legal Director, MCA-Kosovo

II. OPENING REMARKS

1. *Opening of the meeting and determination of quorum*

The meeting was called to order at 10:11 AM by Chairperson of the Board, Mr. Arton Ahmeti ("**Chair**"). The Chair welcomed all attendees and expressed appreciation for their presence, acknowledging the commitment and dedication of the Board members.

Following the opening remarks, the Chair requested that the Board Secretary, Elmedina Bajgora ("**Board Secretary**"), confirm the presence of quorum. The Board Secretary, referring to the requirements stipulated under Article 3, Section 3.12. (b) (ii) of the Statute, confirmed the presence of quorum with five (5) government board members and three (3) non-government board members in attendance.

2. *Approval of the Meeting Agenda*

The Chair informed the attendees that all supporting documents, including the agenda, had been made available to them by the Board Secretary prior to the meeting. The Chair then invited Board members to propose additional items for the agenda. After allowing time for consideration, no additional items were proposed by the Board members. The agenda was then put to a vote and was unanimously approved by all Board members present in the meeting. With the agenda approved, the Chair announced that the meeting would proceed according to the outlined agenda.

III. PROGRAM IMPLEMENTATION UPDATES

The Chair invited MCA-Kosovo CEO, Ms. Florina Duli Sefaj, to provide a short presentation for the Board on the overall developments of the Compact Program during this quarter and then Deputy Executive Director for Programs, Mr. Burim Hashani, to provide further details on programmatic developments.

No vote was required on this item. Members of the Board were encouraged by the Chair to use this opportunity to raise questions and seek clarifications regarding the presentations.

1. *Short presentation on the overall developments of the Compact Program by MCA-Kosovo CEO, Florina Duli Sefaj*

MCA-Kosovo CEO, Ms. Florina Sefaj, expressed her gratitude to the Board members for their participation and reflecting on the progress achieved throughout 2025. She provided a comprehensive overview of MCA Kosovo's activities and the external factors that had influenced the program during the year.

Intentionally redacted to ensure compliance with MCA-Kosovo Confidentiality Policy

Turning to program implementation, Ms. Sefaj highlighted that BESS procurement had experienced delays due to the paused reviews, but intensive recovery efforts were now underway, with a focus on completing the procurement package. She reported that the ESCORP Board of Directors selection process had been successfully completed, and the report was under review by MCC. The Energy Skills for Future program had resumed following the issuance of a new contract, while JETA Activity 2 had concluded its contract and was now undergoing a redesign. Outreach efforts for the American Catalyst for Development had been successfully completed.

On operational matters, Ms. Sefaj noted that procurement backlogs had been addressed through an accelerated schedule. While some staff retention challenges were experienced during the year, recruitment for vacancies and positions created under the new organigram had either been completed or were in progress. She also provided an update on the banking transition, noting that termination of the TEB contract was initiated and a new agreement with ProCredit had been signed, ensuring interest accrual on both deposits and current accounts.

Looking forward, Ms. Sefaj emphasized that, despite the challenges faced, MCA Kosovo remained fully committed to delivering the Compact within the remaining period of less than three and a half years. She concluded by affirming that focused acceleration efforts were ongoing and that the organization was well-positioned for strong implementation in the months ahead.

After her presentation, Mr. Burim Hashani, Deputy Executive Director for Programs, was invited to provide further details on the programmatic developments.

2. *Presentation on the programmatic developments of the Compact Program by MCA-Kosovo Deputy Executive Director for Programs, Burim Hashani*

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He noted that MCA-Kosovo finalized the Anti-Fraud and Corruption Action Plan based on the approved risk assessment matrix. The AFC Action Plan was approved in April 2025 and outlines the policies and practices in place to identify, mitigate, and address fraud and corruption risks related to MCC funding.

Mr. Hashani further stated that the five-year work plans were updated and that the Quarterly Disbursement Request Package (QDRP), together with the Procurement Plan and Grants Schedule, received MCC approval on 30 September 2025. The fourth version of the Fiscal and Accountability Plan (FAP) was finalized and approved by MCC on 3 October 2025, including updates to ensure alignment with SAP requirements and to streamline QDRP preparation and submission through the MIS system.

Energy Storage Project

Mr. Hashani reported on the status of implementation of the KOSTT BESS Project, noting that the Project Implementation Unit (PIU) had been fully established, comprising one PIU Manager, three Project Engineers, and one Environmental and Social Performance Specialist. He explained that the contract of the Environmental and Social Performance Specialist expired and was not extended due to the Foreign Aid

Review. Following the resumption of Compact implementation, KOSTT announced a new vacancy on 2 October 2025. Interviews were completed on 3 December 2025, and the recruitment process is currently in the final vetting stage.

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With respect to land ownership, Mr. Hashani reported that the Ministry of Economy submitted a request on 7 February 2025 to transfer ownership of a public parcel in Bellopoje, Istog to ESCorp, which was approved by the Municipal Assembly of Istog on 28 February 2025. He further noted that the Municipal Assembly of Ferizaj approved the transfer of land to KOSTT in December 2024. The corresponding transfer contract was reviewed and finalized in October 2025, enabling its formal execution. The contract provides that ownership of the land reverts to the Municipality in the event the project is not implemented.

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Mr. Hashani also reported that a multi-stakeholder workshop was held from 16 to 19 September 2025 to finalize the BESS Design Services. The workshop covered key deliverables, including project design, Employer's Requirements, technical specifications, bills of quantities, cost estimates, bid packages, and monitoring and evaluation reports. He noted that the parties agreed to shorten and restructure the Employer's Requirements to improve market responsiveness. This resulted in the initiation of Amendment No. 4 to the Design and Supervision Consultant contract. An ongoing workshop is currently being held at the MCA-Kosovo offices to finalize the revised Employer's Requirements.

Mr. Hashani further reported that Amendment No. 1 to the Implementing Entity Agreement with KOSTT received MCC No Objection on 1 December 2025, reflecting changes related to project sites, land transfer arrangements, and allowable cost definitions.

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Mr. Hashani also reported the completion of all 15 MESPI training modules by 5 December 2025, with participation from key national institutions. He noted continued progress by the Design and Supervision Consultant, including the completion of major technical reports and design deliverables.

Finally, Mr. Hashani informed the Board that the procurement activity related to women entrepreneurs in clean energy was cancelled on 16 October 2025 due to revisions to the scope of the Energy Storage Project.

JETA Project

Mr. Hashani provided an update on recent developments under the ESF component. He reported that the contract with IBF Expertise was signed on 22 October 2025, after which ESF kick-off workshops were conducted on 28 October and 4 November 2025. He further informed the Board that the Base Period Workplan was submitted on 2 December 2025.

Mr. Hashani also noted progress on procurement activities, reporting that the Design and Supervision tender was launched on 14 November 2025 and that a pre-offer conference was subsequently held on 24 November 2025.

In addition, Mr. Hashani confirmed that the Energy for Equality Grants were cancelled on 2 October 2025 and advised that Activity 2 is currently under revision, following consultations with relevant sector stakeholders.

ACFD Project

Mr. Hashani concluded by informing the Board that two project sponsors have submitted applications to DFC and are awaiting feedback. The call remains open on a rolling basis.

IV. DISCUSSION AND AGENDA ACTION ITEMS

1. *Approval of Performance-Based Salary Increases and One-time Performance Rewards for the staff of the MCA-Kosovo Operations Unit for the year 2024*

The Chair then proceeded to the next point on the agenda, which was the approval of Performance-Based Salary Increases effective from January 2025 and One-time Performance Rewards for the staff of the MCA-Kosovo Operations Unit for the year 2024. The Chair invited MCA-Kosovo's Deputy Executive Director for Operations, Mr. Dritëro Jashari to present this agenda item.

Mr. Jashari presented a submission seeking the Board's approval for two key measures under the MCA-Kosovo Performance Management System. The first measure concerned end-of-year one-time performance rewards for MCA-Kosovo staff for the 2024 performance year, and the second involved a performance-based salary adjustment effective 1 January 2025. Mr. Jashari emphasized that both measures were fully aligned with the MCA-Kosovo HR Manual, specifically Section 4.3 on Reward Structure and Section 7 on Recognition and Performance Management, and were based on the composite results of the 2024 Birches Group Community Performance Evaluation, which had received MCC No-Objection.

Mr. Jashari provided an overview of the HR framework, noting that the HR Manual establishes a structured, transparent, and merit-based approach to performance assessment and reward. He highlighted that Section 4.3 authorizes one-time performance-based cash rewards, while Section 7 outlines how performance is measured, evaluated, and financially recognized. He underscored that the performance system reflects MCA-Kosovo's commitment to fair, inclusive, and non-discriminatory assessment and is directly linked to the Birches Group job evaluation methodology. This methodology considers three performance factors—Purpose, Engagement, and Delivery—evaluated on a four-point rating scale of Exceed, Achieve, Improve, or Fail.

Mr. Jashari explained that the evaluation process is multi-rater, combining self-assessment, supervisor review, peer review, and, where applicable, feedback from MCC and other external stakeholders, including PA, FA, and KOSTT PIU. He noted that this approach ensures each staff member's composite rating is objective, balanced, and validated by the broader professional community rather than solely by the direct supervisor. Based on this framework, Mr. Jashari confirmed that the proposed one-time rewards for 2024 and performance-based salary adjustments for 2025 are consistent with the HR Manual and supported procedurally and substantively by the 2024 MCA-Kosovo Performance Evaluation Report.

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The Board Secretary then provided a legal and procedural clarification. She explained that the MCA-Kosovo Human Resources Manual, particularly Annex 16 (the Form of Employment Agreement), lays the foundation for both performance-based bonuses and adjustments to total salary. She highlighted that while the language provides a clear framework, there is a degree of interpretation regarding the requirement for Board approval for any adjustments. She underscored that, despite the late submission of the report due to the factors previously mentioned, all MCA-Kosovo staff have signed employment contracts and are entitled to bonuses and salary adjustments if their performance meets the prescribed criteria. The Board Secretary emphasized that adjustments to total salary require formal contract amendments. For retroactive application, she explained, explicit language must be included in the contracts, and MCC approval is necessary. Her explanation was noted by the Chair for providing both clarity that the proposed measures are procedurally sound.

Mr. Jashari added that the proposed adjustments remain within the Board-approved salary scale, reinforcing the compliance of the measures with established guidelines.

The Chair reiterated his support for postponing the vote until further information could be provided by the MCA-Kosovo Operations Unit. The Chair then put the matter to a vote, and all voting Board members agreed to postpone consideration of this agenda item until the requested information is submitted.

2. *Approval of Amendments to the MCA-Kosovo Human Resources Manual*

The Chair then proceeded to the next agenda item, which involved approving amendments to the MCA-Kosovo Human Resources Manual. Mr. Jashari was called upon again to present this point.

Mr. Jashari presented the proposed amendments to the MCA-Kosovo Human Resources Manual (HR Manual) for Board review. He explained that the submission follows MCC's No-Objection and the Operations Unit's assessment, which identified areas requiring improved clarity, harmonization, and legal coherence.

The objective of the revision, he noted, is to align HR provisions with MCA-Kosovo Statute Section 3.3 regarding the Board's non-delegable responsibilities, remove ambiguities and inconsistencies, ensure compliance with Kosovo Labor Law, IFC PS2, and MCC policies, harmonize HR procedures with the Form of Employment Agreement, and improve operational clarity, transparency, and functionality without altering the Board's statutory oversight role.

Mr. Jashari then summarized the key amendments in the revised HR Manual. He highlighted that **Section 6.4 – Managing Applications** had been clarified to ensure consistent consideration of prior MCA-Kosovo experience during the pre-screening phase. Specifically, Subsection 6.4.2 now explicitly states that applicants who have previously worked with MCA-Kosovo and whose performance was assessed as unsatisfactory will not be considered for long-listing or short-listing for long-term positions within their area of expertise. He emphasized that this change reinforces performance-based recruitment standards and protects organizational integrity.

Turning to **Section 7.3 – Recognition which Supports Reward**, Mr. Jashari explained that the section had been revised to clearly define processes for performance-based rewards and ensure alignment with both the Statute and the Employment Agreement. He underscored that the Board retains sole authority over the Salary Grid, while MCA-Kosovo management may administer individual performance rewards strictly within the Board-approved Salary Grid. He noted that the HR Manual provides two complementary mechanisms for rewarding performance: first, an end-of-year one-time performance reward based on assessment results; and second, an increase to base salary applied at set percentages within the Board-approved Salary Grid. Any performance-based salary increase must remain within the Salary Grid, become effective only after MCA-Kosovo management approval and MCC No-Objection, and be subject to availability of funds as confirmed by MCC. Mr. Jashari highlighted that, in accordance with Statute Section 3.3, Board approval is not required for individual performance rewards or salary increases, provided that the Salary Grid itself is not amended.

Mr. Jashari also addressed **Section 8.5.4 – Suspension for a Specified Period**, which had been amended to ensure compliance with Kosovo Labor Law No. 03/L-212, Article 74, explicitly providing that employees under temporary suspension are entitled to 50% salary compensation.

He then discussed **Annex 2 – Organizational Structure**, noting that it had been updated to reflect organizational changes approved under Board Resolution No. 12/2025 (20 October 2025) and Board Resolution No. 09/2024 (10 December 2024).

Finally, Mr. Jashari emphasized that these revisions do not expand management authority beyond what is provided in the MCA-Kosovo Statute or alter the Board's non-delegable authorities, including approval of the Salary Grid, the HR Manual as a governing document, or key organizational structures and policies. Instead, he explained, the revisions improve clarity, legal compliance, operational efficiency, and ensure alignment across HR documents.

Following Mr. Jashari's presentation, the Chair opened the floor for discussion and invited Board members to reflect on how the proposed amendments to the Human Resources Manual relate to the subsequent agenda item concerning proposed amendments to the Form of the Employment Agreement. The Chair framed the discussion around the interlinkages between the two documents and their implications for governance and implementation.

Mr. Rinor Gjonbalaj provided some clarifications regarding the three documents presented to the Board as agenda action items. He stated that the Board has approved two key documents that are important for the organization, namely the salary scale as reflected in the HR Manual, and the Form of Employment Agreement. He noted that the HR Manual specifies performance bonuses and potential salary increases and is a document approved by the Board, and that the Employment Agreement has likewise been approved by the Board.

From MCC's legal perspective, he explained, these approvals are sufficient for management to operate within the guidelines already established by the Board. He further stated that the request received from MCA-Kosovo seeks to remove any differing interpretations related to Section 7.3 of the HR Manual. He further emphasized that the proposed clarification does not introduce any substantive change, but rather further clarifies the procedure and ensures that all three documents are fully harmonized.

Ms. Mimoza Krasniqi then proposed that the Board reconsider the idea of postponing the vote, noting that the matter relates to the 2024 performance evaluation and serves as a recognition of the strong performance of MCA-Kosovo staff.

The Board Secretary subsequently asked whether Board members had substantive questions regarding the proposed amendments or whether additional time was needed to review the documents. Ms. Leonita Shabani responded that she had not had sufficient time to analyze the documents, as they had been received late the previous day. She requested further clarification regarding the provision allowing MCA-Kosovo management to administer individual performance rewards, particularly what "administer" entails, and asked whether there is a prescribed deadline for submitting documents to Board members.

The Board Secretary acknowledged that the documents had been submitted late due to MCC's No-Objection being received only the previous day. She explained that, given the limited number of Board meetings held this year, management had opted to include the item on the agenda to allow for Board deliberation, with the understanding that any questions could be addressed during the meeting. She confirmed, however, that the standard timeline for submission of Board documents is seven days prior to the meeting.

Ms. Shabani then asked whether it would be possible for the Board to approve some of the proposed amendments while postponing consideration of the amendments related specifically to Section 7.3 of the HR Manual. The Chair referred the question to the Board Secretary, who confirmed that such an approach would be procedurally possible. She added, however, that if the Board required additional time for review, it would be more practical to postpone consideration of the amendments in their entirety and revisit them at the next Board meeting. The Chair concurred with this assessment.

Mr. Gjonbalaj reiterated that MCC had provided approval for both the HR Manual and the Employment Agreement and emphasized an important governance consideration, namely that the CEO's performance evaluation and any related rewards remain a non-delegable responsibility of the Board. He noted that even if the proposed amendments were approved, decisions concerning the CEO's performance and compensation would still require Board approval.

Mr. Lulzim Syla then raised additional points for discussion, including the relevance of inflation rates and the treatment of staff who left MCA-Kosovo during 2025 but were evaluated for their performance in 2024. The Chair sought clarification from the Board Secretary on whether inflation rates constitute a basis for salary increases. The Board Secretary confirmed that inflation is not a basis for performance-related salary adjustments under the HR framework.

The Chair then called for a vote on postponing consideration of the proposed amendments to the next Board meeting. All voting Board members agreed to postpone the item.

3. *Approval of amendments to the Form of the Employment Agreement*

The Chair noted that this agenda item is directly related to the proposed amendments to the HR Manual and proposed that consideration of the item be postponed to the next Board meeting. The proposal was put to a vote, and all voting Board members voted in favor of postponement.

4. *Ratification of Board decisions without a meeting dated October 20, 2025*

The Chair proceeded to the next agenda item: the Ratification of Board decisions via email on the following documents:

(i) Delegation of the chairmanship of the ex-officio Chairperson, the Minister of Finance, Labour and Transfers, Mr. Hekuran Murati, to his alternate, Mr. Arton Ahmeti, Secretary General of the Ministry of Finance, Labour and Transfers;

(ii) The appointment of Ms. Elmedina Bajgora, Acting General Counsel, as Corporate Secretary of MCA-Kosovo for the duration of the maternity leave of the General Counsel, Ms. Arta Krasniqi;

(iii) Changes to the composition of the Board and the extension of the mandates of Non-Government Board Members;

(iv) Termination of the existing Bank Agreement with and the approval of a new Bank Agreement with

(v) Amendments to the Fiscal Accountability Plan;

(vi) Amendments to MCA-Kosovo's Organizational Structure.

The Chair then invited the Board Secretary to present this item. The Board Secretary explained that, in accordance with the authorizations for decisions without a meeting outlined in the MCA-Kosovo Statute, the Board has approved the above-mentioned procurement-related documents via email with eight (8) votes in favor from the Board members. She further explained that to uphold transparency in decision-making and align with corporate governance best practices, all decisions made via email by the Board require formal ratification at the subsequent meeting.

Accordingly, the Board was called upon to ratify the decisions taken via email on where eight (8) Board members approved the above-mentioned documents. All Board members present at the meeting voted in favor of ratifying the decision. Therefore, the following resolution was passed:

"**RESOLVED THAT:** the Board of Directors hereby ratify the decisions taken via email on approving Resolution No. 12/2025, dated October 20, 2025, which entailed the approval of the following documents:

(i) Delegation of the chairmanship of the ex-officio Chairperson, the Minister of Finance, Labour and Transfers, Mr. Hekuran Murati, to his alternate, Mr. Arton Ahmeti, Secretary General of the Ministry of Finance, Labour and Transfers;

(ii) The appointment of Ms. Elmedina Bajgora, Acting General Counsel, as Corporate Secretary of MCA-Kosovo for the duration of the maternity leave of the General Counsel, Ms. Arta Krasniqi;

(iii) Changes to the composition of the Board and the extension of the mandates of Non-Government Board Members;

(iv) The termination of the existing Bank Agreement with and the approval of a new Bank Agreement with

(v) Amendments to the Fiscal Accountability Plan; and

(vi) Amendments to MCA-Kosovo's Organizational Structure.

V. ADJOURNMENT

Following the completion of all agenda items, each of which had been approved, and with no further matters requiring the Board's deliberation, the Chair, with unanimous consent from the members, adjourned the meeting at **11:20 AM**.

The Chair informed the Board that the meeting minutes will be prepared by the Board Secretary and subsequently submitted to the Board for review and approval. Both the Chair and the Board Secretary will co-sign the finalized minutes.

Certified by:

Elmedina Bajgora
Acting Secretary of the Board
MCA-Kosovo

Acknowledged by:

Arton Ahmeti
Chairman of the MCA-Kosovo Board of Directors
MCA-Kosovo