CREDIT NUMBER 6632-MD

Financing Agreement

(Moldova Emergency COVID-19 Project)

between

REPUBLIC OF MOLDOVA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 6632-MD

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF MOLDOVA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of fifty two million nine hundred thousand Euro (€52,900,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.

2.05. The Interest Charge is the greater of: (a) the sum of zero point forty five percent (0.45%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance.

2.06. The Payment Dates are April 15 and October 15 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project and the MPA Program. To this end, the Recipient shall carry out the Project, through MOHLSP, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following: namely, that the Recipient's legislation establishing *Ajutor Social* has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the Recipient's ability to carry out the Project or to perform any of its obligations under this Agreement.

4.02. The Additional Event of Acceleration consists of the following: namely, that the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its Minister of Finance.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministry of Finance
Constantin Tanase Street, 7
MD-2005 Chisinau

Republic of Moldova; and

(b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
(373 22) 262661	cancelaria@mf.gov.md

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423 (MCI)	1-202-477-6391	aakhalkatsi@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF MOLDOVA

By

Authorized Representative

Name: Serghei Pușcuța,

Title: Minister of Finance

Date: 28 - Apr - 2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Alex Kremer

Title: Acting Country Director

Date: 27-Apr-2020

SCHEDULE 1

Project Description

The objectives of the Project are to prevent, detect and respond to the threat posed by the COVID-19 pandemic in Republic of Moldova.

The Project constitutes a phase of the MPA Program, and consists of the following parts:

Part 1: Emergency COVID-19 Response.

Providing immediate support to prevent COVID-19 from arriving or limiting local transmission through containment strategies, including the following:

1. Enhancing case confirmation through *inter alia*: (a) strengthening disease surveillance systems, selected public health laboratories, and epidemiological capacity for early detection and confirmation of cases; and (b) acquiring personal protective equipment, hygiene materials, COVID-19 test kits, laboratory reagents, polymerase chain reaction equipment, specimen transport kits and light vehicles for safe and rapid transportation of samples.

2. Strengthening the health system, strengthening the public health facilities to provide critical care to COVID-19 patients, and minimize the risk for patients and health staff becoming infected, all through, *inter alia*: (a) the acquisition of personal protective equipment and hygiene materials; (b) the provision of training on infection prevention and control practices; (c) the provision of equipment, drugs and medical supplies, including to ICU beds in designated hospitals; (d) the provision of training on COVID-19 treatment and intensive care to respond to the surge in patients requiring admission in ICUs; (e) the carrying out of interior minor refurbishment to remodel ICUs and increase the availability of isolation rooms; and (f) the acquisition of ambulances to support urgent transportation of patients across the hospital network.

3. Supporting communication preparedness and activities to increase attention, knowledge and awareness of the government, the private sector, civil society and the population on the risk and potential impact of the pandemic through, *inter alia:* (a) the development and implementation of a national communication and outreach strategy, including social and behavioral communication change across multiple channels; and (b) the development and distribution of communication materials on COVID-19; and on general preventative measures for the general public.

4. Providing social and financial support to households through, *inter alia*: (a) supporting reforms to *Ajutor Social*; and (b) financing Cash Transfers.

Part 2: Implementation Management and Monitoring and Evaluation

1. Carrying out project management activities including: (a) the carrying out of financial management, procurement, environmental and social requirements of the Project; and (b) monitoring and evaluating the project, including third-party monitoring.

SCHEDULE 2

Project Execution

Section I. **Implementation Arrangements**

A. Institutional Arrangements.

1. To facilitate the carrying out of the Project, the Recipient, through MOHLSP, shall establish, and thereafter operate throughout the implementation of the Project, a Project Implementation Unit (PIU) with functions, staffing, and responsibilities satisfactory to the Association, as set forth in the Project Operational Manual.

2. To facilitate the carrying out of Part 1.4 of the Project, the Recipient, through NSIH, shall provide Cash Transfers pursuant to the criteria set forth in the Operational Manual.

B. Project Operational Manual

1 No later than one month after the Effective Date, the Recipient, through MOHLSP shall adopt, and thereafter carry out the Project, and cause CCPPH to carry out its activities under the project, all in accordance with, a manual (the Project Operational Manual, satisfactory to the Association containing, *inter alia*: (i) specific provisions on detailed arrangements for the carrying out of the Project, (ii) the criteria for the provision of Cash Transfers and the verification protocols for PBCs; (ii) the composition and responsibilities of the PIU; (iii) the procurement, financial management and disbursement requirements thereof; (iv) personal data collection and processing requirements in accordance with good international practices; (v) the performance indicators; and (vi) the Anti-Corruption Guidelines.

2. The Recipient shall not amend, waive, or fail to enforce any provision of the Project Operational Manual without the Association's prior written approval. In case of any conflict between the terms of the Project Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. Environmental and Social Standards.

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:

(a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;

(b) sufficient funds are available to cover the costs of implementing the ESCP;

(c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and

(d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. The Recipient shall ensure that:

(a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and

supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring, Reporting and Evaluation

1. The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

2. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for the Project	31,000,000	100%
(2) Cash Transfers under Part 1.4 of the Project	21,900,000	100% of the amount up to withdrawal ceiling set forth in the table in Schedule 4 to this Agreement
TOTAL AMOUNT	**52,900,000**	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed €21,160,000 may be made for payments made prior to this date but on or after the date falling twelve months prior to the Signature Date, for Eligible Expenditures.

2 Each withdrawal related to Cash Transfers under Category (2) shall be made only after the Recipient has furnished to the Association: (i) evidence acceptable to the Association in its form and content and following the requirements set forth in the Project Operations Manual, confirming the achievement of the respective PBCs set forth in Schedule 4 to this Agreement; and (ii) supporting documentation acceptable to the Association confirming that Cash Transfers in an amount at least equal to the amount to be withdrawn under this Category in respect of PBC, have been made, and that said expenditures have not been presented before to the Association, or any other financier, as satisfactory evidence for withdrawals under this Agreement.

3. With respect to PBCs related to Cash Transfers under Category (2) the Recipient may request withdrawals of Association financing when the relevant expenditures have been incurred, but prior to the PBCs having been met, provided that the Recipient shall: (a) meet such PBCs no later than the Closing Date; and (b) submit to the Association evidence satisfactory to the Association of such PBCs having been met no later than the Disbursement Deadline Date.

4. If by or before the Disbursement Deadline Date the Recipient has failed to provide the Association evidence satisfactory to the Association that the PBCs related to Category (2) have been fully meet, the Recipient shall, upon notice from the Association, promptly refund to the Association the Withdrawn Financing Balance related to such Category (2). Except as the Association may otherwise determine, the Association shall cancel all amounts refunded pursuant to this Section."

5. The Closing Date is April 30, 2022.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 15 and October 15:	
commencing October 15, 2025 to and including April 15, 2045	**1.65%**
commencing October 15, 2045 to and including April 15,2050	**3.40%**

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

SCHEDULE 4

Performance Based Conditions

Performance Based Condition	Amount of the Financing Allocated (expressed in Euro)
The supplemental budget law has been enacted, and published in the official gazette, increasing allocations for *Ajutor Social* by 39%.	**15,500,000**
The paid benefits and the proved coverage of *Ajutor Social* have both increased by 10%	**6,400,000**

APPENDIX

Section I. Definitions

1. "*Ajutor Social*" means the Recipient's program of social assistance cash transfers to poor households established by Law No. 133-XUI, dated June 12, 2008.

2. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

3. "Basis Adjustment to the Interest Charge" means the Association's standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

4. "Basis Adjustment to the Service Charge" means the Association's standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

5. "Cash Transfers" means a grant provided out of the proceeds of the Financing for an eligible beneficiary pursuant to the criteria and requirements set forth in the Project Operational Manual.

6. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

7. "CCPPH" means the Borrower's Center for Centralized Public Procurement in Health, or its successor acceptable to the Bank.

8. "COVID-19" means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).

9. "Disbursement Deadline Date" final date, established by the Association, for the receipt by the Association of applications for withdrawal and supporting documentation; according to the Disbursement Guidelines, this date may be the same as the Closing Date, or up to four months after the Closing Date.

10. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated April 16, 2020, as the same may be amended from time to time in accordance with the provisions

thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.

11. "Environmental and Social Standards" or "ESSs" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities"; (viii) "Environmental and Social Standard 8: Cultural Heritage"; (ix) "Environmental and Social Standard 9: Financial Intermediaries"; and (x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Association.

12. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018.

13. "GMI" means guaranteed minimum income.

14. "ICU" means intensive care unit.

15. "MOHLSP" means the Recipient's Ministry of Health, Labor and Social Protection, or its successor acceptable to the Association.

16. "MPA Program" means the multiphase programmatic approach program designed to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.

17. "NSIH" means the National Social Insurance House, established pursuant to Law No 489-XIV, dated July 8, 1999.

18. "Operating Costs" means the reasonable incremental expenses incurred by the Recipient on account of Project implementation, including costs related to office equipment and supplies, vehicle operation and maintenance, shipping costs, office rentals, communication and insurance costs, office administration costs, bank

charges, utilities, transport costs, travel, per diem and supervision costs, but excluding salaries of officials of the Recipient's civil service.

19. "PBC" means performance-based condition as referred to and described in Schedule 4 to this Agreement

20. "Personal Data" means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.

21. "PIU" means the Project Implementation Unit referred to in Section I.A.1 of Schedule 2 to this Agreement.

22. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.

23. "Project Operational Manual" means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement.

24. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

25. "Training" means the reasonable costs associated with training under the Project, as agreed between the Recipient and the Association, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers' contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers' fees, and other training related miscellaneous costs.