LOAN NUMBER 9672-MD

Loan Agreement

(Moldova Rural Connectivity Project)

between

REPUBLIC OF MOLDOVA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF MOLDOVA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank").

WHEREAS the International Development Association, have entered into a financing agreement ("Financing Agreement") dated as of the Signature Date for the purpose of providing a credit in the amount of five million six hundred thousand Euros (€ 5,600,000) to assist in financing Part 1.1 of the Project, on terms and conditions set forth in the Financing Agreement.

The Borrower and the Bank 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 — LOAN

2.01. The Bank agrees to lend to the Borrower the amount of ninety-two million four hundred thousand Euros (€ 92,400,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

2.06. The Payment Dates are February 15 and August 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall:

(a) cause SRA to carry out Parts 1, 2.1.b, 2.3.a, 3.1, 3.2, 3.3 and 3.4.a of the Project;

(b) cause MCS, carry out Parts 2.1.a, 2.2, 2.3.b and 3.4.b of the Project; and

(c) carry out Part 4 of the Project,

all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consist of the following:

(a) That the SRA Legislation has been amended or suspended in a way to, in opinion of the Bank, materially affect its ability to implement SRA's respective parts of the Project.

(b) That the MCS Legislation has been amended or suspended in a way to, in opinion of the Bank, materially affect its ability to implement MCS's respective parts of the Project.

(c) That SRA shall have failed to comply with any of its obligations under the Subsidiary Agreement, so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to carry out its obligations under this Agreement.

(d) That MCS shall have failed to comply with any of its obligations under the Subsidiary Agreement, so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to carry out its obligations under this Agreement.

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

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) That the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

(b) That the SRA PIU referred to in Section I.A.(a) of Schedule 2 to this Agreement has been established and staffed in a manner acceptable to the Bank.

(c) That the MCS PIU referred to in Section I.A.(b) of Schedule 2 to this Agreement has been established and staffed in a manner acceptable to the Bank.

(d) That the Technical Working Group referred to in Section I.A.(d) of Schedule 2 to this Agreement has been established in a manner acceptable to the Bank.

(e) That the SRA Subsidiary Agreement referred to in Section I.B. of Schedule 2 of this Agreement has been entered into in a manner acceptable to the Bank.

(f) That the MCS Subsidiary Agreement referred to in Section I.C. of Schedule 2 of this Agreement has been entered into in a manner acceptable to the Bank.

(g) That the Project Operations Manual referred to in Section I.E. of Schedule 2 of this Agreement has been prepared and adopted in a manner acceptable to the Bank.

(h) That the Coordination Agreement referred to in Section I.D. of Schedule 2 to this Agreement has been entered into in a manner acceptable to the Bank.

(i) That the Preliminary ESIA for Part 2 of the Project is finalized in a manner acceptable to the Bank.

(j) That the grievance mechanism for the Project, referred to in Section I.G.5 of Schedule 2 to this Agreement, has been established in a manner acceptable to the Bank, and according to the ESCP.

5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Ministry of Finance
Constantin Tanase Street, 7
MD-2005 Chisinau
Republic of Moldova; and

(b) the Borrower's Electronic Address is:

Facsimile:	E-mail:
373-22262600	cancelaria@mf.gov.md

6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	abanerji@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF MOLDOVA

By H.E. Mr. Andrei Spinu

Authorized Representative

Name: H.E. Mr. Andrei Spinu

Title: Minister of Infrastructure and Regional D

Date: 19-Jun-2024 19.06.24.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Dobraja

June 19, 2024

Authorized Representative

Name: Inguna Dobraja

Title: Country Manager

Date: 19-Jun-2024

SCHEDULE 1

Project Description

The objective of the Project is: (i) to improve climate resilient road connectivity in selected rural communities; (ii) to enhance road transit through selected border crossings with Romania, and (iii) in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

Part 1: Linking local communities with economic opportunities

1. Improving connectivity and climate resilience through the rehabilitation and upgrading of Selected Priority Local Roads, including Road Safety Investments.

2. Promoting community inclusion and accessibility through: (a) Complementary Infrastructure; and (b) the construction of Non-Motorized Transport Infrastructure adjacently to Selected Priority Local Roads.

3. Promoting road safety through: (a) the remediation of Black Spots in Priority Locations and (b) the implementation of road safety educational and informational campaigns.

4. Providing technical assistance for the supervision of the activities under this Part of the Project.

Part 2: Facilitating trade and expanding Solidarity Lanes

1. Upgrading Leuseni BCP through:

   (a) Upgrading and modernizing the Leuseni BCP, including: the refurbishment of the existing freight entry facility and the passenger car exit facility; the construction of a new freight exit facility; the acquisition of Customs Equipment; the carrying out of feasibility studies; and supervision and monitoring activities.

   (b) Upgrading the access road to the Leuseni BCP by widening it to a four-lane road, including the carrying out of feasibility studies, and supervision and monitoring activities.

2. Facilitating Solidarity Lane customs and upgrading Giurgiulesti BCP through:

   (a) Carrying out a feasibility study for traffic management.

(b) Expanding the capacity of the existing parking/waiting facility in Giurgiulesti town, including the improvement of basic services such as restrooms and water supply points for drivers.

(c) Acquiring and installing Scanning Equipment and Software at the Giurgiulesti BCP facility.

(d) Providing technical assistance for the carrying out of supervision activities.

3. Constructing the Ungheni BCP, including:

(a) The construction of its access road to the National Road Network, including customs processing, weighing facilities and truck terminal as well as the required feasibility studies and the supervision and monitoring activities.

(b) The acquisition of Customs Equipment.

Part 3: Building sustainability, delivery capacity and project management support

1. Providing technical assistance and support for the carrying out of Project audits, monitoring and evaluation of the Project as well as civil works supervision.

2. Providing technical assistance for:

(a) The development of an Output and Performance Based Roads Contracting (OPBRC) System, including: (i) an assessment of the enabling environment for adopting OPBRC in the road sector, (ii) the development of a strategy and implementation plan to guide the adoption of OPBRC, (iii) the development of appropriate legal instruments for the implementation of OPBRC, and (iv) Training and capacity building on OPBRC matters.

(b) The enhancement of the operationalization of the Road Asset Management System (RAMS), to: (i) enhancing the functionalities of the climate change and road safety Modules, (ii) rolling out the RAMS to Selected Rayons, and (c) Training and capacity building of SRA and Selected Rayons on RAMS operationalization.

3. Designing and implementing a Female Internship Program, including the provision of onboarding training to the Selected Interns, capacity building to the Mentors assigned to the Selected Interns, and the provision of an Internship Allowance to the Selected Interns.

4. Supporting: (a) SRA in carrying out the management, coordination and evaluation of its respective Parts of the Project, including Training and Operating Costs, and (b) MCS in carrying out the management, coordination and evaluation of its respective Parts of the Project, including Training and Operating Costs.

Part 4: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements.

A. Institutional Arrangements.

1. To facilitate the implementation of the Project, the Borrower, shall:

   (a) Cause SRA to establish, and thereafter, operate and maintain, throughout Project implementation, a Project implementation unit ("SRA PIU") within SRA, with functions and resources acceptable to the Bank, and adequate staff, including a financial management specialist, a procurement specialist, an environmental specialist, a social specialist, a resettlement specialist and a health & safety specialist, with qualifications acceptable to the Bank, as further described in the Project Operations Manual.

   (b) shall cause MCS to establish, and thereafter, operate and maintain, throughout Project implementation, a Project implementation unit ("MCS PIU") within MCS, with functions and resources acceptable to the Bank, and adequate staff, including financial management specialist, a procurement specialist, an environmental specialist, and a social specialist, with qualifications acceptable to the Bank, as further described in the Project Operations Manual.

   (c) Assign representatives to be part of the Moldo-Romanian Joint Commission which shall be responsible for providing oversight to the overall implementation of the Project in accordance with this Agreement, as further described in the Project Operations Manual.

   (d) Operate and maintain, throughout Project implementation, a Technical Working Group acceptable to the Bank, responsible for addressing technical challenges during implementation, with composition, functions and resources set forth in the Project Operations Manual.

B. SRA Subsidiary Agreement

1. To facilitate the carrying out of the Parts 1, 2.1.b., 2.3.a, 3.1, 3.2., 3.3 and 3.4.a of the Project, the Borrower shall make part of the proceeds of the Loan available to SRA under a subsidiary agreement, in terms and conditions acceptable to the Bank ("SRA Subsidiary Agreement"), which shall include, *inter alia*:

   (a) the roles and responsibilities of SRA with regard to the implementation of Parts 1, 2.1.b., 2.3.a, 3.1, 3.2., 3.3 and 3.4.a of the Project;

(b) the obligation of SRA to comply with the technical, procurement, fiduciary, environmental and social requirements applicable to the Project, the Project Operations Manual and the Anti-Corruption Guidelines, in accordance with the provisions of this Agreement, including the General Conditions;

(c) the obligation of SRA to ensure that any goods, works and/or services to be financed out of the Loan under Parts 1, 2.1.b., 2.3.a, 3.1, 3.2., 3.3 and 3.4 are procured in accordance with the Procurement Regulations;

(d) the obligation of SRA to maintain a financial management system and prepare financial statements for its respective parts of the Project in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to its respective parts of the project, as further set forth in the Project Operations Manual;

(e) SRA's obligation to retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under its parts of the Project until one (1) year after the Borrower and the Bank have received the audited financial statements covering the period during which the last withdrawal from the Loan Account was made, and two (2) years after the Closing Date;

(f) SRA's obligation to enable the Borrower and the Bank to inspect its Part of the Project, its operation and any relevant records and documents;

(g) SRA's obligation to prepare and furnish to the Borrower and the Bank, Project Reports and all such information as the Borrower or the Bank shall reasonably request relating to the foregoing;

(h) SRA's obligation to enter into the Coordination Agreement with MCS, MoF, and MIRD for purposes of coordinating the implementation of Part 2 of the Project;

(i) the Borrower shall have the right to suspend or terminate the right of the SRA to use the proceeds of the Loan, or obtain a refund of all or any part of the amount of the Loan then withdrawn, upon SRA's failure to perform any of its obligations under the Subsidiary Agreement; and

(j) a provision stipulating that, in case of conflict between any of the provisions of the Subsidiary Agreement and this Agreement, the provisions of this Agreement shall prevail.

2. The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.

3. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

4. Notwithstanding the foregoing, in the event of a conflict among the provisions of the Subsidiary Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

C. MCS Subsidiary Agreement

1. To facilitate the carrying out of the Parts 2.1.a, 2.2, 2.3.b and 3.4.b of the Project, the Borrower shall make part of the proceeds of the Loan available to MCS under a subsidiary agreement, in terms and conditions acceptable to the Bank ("MCS Subsidiary Agreement"), which shall include, *inter alia*:

   (a) the roles and responsibilities of MCS with regard to the implementation of Parts 2.1.a, 2.2, 2.3.b and 3.4.b of the Project;

   (b) the obligation of MCS to comply with the technical, procurement, fiduciary, environmental and social requirements applicable to the Project, the Project Operations Manual and the Anti-Corruption Guidelines, in accordance with the provisions of this Agreement, including the General Conditions;

   (c) the obligation of MCS to ensure that any goods, works and/or services to be financed out of the Loan under Parts 2.1.a, 2.2, 2.3.b and 3.4.b of the Project are procured in accordance with the Procurement Regulations;

   (d) the obligation of MCS to maintain a financial management system and prepare financial statements for its respective parts of the Project in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to its respective parts of the project, as further set forth in the Project Operations Manual;

   (e) MCS' obligation to retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under its parts of the Project until one (1) year after the Borrower and the Bank have received the audited financial statements covering the period during which the last withdrawal from the Loan Account was made, and two (2) years after the Closing Date;

(f) MCS' obligation to enable the Borrower and the Bank to inspect its Part of the Project, its operation and any relevant records and documents;

(g) MCS' obligation to prepare and furnish to SRA the information for required for Project Reports, and provide all such information as the Borrower or the Bank shall reasonably request relating to the foregoing;

(h) the Borrower shall have the right to suspend or terminate the right of the MCS to use the proceeds of the Loan, or obtain a refund of all or any part of the amount of the Loan then withdrawn, upon MCS' failure to perform any of its obligations under the MCS Subsidiary Agreement; and

(i) a provision stipulating that, in case of conflict between any of the provisions of the MCS Subsidiary Agreement and this Agreement, the provisions of this Agreement shall prevail.

2. The Borrower shall exercise its rights under the MCS Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.

3. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the MCS Subsidiary Agreement or any of its provisions.

4. Notwithstanding the foregoing, in the event of a conflict among the provisions of the MCS Subsidiary Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

D. Coordination Agreement

1. To facilitate carrying out of the Project, the Borrower shall, through MoF and MIRD, enter into a coordination agreement with MCS and SRA ("Coordination Agreement"), in terms and conditions acceptable to the Bank, and thereafter maintain said Coordination Agreement throughout Project implementation.

2. The Borrower shall ensure that the Coordination Agreement includes, *inter alia*:

(a) the responsibilities of each institution in the implementation of Part 2 of the Project;

(b) the coordination mechanisms among the entities to implement Part 2 of the Project, including comply with environmental and social requirements, among others; and

(c) the coordination mechanisms to produce and furbish to the Bank the Project Reports.

3. The Borrower, shall exercise its rights under the Coordination Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.

4. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, waive, terminate or fail to enforce any Coordination Agreement or any of its provisions.

5. In case of any conflict between the terms of the Coordination Agreement and those of this Agreement, the terms of this Agreement shall prevail.

E. Project Operations Manual

1. Without limitation upon the provisions of Article V of the General Conditions, the Borrower shall and shall, cause SRA and MCS to carry out the Project in accordance with the Project Operations Manual, which shall include, *inter alia*: (a) a detailed description of the activities and institutional arrangements for the Project, including the technical, administrative and fiduciary functions of the relevant agencies; (b) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (c) the monitoring indicators for the Project; (d) the grievance mechanism; (e) the Anti-Corruption Guidelines, (f) the detailed functions and composition of the Moldo-Romanian Joint Commission, (g) the detailed functions and composition of the Technical Working Group, (h) the detailed composition and functions of the SRA PIU and the MCS PIU, and (i) the details on the operation of the Female Internship Program, as well as the eligibility criteria to identify the Eligible Interns.

2. Except as the Bank may otherwise agree in writing, the Borrower shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Project Operations Manual or any provision thereof.

3. In case of any conflict between the terms of the Project Operations Manual and this Agreement, the provisions of this Agreement shall prevail.

F. Female Internship Program

1. For purposes of Carrying out Part 3.3. of the Project, the Borrower shall cause SRA to:

   (a) enter into a collaboration agreement ("Collaboration Agreement") with the University, including, the University's obligation to, *inter alia*, identify Eligible Interns to be part of the Female Internship Program, and

   (b) provide an Internship Allowance to each Selected Intern to participate under the Female Internship Program, of up to nine hundred and twenty

four Euros (€924) a month, unless otherwise agreed by SRA and the Bank and reflected in the Project Operations Manual, for up to six (6) months; all according to the terms, conditions, eligibility criteria and procedures set forth in the Project Operations Manual.

G. Environmental and Social Standards.

1. The Borrower shall, and shall cause SRA and MCS to ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

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

   (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as 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 Bank 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 Borrower and shall cause SRA and MCS, to ensure that:

   (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, 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 Bank, 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 Bank 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 Borrower shall and shall cause SRA and MCS, to 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 Bank.

6. The Borrower shall and shall cause SRA and MCS, to ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and 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.

H. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project ("Contingent Emergency Response Part"), the Borrower shall ensure that:

(a) a manual ("CERC Manual") is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;

(b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;

(c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and

(d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Bank.

2. The Borrower shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Bank.

3. The Borrower shall ensure that:

(a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and

(b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.

4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring Reporting and Evaluation

The Borrower shall cause SRA to furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

Section III. Withdrawal of Loan Proceeds

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 Borrower may withdraw the proceeds of the Loan 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 Loan Allocated (expressed in €)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training, Internship Allowance and Operating Costs for Part 1 (except Part 1.1) and Part 3 (except Part 3.4.b) of the Project	12,474,000	100%
(2) Goods, works, non-consulting services and consulting services for Part 1.1 of the Project	60,753,000	53%
(3) Goods, works, non-consulting services, consulting services, and Training under Part 2.1.a, 2.2 and 2.3.b of the Project	7,392,000	50%
(4) Goods, works, non-consulting services, consulting services, and Training under Part 2.1.b and 2.3.a of the Project	11,596,200	50%
(5) Training, and Operating Costs for Part 3.4.b of the Project	184,800	100%
(6) Emergency Expenditures	0	100%
TOTAL AMOUNT	**92,400,000**	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

(a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed €18,480,000 may be made for payments made prior to this date but on or after the date falling twelve (12) months prior to the Signature Date, for Eligible Expenditures, following an Environmental and Social Audit, satisfactory to the Bank, showing that the pertinent obligations set forth in this Agreement, as applicable to each Eligible Expenditure, have been complied with.

(b) for Eligible Expenditures under Category (2), unless and until all funds in Category (1) in the withdrawal table set forth in Section III.A of Schedule 2 of the Financing Agreement has been fully disbursed.

(c) for Emergency Expenditures under Category (6), unless and until all of the following conditions have been met in respect of said expenditures:

(i) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Category (6);

(ii) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and

(iii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.

2. The Closing Date is June 30, 2029.

IV. Other Undertakings

1. The Borrower shall, in accordance with Section 5.03 of the General Conditions, ensure that the financial and other resources required as counterpart funding for the Project are available and ready to disburse for implementation.

SCHEDULE 3

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share").

Level Principal Repayments

Principal Payment Date	Installment Share
On each February 15 and August 15 Beginning August 15, 2029 through February 15, 2054	2%

APPENDIX

Definitions

1. "Anti-Corruption Guidelines" means, for purposes of paragraph 6 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.

2. "BCP" means Boarder Crossing Point.

3. "Black Spot" means a road section with a maximum length of 1 km, on which at least 5 road crashes with at least five victims were registered in a period of five (5) years.

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

5. "CERC Manual" means the manual referred to in Section I.H of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank, and which is an integral part of the Project Operations Manual.

6. "Collaboration Agreement" means the agreement acceptable to the Bank, referred to in Section I.F of Schedule 2 to this Agreement, to be entered into between SRA and the University for purposes of the implementation of the Female Internship Program under Part 3.3 of the Project.

7. "Complementary Infrastructure" means sidewalks, parking facilities, access roads, drainage structures, and any other complementary infrastructure agreed by the Bank, that increases the functionality of the Project roads and maximizes their benefit to the road users.

8. "Contingent Emergency Response Part" means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.

9. "Coordination Agreement" means the agreement acceptable to the Bank, referred to in Section I.D of Schedule 2 to this Agreement, to be entered into between MoF and SRA for purposes of the implementation of Part 2 of the Project.

10. "Corridor 5" means the road connecting the R14 road with the R.13 road, through the Ivanovca, Izvoare, Vantina and Ocolina villages.

11. "Corridor 8" means the road connecting the Cornesti, Boghenii Noi and Napadeni villages with the M5 Road.

12. "Corridor 24" means the road connecting R34 with R35, through the Ciobalaccia,Tartaul, Baimaclia and Enichioi villages.

13. "Customs Equipment" means weighing equipment, scanners, and any other customs equipment acceptable to the Bank.

14. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.

15. "Eligible Interns" means female university students, identified by the University, that meet the eligibility criteria to participate in the Female Internship Program as set forth in the Project Operations Manual.

16. "Emergency Action Plan" means the plan referred to in Section I.H, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.

17. "Emergency Expenditures" means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.H of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.

18. "Environmental and Social Audit" means an instrument to be prepared by an external auditor that will be selected by the Borrower to conduct an audit to verify the proper use of funds based on the Terms of References agreed with the Bank. This audit shall: (i) determine the nature and extent of environmental and social areas of concern of all goods, services, works and other activities to be retroactively financed under the Project; and (ii) identify appropriate mitigation or corrective measures, as necessary, related costs and a schedule to implement such measures; all in accordance with the ESS, and in a manner satisfactory to the Bank.

19. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated March 22, 2024, 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 Borrower 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.

20. "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 Bank.

21. "Female Internship Program" means the Program to be developed and implemented by SRA under Part 3.3 of the Project, further described under Section I.F of Schedule 2 to this Agreement.

22. "Financing Agreement" means the agreement between the Borrower and the Association for the Project, of the same date as this Agreement, as such agreement may be amended from time to time. "Financing Agreement" includes all appendices, schedules and agreements supplemental to the Financing Agreement.

23. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing", dated December 14, 2018 (Last revised on July 15, 2023).

24. "Giurgiulesti BCP" means the BCP located in the Giurgiulesti region of Borrower's territory, on the border with Romania.

25. "Internship Allowance" means the monthly allowance to be paid for up to six (6) months to the Selected Interns that will participate in the Female Internship Program under Part 3.3 of the Project.

26. "Leuseni BCP" means the BCP located in the Leuseni region of Borrower's territory, near the border with Romania.

27. "M5" means the road connecting the Chisinau region with the Falesti, Singeri, Strazeni districts in the Borrower's territory.

28. "MCS" or "Moldova Customs Service" means the Borrower's Customs Service authority, subordinated to the MoF, with administrative authority and independent legal personality, as per MCS Legislation, or any successor thereto acceptable to the Bank.

29. "MCS Legislation" means the Borrower's Law No.302, dated December 21, 2017 and published on the Official Gazette on March 2, 2018, which established the creation of MCS.

30. "MoF" means the Borrower's Ministry of Finance.

31. "Mentor" means the staff designated to oversee and mentor any given Selected Intern throughout the internship, according to the process established in the Project Operations Manual, under the Female Internship Program.

32. "Module" means a feature under the RAMS.

33. "Moldo-Romanian Joint Commission" means the commission referred to in Section I.A.(c) of Schedule 2 to this Agreement, established in relation to Part 2 of the Project as per Government Decision No. 111-d dated November 9, 2022, composed by representatives of the Borrower and Romania, as further set forth in the Project Operations Manual.

34. "National Road Network" means road links of the Borrower's road network designated as "national roads" under the Recipient's Roads Law No. 509, dated June 22, 1995 and published in the Official Gazette on September 11, 1995.

35. "Non-Motorized Transport Infrastructure" means, bicycles, scooters, animal drawn carts, small-wheeled transport, wheelchair travel and any other as agreed by the Bank.

36. "Operating Costs" means the reasonable incremental costs incurred by MCS and SRA on account of management of Project implementation for office maintenance, office supplies, printing, utilities, communications, insurance, transportation, advertisement, translation, and such other expenditures as may be agreed by the Bank.

37. "OPBRC" or "Output and Performance Based Road Contracting" means a contract modality that ensures the sustainability of road maintenance.

38. "OPBRC System" is the output and performance-based road contracting system to be developed by SRA under Part 3.2.(a) of the Project.

39. "Preliminary ESIA" means an assessment to provide an initial description of environmental and social conditions and work safety around the project location, identify the potential environmental and social impacts, recommend mitigation measures and to identifying required environmental and social instruments required for the identified project investments such as full environmental social assessment, partial environmental assessment and ESMPs (including all relevant social instruments) in accordance with relevant Borrower's regulations and the ESF.

40. "Priority Locations" means Black Spots prioritized based on the criteria set forth in the Project Operations Manual to be supported under Part 1.3 of the Project.

41. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated September 2023.

42. "Project Operations Manual" means the Project Operations Manual for the Project, acceptable to the Bank, referred to in Section I.E of Schedule 2 to this Agreement.

43. "R13" means the road connecting the Balti and Floresti cities in the Borrower's territory.

44. "R14" means the road connecting the Chisinau region with the Floresti and Soroca regions in the Borrower's territory.

45. "R34" means the road connecting the Chisinau region and the Hincesti, Leova, Tartul and Cahul districts in the Borrower's territory.

46. "R35" means the road connecting the Cantemir town with the Baimaclia an Tartaul de Salcie villages in the Borrower's territory.

47. "RAMS" or "Road Asset Management System" means the management system set up in SRA to manage the road network under SRA's purview by collecting, storing and processing roads and bridge inventory, condition, traffic and related data, and using it for road planning and programming purposes.

48. "Road Safety Investments" means civil works related to improving safety of the road infrastructure for driving and walking, such as line markings, delineation, roadside barriers, lane/curve widening, pavement works and blackspot treatment or any other as agreed by the Bank.

49. "Scanning Equipment" means equipment and or technology that is deployed to inspect all types of cargo and conveyances at BCPs, in a non-intrusive manner.

50. "Selected Interns" means the Eligible Interns selected by SRA to participate in the Female Internship Program.

51. "Selected Priority Local Roads" means Corridor 8, Corridor 24 and Corridor 5 and any other priority regional or local road in the Borrower's National Road Network in addition or in replacement to the above as agreed by the Bank, selected in accordance with the criteria set forth in the Project Operations Manual.

52. "Selected Rayons" means the central public authorities to be selected for the roll out of the RAMS, according to the eligibility criteria and procedures set forth in the Project Operations Manual.

53. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions

54. "Software" means software solutions acceptable to the Bank, to be acquired and installed at the BCPs to support customs operations.

55. "Solidarity Lanes" means part of the Borrower's National Roads Network designated as such and used to transport goods originating from and destined to Ukraine via the Republic of Moldova.

56. "SRA" means the State Roads Administration, a state-owned enterprise, established pursuant to SRA Legislation, or any successor thereto acceptable to the Bank.

57. "SRA Legislation" means the Borrower's Law No.118, dated May 25, 2023 and published on the Official Gazette on June 21, 2023, which established the creation of SRA.

58. "MCS Subsidiary Agreement" means the Agreement acceptable to the Bank, to be entered into between the Borrower, through MoF, and MCS, referred to in Section I.C of Schedule 2 to this Agreement.

59. "SRA Subsidiary Agreement" means the Agreement acceptable to the Bank, to be entered into between the Borrower, through MoF, and SRA, referred to in Section I.B of Schedule 2 to this Agreement.

60. "Technical Working Group" means a working group composed by MIRD, MoF, SRA and MCS operational staff established to facilitate the coordination of the implementation of Part 2 and reporting and auditing activities under the Project, with composition and functions acceptable to the Bank, as further described in the Project Operations Manual.

61. "Training" means reasonable expenditures acceptable to the Bank, incurred by the Borrower, related to training activities, study tours, seminars/workshops for Project implementation, including travel costs (transport, per diem, accommodation and other travel related costs) for the trainees, trainers and participants to the training, trainers fee, the rent of the rooms and the training equipment, materials used for the training, and consumables required for training purposes.

62. "Ungheni BCP" means the BCP located in the Ungheni region of Borrower's territory, near the border with Romania.

63. "University" means the Technical University of Moldova.