353

Contract Number (FI N°) 96.851
Operation Number (Serapis N°) 2023-0445

MOLDOVA FOREST DEVELOPMENT PROGRAMME

(EFSD+ Dedicated Investment Window 1)

Finance Contract

Chisinau, 17 SEPTEMBER 2024

THIS CONTRACT IS MADE BETWEEN:

the **Republic of Moldova**, acting through the Ministry of Finance represented by Victoria Belous, Minister of Finance and the Ministry of Environment represented by Sergiu Lazarencu, Minister of Environment,	(the "**Borrower**")
of the first part,	
IP Oficiul National de Implementare a Projectelor in domeniul Mediului, having its seat at street Gheorghe Tudor, 5, floor 4 and represented by Nicolae Arnaut, Interim Director,	(the "**Promoter**")
of the second part,	
the **European Investment Bank** having its seat at 100 blvd Konrad Adenauer, Luxembourg, L-2950 Luxembourg, represented by Teresa Czerwinska, Vice-President,	(the "**Bank**")
of the third part.	

The Bank, the Borrower and the Promoter together are referred to as the "**Parties**" and any of them is a "**Party**".

WHEREAS:

(a) On 1 November 2006, the Republic of Moldova and the Bank signed a framework agreement governing the Bank's activities in the territory of the Republic of Moldova (the "**Framework Agreement**"). The Bank makes the Credit (as defined below) available on the basis that the Framework Agreement continues to be in full force and effect during the term of this finance contract (the "**Contract**").

(b) Article 7 of the Framework Agreement provides, *inter alia*, that the Bank shall enjoy, in respect of its activities in the territory of the Republic of Moldova the treatment accorded to the international institution, which is most favoured in respect of any such activity, or, if that is more favourable, the treatment accorded under any international agreement covering such activities. The Bank makes the Credit available to the Borrower on the basis that, as an international financial institution, it has a right to equal treatment with other international financial institutions in accordance with the Framework Agreement.

(c) The Republic of Moldova is a state party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards done at New York on 10 June 1958 (the "**New York Convention**").

(d) By countersigning this Contract, the Republic of Moldova confirmed that the Project (as defined below) falls within the scope of the Framework Agreement. The Bank makes the Credit available to the Borrower on the basis that such statements continue to be true and correct in all respects during the term of this Contract.

(e) The Borrower has stated that it is undertaking, through the Promoter, a country and sector-wide forestry investment programme that builds the Moldova's National Forest Extension and Rehabilitation Programme, pursuant to the Government Decision No. 55/2023, named the Forest Development Programme, that will:

(i) support investments for enhancing forest governance and regulatory framework, strengthening institutional and technical capacities, strengthening the production capacity of forest reproductive material and afforestation, restoration, and rehabilitation of about 63 000 ha degraded lands and forest as well as entailing the investments in enabling infrastructure, equipment, and tools base for ensuring sustainable management of Moldovan forests; and

(ii) consist of: (1) the governance, capacity building and technological advancement component (**Component 1**); (2) the forest expansion and landscape restoration (63 200 ha) component (**Component 2**); and (3) the integrated project management & reporting system component (**Component 3**, together with Component 1 and Component 2, collectively the "**Components**" and each a "**Component**"),

as more particularly described in the technical description (the "**Technical Description**") set out in Schedule A.1 (the "**Project**") to this Contract. The Promoter shall implement the Project under the supervision of the Borrower, acting through the Ministry of Environment ("**MoE**").

(f) The Borrower shall make available to the Promoter the proceeds of the Credit in accordance with the applicable rules and procedures under the laws of Moldova.

(g) The total cost of the Project, as estimated by the Bank, is EUR 435,000,000.00 (four hundred thirty-five million euros) and the Borrower has stated that it intends to finance the Project as follows:

Source	Amount (EUR m)
Credit from the Bank	200.00
Loan from the AFD (as defined below)	40.00
Own funds (in kind)	75.00
Other sources	120.00
TOTAL	**435.00**

(h) The financing under this Contract is provided pursuant to the European Fund for Sustainable Development Plus ("**EFSD+**"), an integrated financial package supplying financing capacity in the form of grants, budgetary guarantees and financial instruments worldwide; and in particular under the exclusive investment window for operations with sovereign counterparts and non-commercial sub-sovereign counterparts under article 36.1 of the NDICI-GE Regulation ("**EFSD+ DIW1**"). Pursuant to article 36.8 of the NDICI-GE Regulation, on 29 April 2022, the Bank and the European Union, represented by the European Commission, entered into an EFSD+ guarantee agreement (the "**EFSD+ DIW1 Guarantee Agreement**") whereby the European Union granted to the Bank a comprehensive guarantee for eligible financing operations of the Bank in respect of projects carried out in countries within the geographic areas referred to in article 4(2) of the NDICI-GE Regulation (the "**EFSD+ DIW1 Guarantee**"). The Republic of Moldova is an eligible country pursuant to the NDICI-GE Regulation.

(i) In order to fulfil the financing plan set out in Recital (g) above, the Borrower has requested from the Bank a credit of EUR 200,000,000.00 (two hundred million euros).

(j) The Bank, considering that the financing of the Project falls within the scope of its functions, and having regard to the statements and facts cited in these Recitals, has decided to give effect to the Borrower's request providing to it a credit in an amount of EUR 200,000,000.00 (two hundred million euros) under this Contract; provided that the amount of the Bank's loan shall not, in any case, exceed 75% (seventy five per cent) of the total cost of the Project set out in Recital (g).

(k) The Government of the Republic of Moldova has authorised the borrowing of the sum of EUR 200,000,000.00 (two hundred million euros) represented by this credit on the terms and conditions set out in this Contract. In accordance with the legal opinion to be issued pursuant to Article 1.4.B, and pursuant to the evidence to be provided under Article 1.4.B hereof, Victoria Belous, Minister of Finance and Sergiu Lazarencu, Minister of Environment, are duly authorised to sign this Contract for and on behalf of the Borrower.

(l) The Borrower and AFD entered into a loan agreement pursuant to which AFD agrees to provide a loan facility in an amount of EUR 40,000,000.00 (forty million euros) for the purposes of financing the Project.

(m) The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union; and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant policies of the European Union.

(n) The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank's group towards its stakeholders.

(o) The Bank supports the implementation of international and European Union standards in the field of anti-money laundering and countering the financing of terrorism and promotes tax good governance standards. It has established policies and procedures to avoid the risk of misuse of its funds for purposes which are illegal or abusive in relation to applicable laws. The Bank's group statement on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism is available on the Bank's website and offers further guidance to the Bank's contracting counterparties[1].

[1] http://www.eib.org/about/compliance/tax-good-governance/index.htm?f=search&media=search

(p) The Bank has established an overarching policy framework that allows the Bank's Group to focus on sustainable and inclusive development, committing to a just and fair transition and supporting the transition to economies and communities that are climate and disaster resilient, low carbon, environmentally sound and more resource-efficient. The policy framework includes the EIB Group Environmental and Social Policy and the EIB Environmental and Social Standards. The EIB Group Environmental and Social Policy and the EIB Environmental and Social Standards are available on the Bank's website and offers further guidance to the Bank's contracting counterparties.

NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

Interpretation

In this Contract:

(a) references to "Articles", "Recitals", "Schedules" and "Annexes" are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract;

(b) references to "law" or "laws" mean:

(i) any applicable law and any applicable treaty, constitution, statute, legislation, decree, normative act, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which is binding or applicable case law; and

(ii) EU Law;

(c) references to "applicable law", "applicable laws" or "applicable jurisdiction" mean:

(i) a law or jurisdiction applicable to the Borrower, its rights and/or obligations (in each case arising out of or in connection with this Contract), its capacity and/or assets and/or the Project; and/or, as applicable

(ii) a law or jurisdiction (including in each case the Bank's Statute) applicable to the Bank, its rights, obligations, capacity and/or assets;

(d) references to a provision of law or a treaty are references to that provision as amended or re-enacted;

(e) references to any other agreement or instrument are references to that other agreement or instrument as amended, novated, supplemented, extended or restated;

(f) words and expressions in plural shall include singular and vice versa; and

(g) references to "month" mean a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that and subject to the definition of Payment Date, Article 5.1 and Schedule B and unless provided otherwise in this Contract:

(i) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and

(ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(h) a reference in this Contract to a page or screen of an information service displaying a rate shall include:

(i) any replacement page of that information service which displays that rate; and

(ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,

(iii) and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Bank.

Definitions

In this Contract:

"**4th AML Directive**" means Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing as amended, supplemented or restated.

"**5th AML Directive**" means Directive 2018/843 of the European Parliament and of the Council of 19 June 2018 on anti-money laundering and terrorist financing as amended, supplemented or restated.

"**Accepted Tranche**" means a Tranche in respect of which a Disbursement Offer has been duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline.

"**AFD**" means Agence française de développement.

"**Agreed Deferred Disbursement Date**" has the meaning given to it in Article 1.5.A(2)(b).

"**Allocation Letter**" has the meaning given to it in Article 1.10.B

"**Allocation Period**" has the meaning given to it in Article 1.10.A.

"**Allocation Proposal**" has the meaning given to it in Article 1.10.A.

"**AML Directives**" means the 4th AML Directive and the 5th AML Directive.

"**Authorisation**" means an authorisation, permit, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Authorised Signatory**" means a person authorised to sign individually or jointly (as the case may be) Disbursement Acceptances on behalf of the Borrower and named in the most recent List of Authorised Signatories and Accounts received by the Bank prior to the receipt of the relevant Disbursement Acceptance.

"**Beneficial Owner(s)**" has the meaning given to such term in the AML Directives.

"**Business Day**" means a day (other than a Saturday or Sunday) on which the Bank and commercial banks are open for general business in Luxembourg.

"**Cancelled Tranche**" has the meaning given to it in Article 1.6.C(2).

"**Change in the Beneficial Ownership**" means a change in the ultimate ownership or control of an entity according to the definition of "beneficial owner" set out in article 3(6) of Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing as modified and /or supplemented from time to time.

"**Change-of-Control Event**" has the meaning given to it in Article 4.3.A(3).

"**Change-of-Law Event**" has the meaning given to it in Article 4.3.A(4).

"**Close Associate(s)**" means "persons known to be close associates" as defined in the AML Directives.

"**Contract**" has the meaning given to it in Recital (a).

"**Contractor**" means any public or private entity that participating in the implementation of the Project and includes, without limitation, Moldsilva, the National Forestry Agency, Forest Research and Management Planning Institute, community members and companies, civil society and non-governmental organisations, as well as individuals.

"**Contract Number**" means the Bank generated number identifying this Contract and indicated on the cover page of this Contract after the letters "FI N°".

"**Credit**" has the meaning given to it in Article 1.1.

"**Date of Effectiveness**" has the meaning given in Article 12.2.

"**Declaration on Honour**" means the "Declaration on Honour" under EFSD+ signed by each of the Ministry of Finance and the Ministry of Environment of the Republic of Moldova and the Promoter on or about the date hereof.

"**Deferment Fee**" means a fee calculated on the amount of an Accepted Tranche deferred or suspended at the rate of the higher of:

(a) 0.125% (12.5 basis points), per annum; and

(b) the percentage rate by which:

(i) the interest rate that would have been applicable to such Tranche had it been disbursed to the Borrower on the Scheduled Disbursement Date, exceeds

(ii) EURIBOR (one month rate) less 0.125% (12.5 basis points), unless such rate is less than zero, in which case it shall be set at zero.

Such fee shall accrue from the Scheduled Disbursement Date to the Disbursement Date or, as the case may be, until the date of cancellation of the Accepted Tranche in accordance with this Contract.

"**Disbursement Acceptance**" means a copy of the Disbursement Offer duly countersigned by the Borrower in accordance with the List of Authorised Signatories and Accounts.

"**Disbursement Acceptance Deadline**" means the date and time of expiry of a Disbursement Offer as specified therein.

"**Disbursement Account**" means, in respect of each Tranche, the bank account to which disbursements may be made under this Contract, as set out in the most recent List of Authorised Signatories and Accounts.

"**Disbursement Date**" means the date on which disbursement of a Tranche is made by the Bank.

"**Disbursement Offer**" means a letter substantially in the form set out in Schedule C.

"**Dispute**" has the meaning given to it in Article 11.2.

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with this Contract; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of either the Bank or the Borrower, preventing that Party from:

(i) performing its payment obligations under this Contract; or

(ii) communicating with the other Party,

and which disruption (in either such case as per (a) or (b) above) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**EFSD+**" has the meaning given in Recital (h).

"**EFSD+ DIW1**" has the meaning given in Recital (h).

"**EFSD+ DIW1 Guarantee**" has the meaning given in Recital (h).

"**EFSD+ DIW1 Guarantee Agreement**" has the meaning given in Recital (h).

"**EIB Allocation**" has the meaning given to it in Article 1.10.B.

"**EIB Environmental and Social Standards**" means the EIB Environmental and Social Standards of 2022 which are published on the Bank's website and which describe the environmental and social requirements that all EIB-financed projects must meet and the responsibilities of the various parties, including the Borrower and the Promoter.

"**Eligible Expenditure**" means expenditure (including costs of design and supervision, if relevant, and net of taxes and duties payable by the Borrower and/or the Promoter) incurred by the Borrower and/or the Promoter for the Project, in respect of works, goods and services relating to items specified in the Technical Description as eligible for financing under the Credit (for the avoidance of doubt excluding rights of way which shall be financed by the Borrower), which have been the object of contract or contracts executed on terms

satisfactory to the Bank, having regard to the most recent edition of the Bank's Guide to Procurement.

"**Eligibility Criteria**" means (i) the eligible components of the Project as described in the Technical Description and validated by the Bank; and (ii) EIB Eligibility, Excluded Activities and Excluded Sectors List[2] which is in force at the time of the EIB Allocation.

"**Environment**" means the following:

(a) fauna and flora, living organisms including the ecological systems;

(b) land, soil, water (including marine and coastal waters), air, climate and the landscape (natural or man-made structures, whether above or below ground);

(c) cultural heritage (natural, tangible and intangible);

(d) the built environment; and

(e) human health and wellbeing.

"**Environmental and Social Impact Assessment Study**" means a study or report as an outcome of the environmental and social impact assessment identifying and assessing the likely significant environmental and social impacts and/or risks associated with the Project and recommending measures to avoid, minimise and/or remedy any impacts and/or risks. This study is subject to public consultation with direct and indirect project stakeholders.

"**Environmental and Social Documents**" means:

(a) the strategic environmental assessment in relation to the Forest Development Programme;

(b) the Environmental and Social Impact Assessment Study;

(c) the grievance mechanism; and

(d) any other relevant documents as may be required by the Bank in relation to environmental or social aspects of the Project,

in each case, that complies with the EIB Environmental and Social Standards.

"**Environmental and Social Standards**" means:

(a) Environmental Laws and Social Laws applicable to the Project, the Sub-Projects, the Promoter, the Borrower and the Contractors;

(b) the EIB Environmental and Social Standards; and

(c) the Environmental and Social Documents.

"**Environmental or Social Approval**" means any Authorisation required by an Environmental Law or a Social Law.

"**Environmental or Social Claim**" means any claim, proceeding, formal notice or investigation by any person in respect of any breach or alleged breach of any Environmental and Social Standards.

"**Environmental Law**" means:

(a) EU law, including principles and standards save for any derogation accepted by the Bank for the purpose of this Contract based on any agreement between the Republic of Moldova and the EU;

(b) Moldova laws and regulations; and

(c) international treaties and conventions signed and ratified by or otherwise applicable and binding on, the Republic of Moldova,

---

[2] The current version : https://www.eib.org/attachments/publications/eib_eligibility_excluded_activities_en.pdf

in each case of which a principal objective is the preservation, protection or improvement of the Environment.

"**EU Law**" means the acquis communautaire of the European Union as expressed through the Treaties of the European Union, the regulations, directives, delegated acts, implementing acts, and the case law of the Court of Justice of the European Union.

"**EUR**" or "**euro**" means the lawful currency of the Member States of the European Union, which adopt or have adopted it as their currency in accordance with the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union or their succeeding treaties.

"**EURIBOR**" has the meaning given to it in Schedule B.

"**Event of Default**" means any of the circumstances, events or occurrences specified in Article 10.1.

"**Excluded Contractor**" means a Contractor which, at the date when its receives any Loan proceeds, is affected by any of the following circumstances:

(a) it is bankrupt, is subject to insolvency, is being wound up, is having its affairs administered by a liquidator or by the courts, is in an arrangement with creditors, is having its business activities suspended, a standstill (or equivalent) agreement has been signed with creditors and validated by the competent court when required by the applicable law, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

(b) in the past five years, it has been the subject of a final judgment or final administrative decision for being in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law, and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof;

(c) in the past five years, it or any persons having powers of representation, decision-making or control over it have been convicted by a final judgment or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or gross negligence, which would affect their ability to implement the Sub-Project and which is for one of the following reasons:

  (i) negligently providing misleading information that may have a material influence or fraudulently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract or an agreement;

  (ii) entering into agreements with other persons aimed at distorting competition;

  (iii) attempting to unduly influence the decision-making process of the contracting authority during the award procedure (as defined in the Financial Regulation);

  (iv) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure (as defined in the Financial Regulation);

(d) in the past five years, it or any persons having powers of representation, decision-making or control over it have been the subject of a final judgment for:

  (i) fraud;

  (ii) corruption;

  (iii) participation in a criminal organisation;

  (iv) money laundering or terrorist financing;

  (v) terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting or attempting to commit such offences;

  (vi) child labour and other forms of trafficking in human beings;

(e) in the past five years, the Contractor has been the subject of a final judgment or administrative decision by a national court or authority because it was created with the intent to illegally circumvent fiscal, social or any other legal obligations in the jurisdiction of its registered office, central administration or principal place of business; or

(f) it is subject to a decision on exclusion contained in the published early detection and exclusion system database set up and operated by the European Commission.

"**Exclusion Policy**" means the European Investment Bank Exclusion Policy as published on the Bank's website.

"**External Debt Instrument**" has the meaning given to it in Article 7.1.

"**Family Member(s)**" has the meaning given to such term in the AML Directives.

"**Final Availability Date**" means the date falling 60 (sixty) months from the Date of Effectiveness, and if such day is not a Relevant Business Day, then the preceding Relevant Business Day.

"**Financial Regulation**" means Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EC, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

"**Financing of Terrorism**" means the provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out any of the offences listed in the Directive (EU) 2017/541 of the European Parliament and of the Council of 15 March 2017 on combating terrorism and replacing Council Framework Decision 2002/475/JHA and amending Council Decision 2005/671/JHA (as amended, replaced or re-enacted from time to time).

"**Fixed Rate**" means an annual interest rate determined by the Bank in accordance with the applicable principles from time to time laid down by the governing bodies of the Bank for loans made at a fixed rate of interest, denominated in the currency of the Tranche and bearing equivalent terms for the repayment of capital and the payment of interest. Such rate shall not be of negative value.

"**Fixed Rate Tranche**" means a Tranche on which the Fixed Rate is applied.

"**Floating Rate**" means a fixed-spread floating annual interest rate, determined by the Bank for each successive Floating Rate Reference Period equal to EURIBOR plus the Spread. If the Floating Rate for any Floating Rate Reference Period is calculated to be below zero, it will be set at zero.

"**Floating Rate Reference Period**" means each period from one Payment Date to the next relevant Payment Date; the first Floating Rate Reference Period shall commence on the date of disbursement of the Tranche.

"**Floating Rate Tranche**" means a Tranche on which the Floating Rate is applied.

"**Framework Agreement**" has the meaning given in Recital (a).

"**GAAP**" means generally accepted accounting principles in the Republic of Moldova.

"**Guide to Procurement**" means the Guide to Procurement published on EIB's website[3] that informs the promoters of projects financed in whole or in part by the EIB of the arrangements to be made for procuring works, goods and services required for the Project.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Illegality Event**" has the meaning given to it in Article 4.3.A(5).

"**ILO**" means the International Labour Organisation.

---

[3] https://www.eib.org/en/publications/guide-to-procurement.htm Please note that the reference is to the version of the Guide to Procurement in force at the time when the relevant procurement process of a contract that is eligible for financing under this Contract begins.

"**ILO Standards**" means any treaty, convention or covenant of the ILO signed and ratified by or otherwise applicable and binding on the Republic of Moldova, and the Core Labour Standards (as defined in the ILO Declaration on Fundamental Principles and Rights at Work).

"**Indemnifiable Prepayment Event**" means a Prepayment Event other than the Non-EIB Financing Prepayment Event or Illegality Event.

"**Interest Revision/Conversion**" means the determination of new financial conditions relative to the interest rate, specifically the same interest rate basis ("**revision**") or a different interest rate basis ("**conversion**") which can be offered for the remaining term of a Tranche or until the next Interest Revision/Conversion Date, if any.

"**Interest Revision/Conversion Date**" means the date, which shall be a Payment Date, specified in the Disbursement Offer.

"**Interest Revision/Conversion Proposal**" means a proposal made by the Bank under Schedule D.

"**Interest Revision/Conversion Request**" means a written notice from the Borrower, delivered at least 75 (seventy-five) days before an Interest Revision/Conversion Date, requesting the Bank to submit to it an Interest Revision/Conversion Proposal. The Interest Revision/Conversion Request shall also specify:

(a) the Payment Dates chosen in accordance with the provisions of Article 3.1;

(b) the amount of the Tranche for which the Interest Revision/Conversion shall apply; and

(c) any further Interest Revision/Conversion Date chosen in accordance with Article 3.1.

"**List of Authorised Signatories and Accounts**" means a list, in form and substance satisfactory to the Bank, setting out:

(a) the Authorised Signatories, accompanied by evidence of signing authority of the persons named on the list and specifying if they have individual or joint signing authority;

(b) the specimen signatures of such persons;

(c) the bank account(s) to which disbursements may be made under this Contract (specified by IBAN code if the country is included in the IBAN Registry published by SWIFT, or in the appropriate account format in line with the local banking practice), BIC/SWIFT code of the bank and the name of the bank account(s) beneficiary, together with evidence that such account(s) have been opened in the name of the beneficiary; and

(d) the bank account(s) from which payments under this Contract will be made by the Borrower (specified by IBAN code if the country is included in the IBAN Registry published by SWIFT, or in the appropriate account format in line with the local banking practice), BIC/SWIFT code of the bank and the name of the bank account(s) beneficiary, together with evidence that such account(s) have been opened in the name of the beneficiary.

"**Loan**" means the aggregate of the amounts disbursed from time to time by the Bank under this Contract.

"**Loan Outstanding**" means the aggregate of the amounts disbursed from time to time by the Bank under this Contract that remains outstanding.

"**Market Disruption Event** means any of the following circumstances:

(a) there are, in the reasonable opinion of the Bank, events or circumstances adversely affecting the Bank's access to its sources of funding;

(b) in the reasonable opinion of the Bank, funds are not available from the Bank's ordinary sources of funding in order to adequately fund a Tranche in the relevant currency and/or for the relevant maturity and/or in relation to the reimbursement profile of such Tranche; or

(c) in relation to a Floating Rate Tranche:

  (i) the cost to the Bank of obtaining funds from its sources of funding, as determined by the Bank, for a period equal to the Floating Rate Reference Period of such Tranche (i.e. in the money market) would be in excess of the applicable Relevant Interbank Rate; or

(ii) the Bank determines that adequate and fair means do not exist for ascertaining the applicable Relevant Interbank Rate for the relevant currency of such Tranche.

"**Material Adverse Change**" means, any event or change of condition, which, in the opinion of the Bank has a material adverse effect on:

(a) the ability of the Borrower or the Promoter to perform its obligations under this Contract;

(b) the business, operations, property, condition (financial or otherwise) or prospects of the Borrower or the Promoter; or

(c) the legality, validity or enforceability of, or the effectiveness of the rights or remedies of the Bank under this Contract or any agreement creating Security in favour of the Bank in relation with this Contract.

"**Maturity Date**" means the last Repayment Date of a Tranche specified pursuant to Article 4.1.A(b)(iv) or the sole Repayment Date of a Tranche specified pursuant to Article 4.1.B.

"**MoE**" has the meaning given to it in recital (e).

"**Money Laundering**" means:

(a) the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action;

(b) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from criminal activity or from an act of participation in such activity;

(c) the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such activity; or

(d) participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing points.

"**New York Convention**" has the meaning given to it in Recital (c).

"**NDICI-GE Regulation**" means Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe.

"**Non-EIB Financing**" has the meaning given to it in Article 4.3.A(2).

"**Non-EIB Financing Prepayment Event**" has the meaning given to it in Article 4.3.A(2).

"**Payment Account**" means the bank account from which payments under this Contract will be made by the Borrower, as set out in the most recent List of Authorised Signatories and Accounts.

"**Payment Date**" means the annual, semi-annual or quarterly dates specified in the Disbursement Offer until and including the Interest Revision/Conversion Date, if any, or the Maturity Date, save that, in case any such date is not a Relevant Business Day, it means:

(a) for a Fixed Rate Tranche either:

(i) the following Relevant Business Day, without adjustment to the interest due under Article 3.1; or

(ii) the preceding Relevant Business Day with adjustment (but only to the amount of interest due under Article 3.1 that accrued over the last interest period), in case repayment of principal is made in a single instalment in accordance with Schedule D point C or Article 4.1.B; and

(b) for a Floating Rate Tranche, the following Relevant Business Day in that month, or, failing that, the nearest preceding Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.1.

"**Prepayment Amount**" means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.2.A or Article 4.3.A, as applicable.

"**Prepayment Date**" means the date, as requested by the Borrower and agreed by the Bank or indicated by the Bank (as applicable) on which the Borrower shall effect prepayment of a Prepayment Amount.

"**Prepayment Event**" means any of the events described in Article 4.3.A.

"**Prepayment Indemnity**" means in respect of any principal amount to be prepaid, the amount communicated by the Bank to the Borrower as the present value (calculated as of the Prepayment Date) of the excess, if any, of:

(a) the interest that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not prepaid; over

(b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate, applied as of each relevant Payment Date.

"**Prepayment Notice**" means a written notice from the Bank to the Borrower in respect of prepayment of a Fixed Rate Tranche and/or a Floating Rate Tranche in accordance with Article 4.2.C, specifying the Prepayment Amount, the Prepayment Date, the accrued interest due, the fee under Article 4.2.D, if any, and in respect of Fixed Rate Tranches only, the Prepayment Indemnity, if any, due on the Prepayment Amount.

"**Prepayment Offer**" means a written notice from the Bank to the Borrower in accordance with Article 4.2.C.

"**Prepayment Request**" means a written request from the Borrower to the Bank to prepay all or part of the Loan Outstanding, in accordance with Article 4.2.A.

"**Prohibited Conduct**" means any Financing of Terrorism, Money Laundering or Prohibited Practice.

"**Prohibited Practice**" means any:

(a) Coercive Practice, meaning the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party;

(b) Collusive Practice, meaning an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(c) Corrupt Practice, meaning the offering, giving, receiving or soliciting, directly or indirectly, of anything of value by a party to influence improperly the actions of another party;

(d) Fraudulent Practice, meaning any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial (including, for the avoidance of taxation related) or other benefit or to avoid an obligation;

(e) Obstructive Practice, meaning in relation to an investigation into a Coercive, Collusive, Corrupt or Fraudulent Practice in connection with this Loan or the Project, (a) destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators, with the intent to impede the investigation; (b) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (c) acts intending to impede the exercise of the EIB Group's contractual rights of audit or inspection or access to information;

(f) Tax Crime, meaning all offences, including tax crimes relating to direct taxes and indirect taxes and as defined in the national law of Republic of Moldova, which are punishable by deprivation of liberty or a detention order for a maximum of more than one year;

(g) Misuse of EIB Group Resources and Assets, meaning any illegal activity committed in the use of the EIB Group's resources or assets (including the funds lent under this Contract) knowingly or recklessly; or

(h) any other illegal activity that may affect the financial interests of the European Union, according to the applicable laws.

"**Project**" has the meaning given to it in Recital (e).

"**Project Cost Reduction Event**" has the meaning given to it in Article 4.3.A(1).

"**Project Implementation Unit**" or "**PIU**" means the dedicated project management team established by the Promoter responsible for coordinating and managing the implementation of the Project, including each and all of the Components and Sub-Projects, until Project completion, with staff, resources and competences satisfactory for the Bank.

"**Promoter**" has the meaning given to it in Recital (f).

"**Reallocation**" means a re-assignment of the EIB Allocation by the Borrower or the Promoter from a Sub-Project already approved by the Bank on the terms of the Allocation Letter and the Side Letter towards financing of another Sub-Project, which satisfy the eligibility criteria set out in the Technical Description and which satisfy the terms and conditions set out in the Side Letter and the Allocation Letter and on the terms and conditions of the allocation procedures set out in Article 1.10 and "**Reallocate**" shall be construed accordingly.

"**Redeployment Rate**" means the fixed annual rate determined by the Bank, being a rate which the Bank would apply on the day of the indemnity calculation to a loan that has the same currency the same terms for the payment of interest and the same repayment profile to the Interest Revision/Conversion Date, if any, or the Maturity Date as the Tranche in respect of which a prepayment or cancellation is proposed or requested to be made. Such rate shall not be of negative value.

"**Relevant Business Day**" means a day on which real time gross settlement system operated by the Eurosystem (T2), or any successor system, is open for settlement of payments in EUR.

"**Relevant Interbank Rate**" means EURIBOR.

"**Relevant Party**" has the meaning given to it in Article 8.3.

"**Relevant Person**" means, with respect to the Borrower, the Promoter and the Contractors, which is:

(a) a sovereign counterparty, any ministries, other central executive government bodies, or other governmental sub-divisions or any of their officials or representatives, or any other person acting for any of them, on its behalf, or under its control, having the authority to manage and/or supervise the Credit, the Loan or the Project;

(b) a public authority counterparty, any official or representative, or any other person acting for it, on its behalf, or under its control, having the authority to manage and/or supervise the Credit, the Loan or the Project; and

(c) a corporate counterparty, any member of its management bodies, or any person acting for it, on its behalf, or under its control, having the power to give directions and/or exercise control with respect to the Credit, the Loan or the Project.

"**Repayment Date**" shall mean each of the Payment Dates specified for the repayment of the principal of a Tranche in the Disbursement Offer, in accordance with Article 4.1.

"**Requested Deferred Disbursement Date**" has the meaning given to it in Article 1.5.A(1)(a)(ii).

"**Sanctioned Person**" means any individual or entity (for the avoidance of doubt, the term entity includes, but is not limited to, any government, group or terrorist organisation) who is a designated target of, or who is otherwise a subject of, Sanctions (including, without limitation, as a result of being owned or otherwise controlled, directly or indirectly, by any individual or entity, who is a designated target of, or who is otherwise a subject of, Sanctions).

"**Sanctions**" means the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, in particular, but not limited to, measures in relation

to the financing of terrorism) enacted, administered, implemented or enforced from time to time by any of the following:

(a) the United Nations including, *inter alia*, the United Nations Security Council;

(b) the European Union including, *inter alia*, the Council of the European Union and the European Commission, and any other competent bodies/institutions or agencies of the European Union;

(c) the government of the United States of America, and any department, division, agency, or office thereof, including, *inter alia*, the Office of Foreign Asset Control (OFAC) of the United States Department of the Treasury, the United States Department of State and/or the United States Department of Commerce; and

(d) the government of the United Kingdom, and any department, division, agency, office or authority including, *inter alia*, the Office of Financial Sanctions Implementation of His Majesty's Treasury and the Department for International Trade of the United Kingdom.

"**Scheduled Disbursement Date**" means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.2.B, which shall be a Relevant Business Day falling at least 10 (ten) days after the date of the Disbursement Offer and on or before the Final Availability Date.

"**Security**" means any mortgage, pledge, lien, charge, assignment, hypothecation, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Side Letter**" means any side letter entered into between the Parties in relation to any Sub-Project and setting any specific requirements or obligations that the Promoter and/or any Contractor (as the case may be) has to comply with, or any conditions applicable to the Sub-Projects, in each case, without prejudice to any requirements, obligations or conditions set out in this Contract or any Allocation Letter.

"**Social Law**" means:

(a) EU law, including principles and standards save for any derogation accepted by the Bank for the purpose of this Contract based on any agreement between the Republic of Moldova and the EU;

(b) Moldovan national laws and regulations;

(c) international treaties and conventions signed and ratified by or otherwise applicable and binding on, the Republic of Moldova;

(d) any ILO Standards;

in each case of which a principal objective is the protection or improvement of Social Matters; and

(e) any United Nations treaty, convention or covenant on human rights signed and ratified by or otherwise applicable and binding on the Republic of Moldova.

"**Social Matters**" means all, or any of, the following:

(a) labour and working conditions;

(b) occupational health and safety;

(c) rights and interests of vulnerable groups;

(d) rights and interests of indigenous peoples;

(e) gender equality;

(f) public health, safety and security;

(g) avoidance of forced evictions and alleviation of hardship arising from involuntary resettlement; and

(h) stakeholder engagement.

"**Spread**" means the fixed spread (being of either positive or negative value) to EURIBOR as determined by the Bank and notified to the Borrower in the relevant Disbursement Offer or in the Interest Revision/Conversion Proposal.

"**Sub-Project**" means each investment, in respect of which the Borrower and the Promoter seek financing under this Contract, that is undertaken by the Promoter under any of the Components for the implementation of the Project and that complies with the Technical Description set out in Schedule A and with the other provisions of this Contract.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Technical Description**" has the meaning given to it in Recital (e).

"**Tranche**" means each disbursement made or to be made under this Contract. In case no Disbursement Acceptance has been received, Tranche shall mean a Tranche as offered under Article1.2.B.

ARTICLE 1

Credit and Disbursements

1.1 Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, a credit in an amount of EUR 200,000,000.00 (two hundred million euros) for the financing of the Project (the "**Credit**").

1.2 Disbursement procedure

1.2.A Tranches

The Bank shall disburse the Credit in up to 20 (twenty) Tranches. The amount of each Tranche shall be in a minimum amount of EUR 10,000,000.00 (ten million euro) or (if less) the entire undrawn balance of the Credit.

The Bank shall not be required to send to the Borrower more than 1 (one) Disbursement Offer per calendar month. The Bank shall not be required to disburse more than 1 (one) Tranche per calendar month.

1.2.B Disbursement Offer

Upon request by the Borrower and subject to Article 1.4.A, provided that no event mentioned in Article 1.6.B has occurred and is continuing, the Bank shall send to the Borrower within 5 (five) Business Days after the receipt of such request a Disbursement Offer for the disbursement of a Tranche. The latest time for receipt by the Bank of such Borrower's request is 15 (fifteen) Business Days before the Final Availability Date. The Disbursement Offer shall include information as set out in Schedule C.

The Parties agree that a Disbursement Offer may be issued by the Bank as an unsigned document and in such case shall be considered validly executed and delivered on behalf of the Bank provided that such Disbursement Offer is sent by email from the following e-mail address EIB-FirmDisbursementOffer@eib.org to the e-mail address of the Borrower indicated in Article 12.1.B.

1.2.C Disbursement Acceptance

The Borrower may accept a Disbursement Offer by delivering a Disbursement Acceptance to the Bank no later than the Disbursement Acceptance Deadline, to be followed by registered letter in accordance with Article 12.1.A. The Disbursement Acceptance shall be signed by an Authorised Signatory with individual representation right or two or more Authorised Signatories with joint representation right and shall specify the Disbursement Account to which the disbursement of the Tranche should be made in accordance with Article 1.2.D.

If a Disbursement Offer is duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline, the Bank shall make the Accepted Tranche available to the Borrower in accordance with the relevant Disbursement Offer and subject to the terms and conditions of this Contract.

The Borrower shall be deemed to have refused any Disbursement Offer which has not been duly accepted in accordance with its terms on or before the Disbursement Acceptance Deadline.

The Bank may rely on the information set out in the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower. If a Disbursement Acceptance is signed by a person defined as Authorised Signatory under the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower, the Bank may assume that such person has the power to sign and deliver in the name and on behalf of the Borrower such Disbursement Acceptance.

1.2.D Disbursement Account

Disbursement shall be made to the Disbursement Account specified in the relevant Disbursement Acceptance provided that such Disbursement Account is acceptable to the Bank.

Notwithstanding Article 5.2(e), the Borrower acknowledges that payments to a Disbursement Account notified by the Borrower shall constitute disbursements under this Contract as if they had been made to the Borrower's own bank account.

Only one Disbursement Account may be specified for each Tranche.

1.3 Currency of disbursement

The Bank shall disburse each Tranche in EUR.

1.4 Conditions of disbursement

1.4.A Condition precedent to the first request for Disbursement Offer

The Bank shall have received from the Borrower in form and substance satisfactory to the Bank:

(a) evidence that the execution of this Contract by the Borrower and the Promoter has been duly authorised and that the person or persons signing this Contract on behalf of the Borrower and the Promoter are duly authorised to do so together with the specimen signature of each such person or persons; and

(b) the List of Authorised Signatories and Accounts,

prior to requesting a Disbursement Offer under Article 1.2.B by the Borrower. Any request for a Disbursement Offer made by the Borrower without the above documents having been received by the Bank and to its satisfaction shall be deemed not made.

1.4.B First Tranche

The disbursement of the first Tranche under Article 1.2 is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 7 (seven) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively), of the following documents or evidence:

(a) evidence that the Borrower and the Promoter have obtained all necessary Authorisations, required in connection with this Contract and the Project or, if none is required, a declaration from the Borrower and the Promoter, signed by a person or persons duly authorised to act on behalf of the Borrower and the Promoter that no Authorisation is required in connection with this Contract and the Project;

(b) 2 (two) originals of this Contract duly executed by the Bank, the Borrower and the Promoter;

(c) an original of the legal opinion in the English language issued by the Ministry of Justice of the Republic of Moldova, supported by copies of the documents, confirming among others that:

(i) the execution of this Contract by the Borrower has been duly authorised;

(ii) the person or persons signing this Contract on behalf of the Borrower is/are duly authorised to do so, together with the specimen signature of such person or persons;

(iii) this Contract is duly ratified by the Parliament of the Republic of Moldova in accordance with the applicable laws of the Republic of Moldova;

(iv) the Borrower has obtained all necessary Authorisations required, in connection with this Contract and the Project; and

(v) the legal, valid, binding and enforceable nature of the Borrower's obligations under this Contract;

(d) an original of the legal opinion under Moldovan law in the English language issued by legal counsel acceptable to the Bank and addressed to the Bank with respect to the Promoter confirming, among others:

(i) the legal capacity and due authorisation of the Promoter to enter into this Contract;

(ii) the due execution of this Contract by the Promoter; and

(iii) the legal, valid, binding and enforceable nature of the Promoter's obligations under this Contract;

(e) any necessary exchange control consents shall have been obtained to permit receipt of disbursements hereunder, repayment of the same and payment of interest and all other amounts due hereunder; such consents must extend to the opening and maintenance of the accounts to which disbursement of the Credit is directed;

(f) to the extent the Bank has not issued an Allocation Letter in respect of an EIB Allocation that is proposed to be financed by the first Tranche in accordance with paragraph (d) of Article 1.10.B, evidence that the amount of the first Tranche does not exceed 15% (fifteen per cent) of the Credit;

(g) the Bank has received and is satisfied with:

(i) the draft project implementation manual, organigram/governance structure of the Project Implementation Unit, and terms of references for selection of PIU experts, covering technical, financial, economic, environmental, social, procurement, governance, and operational matters of the project;

(ii) the draft procurement strategy, procurement plan for the overall investment programme, and procurement plan for the first two years of Project implementation;

(iii) the draft results framework, including key performance indicators for the investment programme, and a mechanism for monitoring, reporting and verification;

(iv) the draft climate change risk and vulnerability assessment strategy/procedure;

(v) the outcomes of the strategic environmental assessment for the investment programme, in line with national law and the EU Laws;

(h) evidence of payment of the up-front fee pursuant to Article 1.8 in full.

1.4.C Subsequent Tranches

Without prejudice to the conditions precedent required in respect of all Tranches set out in Article 1.4.D (*All Tranches*), the disbursement of each Tranche under Article 1.2, subsequent to the first disbursement, is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 7 (seven) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively), of evidence in writing demonstrating that:

(a) for all Tranches, disbursement of which amounts up to 90% (ninety per cent.) of the Credit, either:

(A) the amount of the Tranche to be disbursed does not exceed 10% of the Credit and (i) 80% (eighty per cent) of the proceeds of all previously disbursed Tranches have been allocated to eligible Sub-Projects, as evidenced by Allocation Letters issued by the Bank; or (ii) 50% (fifty per cent) of the proceeds of all previously disbursed Tranches have been effectively paid out towards any expenditure incurred with respect to any allocated Sub-Project; or

(B) 100% (one hundred percent) of the proceeds of all previously disbursed Tranches and the Tranche to be disbursed have been allocated to eligible Sub-Projects, as evidenced by Allocation Letters issued by the Bank.

(b) for all Tranches, disbursement of which amounts to the last 10% (ten per cent) of the Credit:

(i) 100% (one hundred percent) of the proceeds of all previously disbursed Tranches have been allocated to eligible Sub-Projects, as evidenced by Allocation Letters issued by the Bank; and

(ii) a list of Sub-Projects expected to be allocated under each such Tranche is submitted to the Bank.

1.4.D All Tranches

The disbursement of each Tranche under Article 1.2, including the first, is subject to the following conditions:

(a) that the Bank has received, in form and substance satisfactory to it, on or before the date falling 7 (seven) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:

(i) 2 (two) originals of the relevant Side Letter duly signed by the Bank, the Borrower and the Promoter in respect of the Sub-Project(s) and if requested by the Bank, evidence that the execution of the Side Letter by the Borrower and the Promoter has been duly authorised and that the person or persons signing this Side Letter on behalf of the Promoter are duly authorised to do so together with the specimen signature of each such person or persons;

(ii) evidence demonstrating that the borrowing of the total amount of all Tranches disbursed during the current fiscal year, including the Tranche requested to be disbursed, has been approved and included in the sovereign debt of the Borrower for the relevant fiscal year;

(iii) a certificate from the Borrower in the form of Schedule E signed by an authorised representative of the Borrower and dated no earlier than the date falling 15 (fifteen) days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively);

(iv) evidence demonstrating that, following drawdown of the relevant Tranche, the amount of the Loan will not exceed the aggregate Eligible Expenditure incurred or contractually committed by the Borrower in respect of the Project up to the date of the relevant Disbursement Offer;

(v) a copy of any other authorisation or other document, opinion or assurance which the Bank has notified the Borrower is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, this Contract;

(vi) evidence that the Promoter has not committed (and will not commit) or applied any proceeds of the Loan towards the Sub-Projects requiring an Environmental and Social Impact Assessment Study and/or biodiversity assessment in accordance with the laws and regulations of Moldova and the Environmental and Social Standards, without receiving the consent from the competent authority and having submitted to the Bank the outcome of the Environmental and Social Impact Assessment Study process;

(vii) evidence that none of the Sub-Projects has any negative impact on biodiversity or that the appropriate mitigation measures have been taken and are in place in accordance with the applicable national laws on forests and biodiversity, and in line with relevant EU legislation including the EU Biodiversity Strategy, Habitats Directive 92/43/EEC, Birds Directive 2009/147/EC;

(b) that on the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, on the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche:

(i) the representations and warranties which are repeated pursuant to Article 6.15 are correct in all respects; and

(ii) no event or circumstance which constitutes or would with the passage of time or the giving of notice or the making of any determination under this Contract constitute (or any combination of the foregoing):

(1) an Event of Default; or

(2) a Prepayment Event,

has occurred and is continuing unremedied or unwaived or would result from the disbursement of the proposed Tranche.

1.4.E Side Letter

The disbursement of each Tranche under Article 1.2, including the first Tranche, is further subject to the conditions set out in each relevant Side Letter.

1.5 Deferment of disbursement

1.5.A Grounds for deferment

1.5.A(1) BORROWER'S REQUEST

(a) The Borrower may send a written request to the Bank requesting the deferral of the disbursement of an Accepted Tranche. The written request must be received by the Bank at least 7 (seven) Business Days before the Scheduled Disbursement Date of the Accepted Tranche and specify:

(i) whether the Borrower would like to defer the disbursement in whole or in part and if in part, the amount to be deferred; and

(ii) the date until which the Borrower would like to defer a disbursement of the above amount (the "**Requested Deferred Disbursement Date**"), which must be a date falling not later than:

(1) 6 (six) months from its Scheduled Disbursement Date;

(2) 30 (thirty) days prior to the first Repayment Date; and

(3) the Final Availability Date.

(b) Upon receipt of such a written request, the Bank shall defer the disbursement of the relevant amount until the Requested Deferred Disbursement Date.

1.5.A(2) FAILURE TO SATISFY CONDITIONS TO DISBURSEMENT

(a) The disbursement of an Accepted Tranche shall be deferred if any condition for disbursement of such Accepted Tranche referred to in Article 1.4 is not fulfilled both:

(i) at the date specified for fulfilment of such condition in Article 1.4; and

(ii) at its Scheduled Disbursement Date (or, where the Scheduled Disbursement Date has been deferred previously, the date expected for disbursement).

(b) The Bank and the Borrower shall agree the date until which the disbursement of such Accepted Tranche shall be deferred (the "**Agreed Deferred Disbursement Date**"), which must be a date falling:



(i) not earlier than 7 (seven) Business Days following the fulfilment of all conditions of disbursement; and

(ii) not later than the Final Availability Date.

(c) Without prejudice to the Bank's right to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.6.B, the Bank shall defer disbursement of such Accepted Tranche until the Agreed Deferred Disbursement Date.

1.5.A(3) DEFERMENT FEE

If disbursement of an Accepted Tranche is deferred pursuant to paragraphs 1.5.A(1) or 1.5.A(2) above, the Borrower shall pay the Deferment Fee.

1.5.B Cancellation of a disbursement deferred by 6 (six) months

If a disbursement has been deferred by more than 6 (six) months in aggregate pursuant to Article 1.5.A, the Bank may notify the Borrower in writing that such disbursement shall be cancelled and such cancellation shall take effect on the date of such written notification. The amount of the disbursement which is cancelled by the Bank pursuant to this Article 1.5.B shall remain available for disbursement under Article 1.2.

1.6 Cancellation and suspension

1.6.A Borrower's right to cancel

(a) The Borrower may send a written notice to the Bank requesting a cancellation of the undisbursed Credit or a portion thereof.

(b) In its written notice, the Borrower:

(i) must specify whether the Credit shall be cancelled in whole or in part and, if in part, the amount of the Credit to be cancelled; and

(ii) must not request any cancellation of an Accepted Tranche, which has a Scheduled Disbursement Date falling within 7 (seven) Business Days of the date of such written notice.

(c) Upon receipt of such written notice, the Bank shall cancel the requested portion of the Credit with immediate effect.

1.6.B Bank's right to suspend and cancel

(a) At any time upon the occurrence of the following events, the Bank may notify the Borrower in writing that the undisbursed portion of the Credit shall be suspended and/or cancelled in whole or in part:

(i) a Prepayment Event;

(ii) an Event of Default;

(iii) an event or circumstance which would with the passage of time or the giving of notice or the making of any determination under this Contract (or any combination of the foregoing) constitute a Prepayment Event or an Event of Default; or

(iv) a Market Disruption Event provided the Bank has not received a Disbursement Acceptance.

(b) On the date of such written notification from the Bank the relevant portion of the Credit shall be suspended and/or cancelled with immediate effect. Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

1.6.C Indemnity for suspension and cancellation of a Tranche

1.6.C(1) SUSPENSION

If the Bank suspends an Accepted Tranche upon the occurrence of an Indemnifiable Prepayment Event or an Event of Default or of an event or circumstance which would (with the

passage of time or the giving of notice or the making of any determination under this Contract or any combination of the foregoing) constitute an Indemnifiable Prepayment Event or an Event of Default, the Borrower shall pay to the Bank the Deferment Fee calculated on the amount of such Accepted Tranche.

1.6.C(2) CANCELLATION

(a) If an Accepted Tranche which is a Fixed Rate Tranche (the **"Cancelled Tranche"**) is cancelled:

(i) by the Borrower pursuant to Article 1.6.A; or

(ii) by the Bank upon an Indemnifiable Prepayment Event or an event or circumstance which would (with the passage of time or the giving of notice or the making of any determination under this Contract or any combination of the foregoing) constitute an Indemnifiable Prepayment Event or upon the occurrence of a Material Adverse Change or pursuant to Article 1.5.B,

the Borrower shall pay to the Bank an indemnity on such Cancelled Tranche.

(b) Such indemnity shall be:

(i) calculated assuming that the Cancelled Tranche had been disbursed and repaid on the same Scheduled Disbursement Date or, to the extent the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice; and

(ii) in the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of cancellation) of the excess, if any, of:

(1) the interest that would accrue thereafter on the Cancelled Tranche over the period from the date of cancellation pursuant to this Article 1.6.C(2), to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not cancelled; over

(2) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate applied as of each relevant Payment Date of the applicable Tranche.

(c) If the Bank cancels any Accepted Tranche upon the occurrence of an Event of Default, the Borrower shall indemnify the Bank in accordance with Article 10.3.

1.7 Cancellation after expiry of the Credit

On the day following the Final Availability Date, unless otherwise specifically notified in writing by the Bank to the Borrower, any part of the Credit in respect of which no Disbursement Acceptance has been received in accordance with Article 1.2.C shall be automatically cancelled, without any further notice from the Bank to the Borrower and without any liability arising on the part of either Party.

1.8 Up-front fee

The Borrower shall pay or cause to be paid to the Bank within 30 (thirty) days of the Date of Effectiveness an up-front fee in an amount of EUR 50,000.00 (fifty thousand euro).

1.9 Sums due under Articles 1.5 and 1.6

Sums due under Articles 1.5 and 1.6 shall be payable:

(a) in EUR; and

(b) within 15 (fifteen) days of the Borrower's receipt of the Bank's demand or within any longer period specified in the Bank's demand.

1.10 **Allocation**

The Borrower shall allocate the Credit during the Allocation Period to the Sub-Projects identified as eligible for financing pursuant to the Eligibility Criteria and in accordance with the provisions of this Contract.

1.10.A Submission of Allocation Proposals

(a) Between the date when this Contract becomes effective and the date falling 6 (six) months before the Final Availability Date (the "**Allocation Period**"), the Borrower shall submit for approval to the Bank one or more allocation proposals in respect of the Sub-Projects prepared by it (each, an "**Allocation Proposal**"), in respect of which the Borrower seeks financing under this Contract.

(b) Each Allocation Proposal shall be made in accordance with Schedule A of this Contract supported by a project fiche in the form set out in the tables in section A.3 of the Schedule A which shall contain information on technical, environmental and economical criteria, the procurement plan, executive summary of the Environmental and Social Impact Assessment Study and the assessment of impact on areas of nature conservation where applicable, as well as any additional relevant information as required by the Bank.

(c) The Borrower shall ensure that the Sub-Projects included in the Allocation Proposals comply with the Eligibility Criteria.

(d) The amount of each Allocation Proposal in respect of any Sub-Project under the Component 1 and the Component 3 shall be at least EUR 10,000,000 (ten million euro) but less than EUR 50,000,000 (fifty million euro). The amount of each Allocation Proposal in respect of any Sub-Project under the Component 2 shall be at least EUR 50,000,000 (fifty million euro) or above. Any Allocation Proposal that fails to comply with the requirements in this paragraph (d) shall be deemed not received by the Bank.

1.10.B Allocation Approval Process

(a) If the relevant Allocation Proposal meets the requirements set out in Article 1.10A above, the Bank shall appraise the Sub-Project(s) included in the Allocation Proposal in conformity with Schedule A.1 and the other provisions of this Contract. The Bank may request, and if so the Borrower shall provide, additional information and documents in respect of any of the Sub-Project(s) included in the relevant Allocation Proposal, which the Bank may deem at its sole discretion necessary or convenient to appraise the relevant Sub-Project(s).

(b) If the Bank determines at its sole discretion that a Sub-Project included in the Allocation Proposal complies with the requirements of Article 1.9.A above and of other provisions of this Contract (including, without limitation, the Technical Description), the Bank shall issue a letter of allocation (the "**Allocation Letter**") which shall confirm the following:

(i) which Sub-Project(s) have been approved;
(ii) the portion of the Credit (or the Loan, as the case be) which the Bank has allocated to any so approved Sub-Project (each such portion being an "**EIB Allocation**");
(iii) the technical description of such Sub-Project;
(iv) any specific project related conditions required by the Bank in respect of the relevant Sub-Project;
(v) if applicable, any specific undertakings or condition to be complied with by the Borrower, the Promoter or the Contractors in addition to those set out in this Contract.

(c) The Bank will attach a Side Letter to each Allocation Letter in respect of the EIB Allocation(s). The Promoter may accept the Side Letter by delivering to the Bank duly signed Side Letter. The Parties agree that any Allocation Letter and any EIB Allocation approved thereunder shall be subject to the condition that the Bank receives the Side

Letter(s) duly signed by two authorised signatories of the Promoter, in form and substance satisfactory to the Bank.

(d) Notwithstanding paragraphs (a), (b) and (c) above, in respect of the first Tranche only, and provided that the amount of the first Tranche does not exceed EUR 30,000,000,00 (thirty million euro), the Borrower may request the disbursement of the first Tranche without being subject to the requirements under paragraphs (a),(b) and (c) above if all conditions under Article 1.4 and the Side Letter in respect of the requested Tranche are fulfilled to the satisfaction of the Bank and subject to the terms of this Contract. In such case, the Bank will deliver the Side Letter to the Promoter after it receives the Borrower's request under Article 1.2.B above in relation to the Disbursement Offer. The Promoter may accept the Side Letter by delivering to the Bank the Side Letter duly signed by two authorised signatories of the Promoter.

1.11 Reallocation Procedure

1.11.A Reallocation at the request of the Borrower

During the Allocation Period, the Borrower may, by providing written notice to the Bank, request that any portion of the original EIB Allocation is re-allocated to another Sub-Project. In such case, the Borrower shall:

(a) include in the re-allocation notice submitted to the Bank:

(i) the reasons for the requested Reallocation;

(ii) the amount of the Credit to be subject to the Reallocation; and

(b) issue an Allocation Proposal for such Sub-Project(s) in accordance with the terms and conditions set out in Article 1.10.A above.

The Bank may request, and if so the Borrower shall provide, additional information and documents which the Bank may reasonable deem at its discretion necessary or convenient for the requested Reallocation and to appraise the relevant Sub-Project(s).

If the Bank determines at its sole discretion that the Reallocation complies with the provisions of this Contract, the Bank shall notify it to the Borrower and/or the Promoter in writing by means of an Allocation Letter. Paragraphs (b) and (c) of Article 1.10.B above shall apply.

If a Reallocation is not possible or possible only in part, the Bank may, in proportion to the amount not Reallocated, by notice to the Borrower, cancel the Credit and/or demand prepayment of the Loan pursuant to Article 4.2.

1.11.B Reallocation in connection with the ineligibility of a Sub-Project

If, at any time, any of the following events occurs:

(a) an allocated Sub-Project ceases to be eligible to be financed by the Bank under the rules, policies and procedures of the Bank;

(b) an allocated Sub-Project or a Contractor ceases to comply with any of the Eligibility Criteria, or with any other provisions of this Contract, the Side Letter or a Allocation Letter;

(c) the construction, operation or implementation of an allocated Sub-Project is abandoned, cancelled or suspended by the Borrower, the Promoter or any Contractor;

(d) it is ascertained, after the relevant Allocation Letter has been issued by the Bank, that any information or document in respect of an allocated Sub-Project or a Contractor given to the Bank as part of the Allocation Proposal, or any representation or statement made therein in respect of an allocated Sub-Project or any Contractor, is or proves to have been incorrect, incomplete, inaccurate or misleading such that the Bank is of the opinion that it has had an impact on the Bank's assessment of eligibility of the relevant allocated Sub-Project or any Contractor (as the case may be) and, had the correct, complete and accurate information been delivered or representation been made, such allocated Sub-Project or any Contractor (as the case may be) would not have been approved by the Bank under the terms of the Allocation Letter;

(e) the eligible costs of any Sub-Project (as such costs are defined in the project fiches in section A.3 of the Schedule A) have been reduced to the extent that the amount of the EIB Allocation made to any such Sub-Project exceeds the amount eligible under Schedule A;

(f) the Borrower has notified the Bank of, or the Bank has notified the Borrower after it has become aware of, any fact, which in the judgement of the Borrower, the Promoter or the Bank, as the case may be, may substantially prejudice or affect the conditions of execution or operation of an Sub-Project; or

(g) a Contractor is a Sanctioned Person or it is in breach of any Sanctions; or

(h) a Contractor is not in compliance with the provisions of the relevant contracts, implementing Article 6.7 below; or

(i) a Sub-Project is or becomes affected by a Prohibited Conduct,

then the affected Sub-Project(s) shall automatically cease to be eligible to be financed under this Contract and a corresponding part of the original EIB Allocation shall be promptly Reallocated by the Borrower applying *mutatis mutandis* the provisions set out in Articles 1.10.A and 1.10.B, save to the extent that the Borrower voluntarily prepays any corresponding part of the Loan Outstanding pursuant to Article 4.2. The Borrower shall ensure that all such new Sub-Projects conform to the Eligibility Criteria and to the terms and conditions of this Contract applicable to them.

Such new Allocation Proposal(s) shall be presented to the Bank for approval and shall satisfy the conditions in, and shall be subject to the provisions of, Articles 1.10.A and 1.10.B above.

If the Reallocationis not possible or possible only in part, the Bank may in proportion to the amount not Reallocated, by notice to the Borrower, cancel the Credit and/or demand prepayment of the Loan pursuant to Article 4.2.

ARTICLE 2

The Loan

2.1 Amount of Loan

The Loan shall comprise the aggregate amount of Tranches disbursed by the Bank under the Credit, as confirmed by the Bank pursuant to Article 2.3.

2.2 Currency of payments

The Borrower shall pay interest, principal and other charges payable in respect of each Tranche in the currency in which such Tranche was disbursed.

Other payments, if any, shall be made in the currency specified by the Bank having regard to the currency of the expenditure to be reimbursed by means of that payment.

2.3 Confirmation by the Bank

The Bank shall deliver to the Borrower the amortisation table referred to in Article 4.1, if any, showing the Disbursement Date, the currency, the amount disbursed, the repayment terms and the interest rate for each Tranche, not later than 10 (ten) calendar days after the Scheduled Disbursement Date for such Tranche.

ARTICLE 3

Interest

3.1 Rate of interest

3.1.A Fixed Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Fixed Rate Tranche at the Fixed Rate quarterly, semi-annually or annually in arrear on the relevant Payment Dates as specified in the Disbursement Offer, commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

Interest shall be calculated on the basis of Article 5.1(a).

3.1.B Floating Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Floating Rate Tranche at the Floating Rate quarterly or semi-annually in arrear on the relevant Payment Dates, as specified in the Disbursement Offer commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

The Bank shall notify the Borrower of the Floating Rate within 10 (ten) days following the commencement of each Floating Rate Reference Period.

If pursuant to Articles 1.5 and 1.6 disbursement of any Floating Rate Tranche takes place after the Scheduled Disbursement Date the Relevant Interbank Rate applicable to the first Floating Rate Reference Period shall be determined, in accordance with Schedule B, for the Floating Rate Reference Period commencing on the Disbursement Date and not the Scheduled Disbursement Date.

Interest shall be calculated in respect of each Floating Rate Reference Period on the basis of Article 5.1(b).

3.1.C Revision or Conversion of Tranches

Where the Borrower exercises an option to revise or convert the interest rate basis of a Tranche, it shall, from the effective Interest Revision/Conversion Date (in accordance with the procedure set out in Schedule D) pay interest at a rate determined in accordance with the provisions of Schedule D.

3.2 Interest on overdue sums

Without prejudice to Article 10 and by way of exception to Article 3.1, if the Borrower fails to pay any amount payable by it under this Contract on its due date, interest shall accrue on any overdue amount payable under the terms of this Contract from the due date to the date of actual payment at an annual rate equal to:

(a) for overdue sums related to Floating Rate Tranches, the applicable Floating Rate plus 2% (200 basis points);

(b) for overdue sums related to Fixed Rate Tranches, the higher of:

  (i) the applicable Fixed Rate plus 2% (200 basis points); or

  (ii) the Relevant Interbank Rate (one month) plus 2% (200 basis points); and

(c) for overdue sums other than under (a) or (b) above, the Relevant Interbank Rate (one month) plus 2% (200 basis points),

and shall be payable in accordance with the demand of the Bank. For the purpose of determining the Relevant Interbank Rate in relation to this Article 3.2(b) and (c), the relevant periods within the meaning of Schedule B shall be successive periods of one (1) month commencing on the due date. Any unpaid but due interest may be capitalised in conformity with article 1154 of the

Luxembourg Civil Code. For the avoidance of doubt, capitalisation of interest shall occur only for interest due but unpaid for a period of more than one year. The Borrower hereby agrees in advance to have the unpaid interest due for a period of more than one year compounded and that as of the capitalisation, such unpaid interest will in turn produce interest at the interest rate set out in this Article 3.2.

Notwithstanding Article 3.2 (c) above, if the overdue sum is in a currency for which no Relevant Interbank Rate is specified in this Contract, the relevant interbank rate, or as determined by the Bank, the relevant risk-free rate that is generally retained by the Bank for transactions in that currency shall apply plus 2% (200 basis points), calculated in accordance with the market practice for such rate.

3.3 Market Disruption Event

If, at any time from the receipt by the Bank of a Disbursement Acceptance in respect of a Tranche until the date falling 20 (twenty) Business Days prior to the Scheduled Disbursement Date for Tranches to be disbursed in EUR, a Market Disruption Event occurs, the Bank may notify the Borrower that this Article 3.3 has come into effect.

The rate of interest applicable to such Accepted Tranche until the Maturity Date or the Interest Revision/Conversion Date if any, shall be the percentage rate per annum which is the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

The Borrower shall have the right to refuse in writing such disbursement within the deadline specified in the notice and shall bear charges incurred as a result, if any, in which case the Bank shall not effect the disbursement and the corresponding portion of the Credit shall remain available for disbursement under Article 1.2. If the Borrower does not refuse the disbursement in time, the Parties agree that the disbursement in EUR and the conditions thereof shall be fully binding for all Parties. The Spread or Fixed Rate previously accepted by the Borrower shall no longer be applicable.

ARTICLE 4
Repayment

4.1 Normal repayment

4.1.A Repayment by instalments

(a) The Borrower shall repay each Tranche by instalments on the Repayment Dates specified in the relevant Disbursement Offer in accordance with the terms of the amortisation table delivered pursuant to Article 2.3.

(b) Each amortisation table shall be drawn up on the basis that:

(i) in the case of a Fixed Rate Tranche without an Interest Revision/Conversion Date, repayment shall be made quarterly, semi-annually or annually by equal instalments of principal or constant instalments of principal and interest;

(ii) in the case of a Fixed Rate Tranche with an Interest Revision/Conversion Date or a Floating Rate Tranche, repayment shall be made by equal quarterly, semi-annual or annual instalments of principal;

(iii) the first Repayment Date of each Tranche shall fall not earlier than 30 (thirty) days from the Scheduled Disbursement Date and not later than the Repayment Date immediately following the 8th (eight) anniversary of the Scheduled Disbursement Date of the Tranche; and

(iv) the last Repayment Date of each Tranche shall fall not earlier than 4 (four) years and not later than 30 (thirty) years from the Scheduled Disbursement Date.

4.1.B Single instalment

Alternatively, the Borrower shall repay the Tranche in a single instalment on the sole Repayment Date specified in the Disbursement Offer that shall fall not earlier than 3 (three) years and not later than 19 (nineteen) years from the Scheduled Disbursement Date.

4.2 Voluntary prepayment

4.2.A Prepayment option

Subject to Articles 4.2.B, 4.2.C and 4.4, the Borrower may prepay all or part of any Tranche, together with accrued interest and indemnities if any, upon giving a Prepayment Request not earlier than 60 (sixty) and not later than 30 (thirty) calendar days' prior notice specifying:

(a) the Prepayment Amount;

(b) the Prepayment Date;

(c) if applicable, the choice of application method of the Prepayment Amount in line with Article 5.5.C(a); and

(d) the Contract Number.

The Prepayment Request shall be irrevocable.

4.2.B Prepayment indemnity

4.2.B.(1) FIXED RATE TRANCHE

Subject to Article 4.2.B(3) below, if the Borrower prepays a Fixed Rate Tranche, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche which is being prepaid.

4.2.B.(2) FLOATING RATE TRANCHE

Subject to Article 4.2.B(3) below, the Borrower may prepay a Floating Rate Tranche without indemnity.

4.2.B.(3) REVISION/CONVERSION

Prepayment of a Tranche on its Interest Revision/Conversion Date may be effected without indemnity except if the Borrower has accepted pursuant to Schedule D a Fixed Rate under an Interest Revision/Conversion Proposal.

4.2.C Prepayment mechanics

Upon presentation by the Borrower to the Bank of a Prepayment Request in respect of a Fixed Rate Tranche, the Bank shall issue a Prepayment Offer to the Borrower, not later than 15 (fifteen) days prior to the Prepayment Date. The Prepayment Offer shall specify the Prepayment Amount, the Prepayment Date, the accrued interest due thereon, the Prepayment Indemnity payable under Article 4.2.B(1), fee under Article 4.2.D, if any, the method of application of the Prepayment Amount and the deadline by which the Borrower may accept the Prepayment Offer.

If the Borrower accepts the Prepayment Offer no later than by the deadline specified therein, the Bank shall send to the Borrower, no later than 10 (ten) days prior to the relevant Prepayment Date, a Prepayment Notice. If the Borrower does not duly accept the Prepayment Offer, the Borrower may not effect the prepayment in respect of such Fixed Rate Tranche.

Upon presentation by the Borrower to the Bank of a Prepayment Request in respect of a Floating Rate Tranche, the Bank shall issue a Prepayment Notice to the Borrower, not later than 10 (ten) days prior to the Prepayment Date.

The Borrower shall pay the amount specified in the Prepayment Notice on the relevant Prepayment Date.

4.2.D Administrative Fee

If the Bank exceptionally accepts, solely upon the Bank's discretion, a Prepayment Request with prior notice of less than 30 (thirty) calendar days, the Borrower shall pay to the Bank a fee

of EUR 10,000 per each Tranche requested to be prepaid, partly or in full, in consideration of the administrative costs incurred by the Bank in connection with such voluntary prepayment. In such case, the Bank shall not be under an obligation to observe the deadlines to send a Prepayment Offer and/or the Prepayment Notice, as applicable, pursuant to this Contract.

4.3 Compulsory prepayment and cancellation

4.3.A. Prepayment Events

4.3.A.(1) PROJECT COST REDUCTION EVENT

(a) The Borrower shall promptly inform the Bank if a Project Cost Reduction Event has occurred or is likely to occur. At any time after the occurrence of a Project Cost Reduction Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding up to the amount by which the Credit exceeds the limits referred to in paragraph (c) below together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.

(b) The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date falling not less than 30 (thirty) days from the date of the demand.

(c) For the purpose of this Article, **"Project Cost Reduction Event"** means that the total cost of the Project falls below the figure stated in Recital (g) so that the amount of the Credit exceeds:

(i) 75% (seventy-five per cent); and/or

(ii) when aggregated with the amount of any other funds from the European Union made available for the Project, 90% (ninety per cent),

of such total cost of the Project.

4.3.A.(2) NON-EIB FINANCING PREPAYMENT EVENT

(a) The Borrower shall promptly inform the Bank if a Non-EIB Financing Prepayment Event has occurred or is likely to occur. At any time after the occurrence of a Non-EIB Financing Prepayment Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.

(b) The proportion of the Credit that the Bank may cancel and the proportion of the Loan Outstanding that the Bank may require to be prepaid shall be the same as the proportion that the prepaid amount of the Non-EIB Financing bears to the aggregate outstanding amount of all Non-EIB Financing.

(c) The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

(d) Paragraph (a) does not apply to any voluntary prepayment (or repurchase or cancellation, as the case may be) of a Non-EIB Financing:

(i) made with a prior written consent of the Bank;

(ii) made within a revolving credit facility; or

(iii) made out of the proceeds of any financial indebtedness having a term at least equal to the unexpired term of such Non-EIB Financing prepaid.

(e) For the purposes of this Article:

(i) **"Non-EIB Financing Prepayment Event"** means any case where the Borrower voluntarily prepays (for the avoidance of doubt, such prepayment shall include a voluntary repurchase or cancellation of any creditor's commitment, as the case may be) a part or the whole of any Non-EIB Financing; and

(ii) "**Non-EIB Financing**" means any financial indebtedness (save for the Loan and any other direct financial indebtedness from the Bank to the Borrower), or any other obligation for the payment or repayment of money originally made available to the Borrower for a term of more than 3 (three) years.

4.3.A.(3) CHANGE OF CONTROL

(a) The Borrower shall promptly inform the Bank if a Change-of-Control Event has occurred or is likely to occur. At any time after the occurrence of a Change-of-Control Event, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued or outstanding under this Contract.

In addition, if the Borrower has informed the Bank that a Change-of-Control Event is about to occur, or if the Bank has reasonable cause to believe that a Change-of-Control Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request.

After the earlier of:

(i) the lapse of 30 (thirty) days from the date of such request for consultation, or

(ii) at any time thereafter, upon the occurrence of the anticipated Change-of-Control Event,

the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

(b) For the purposes of this Article:

(i) a "**Change-of-Control Event**" occurs if:

(1) any person having direct or indirect control or holding interest or ownership of the Promoter becomes a Sanctioned Person; or any Sanctioned Person, directly or indirectly, gains control, interest or ownership of the Promoter;

(2) the Borrower ceases to control (directly or indirectly) the Promoter;

(3) the Promoter ceases to be subordinated to the Ministry of Environment of the Republic of Moldova and/or be supervised by Ministry of Environment of the Republic of Moldova for the purpose of the implementation of the Project;

(ii) "**acting in concert**" means acting together pursuant to an agreement or understanding (whether formal or informal);

(iii) "**control**" means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise; and

(c) For the purposes of limb (1) of point (b)(i) above, the words "control", "interest" and "ownership" shall be interpreted as defined by the relevant sanctions authority in relation with the relevant Sanctions.

4.3.A.(4) CHANGE OF LAW EVENT

The Borrower shall promptly inform the Bank if a Change-of-Law Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Change-of-Law Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. If, after the lapse of 30 (thirty) days from the date of such request for consultation, the Bank is of the opinion that:

(a) such Change-of-Law Event would materially impair the Borrower's ability to perform its obligations under this Contract, and

(b) the effects of such Change-of-Law Event cannot be mitigated to its satisfaction,

the Bank may by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article **"Change-of-Law Event"** means the enactment, promulgation, execution or ratification of or any change in or amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation) that occurs after the date of this Contract and which could impair the Borrower's or the Promoter's ability to perform its obligations under this Contract or the Promoter's ability to perform its obligations under any Side Letter.

4.3.A.(5) ILLEGALITY EVENT

Upon becoming aware of an Illegality Event:

(i) the Bank shall promptly notify the Borrower, and

(ii) the Bank may immediately (A) suspend or cancel the undisbursed portion of the Credit, and/or (B) demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract on the date indicated by the Bank in its notice to the Borrower.

For the purposes of this Article, **"Illegality Event"** means that:

(a) it becomes unlawful in any applicable jurisdiction, or it becomes or the Bank has reasonable cause to expect that it may become contrary to any Sanctions, for the Bank to perform any of its obligations as contemplated in this Contract or to fund or maintain the Loan;

(b) the Framework Agreement is or is likely to be:

(A) repudiated by the Republic of Moldova or not binding on the Republic of Moldova in any respect;

(B) not effective in accordance with its terms or is alleged by the Borrower to be ineffective in accordance with its terms.

(C) breached by the Republic of Moldova, in that any obligation assumed by the Republic of Moldova under the Framework Agreement ceases to be fulfilled as regards any financing made to any borrower in the territory of Republic of Moldova from the resources of the Bank, or the EU; or

(D) not applicable to the Project or any invetsments or operations financed by this Contract or the rights of the Bank under the Framework Agreement cannot be enforced in respect of the Project or any invetsments or operations financed by this Contract.

(c) in relation to the EFSD+ DIW1 Guarantee:

(A) it is no longer valid or in full force and effect;

(B) the conditions for cover thereunder are not fulfilled;

(C) it is not effective in accordance with its terms or is alleged to be ineffective in accordance with its terms; or

(D) Republic of Moldova ceases to be an eligible country pursuant to the NDICI-GE Regulation, or any other applicable law or instrument governing EFSD+.

4.3.A.(6) FAILURE TO REALLOCATE

(a) If a Failure to Allocate Event occurs the Bank may by notice to the Borrower demand that the Borrower prepays to the Bank on the date indicated by the Bank in its notice to the Borrower (such date being a date falling not less than 30 (thirty) days from the date of the demand), any part of the Loan Outstanding, that corresponds to any part of the Loan that is subject to such Failure to Allocate Event, together with accrued interest and all other amounts accrued or outstanding under this Contract.

(b) For the purpose of this Article, "**Failure to Allocate Event**" means that:

(i) in respect of the amounts disbursed under the first Tranche, the Bank has not issued the Allocation Letter under this Contract for eligible Sub-Projects within 18 (eighteen) months following the date of disbursement of the first Tranche;

(ii) any part of the Loan that had been disbursed by the Bank to the Borrower at any time hereunder has failed to be:

(1) allocated pursuant to Article 1.10, or

(2) Reallocated pursuant to Article 1.11.A or 1.11.B;

by the deadline indicated therein (including in case EIB Allocation or Reallocation was not possible for whatever reason or the Allocation Period had lapsed); or

(iii) any amount of the EIB Allocation has failed to be disbused by the Promoter to Contractors pursuant to Article 1.11.

4.3.B Prepayment mechanics

Any sum demanded by the Bank pursuant to Article 4.3.A, together with any interest or other amounts accrued or outstanding under this Contract including, without limitation, any indemnity due under Article 4.3.C, shall be paid on the Prepayment Date indicated by the Bank in its notice of demand.

4.3.C Prepayment indemnity

4.3.C.(1) FIXED RATE TRANCHE

If the Borrower prepays a Fixed Rate Tranche in case of an Indemnifiable Prepayment Event, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche that is being prepaid.

4.3.C.(2) FLOATING RATE TRANCHE

The Borrower may prepay the Floating Rate Tranches without the Prepayment Indemnity.

4.4 General

4.4.A No prejudice to Article 10

This Article 4 shall not prejudice Article 10.

4.4.B No reborrowing

A repaid or prepaid amount may not be reborrowed.

ARTICLE 5

Payments

5.1 Day count convention

Any amount due by way of interest, indemnity or the Deferment Fee from the Borrower under this Contract, and calculated in respect of a fraction of a year, shall be determined on the following respective conventions:

(a) under a Fixed Rate Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days; and

(b) under a Floating Rate Tranche, a year of 360 (three hundred and sixty) days and the number of days elapsed.

5.2 Time and place of payment

(a) Unless otherwise specified in this Contract or in the Bank's demand, all sums other than sums of interest, indemnity and principal are payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand.

(b) Each sum payable by the Borrower under this Contract shall be paid to the relevant account notified by the Bank to the Borrower. The Bank shall notify the account not less than 15 (fifteen) days before the due date for the first payment by the Borrower and shall notify any change of account not less than 15 (fifteen) days before the date of the first payment to which the change applies. This period of notice does not apply in the case of payment under Article 10.

(c) The Borrower shall indicate the Contract Number in the payment details for each payment made hereunder.

(d) A sum due from the Borrower shall be deemed paid when the Bank receives it.

(e) Any disbursements by and payments to the Bank under this Contract shall be made using the Disbursement Account (for disbursements by the Bank) and the Payment Account (for payments to the Bank).

5.3 No set-off by the Borrower

All payments to be made by the Borrower under this Contract shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

5.4 Disruption to Payment Systems

If either the Bank determines (in its discretion) that a Disruption Event has occurred or the Bank is notified by the Borrower that a Disruption Event has occurred:

(a) the Bank may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of this Contract as the Bank may deem necessary in the circumstances;

(b) the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and

(c) the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.4.

5.5 Application of sums received

5.5.A General

Sums received from the Borrower shall only discharge its payment obligations if received in accordance with the terms of this Contract.

5.5.B Partial payments

If the Bank receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Contract, the Bank shall apply that payment, in the order set out below, in or towards:

(a) pro rata to each of any unpaid fees, costs, indemnities and expenses due under this Contract;

(b) any accrued interest due but unpaid under this Contract;

(c) any principal due but unpaid under this Contract; and

(d) any other sum due but unpaid under this Contract.

5.5.C Allocation of sums related to Tranches

(a) In case of:

(i) a partial voluntary prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied pro rata to each outstanding instalment, or, at the request of the Borrower, in inverse order of maturity; or

(ii) a partial compulsory prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied in reduction of the outstanding instalments in inverse order of maturity.

(b) Sums received by the Bank following a demand under Article 10.1 and applied to a Tranche, shall reduce the outstanding instalments in inverse order of maturity. The Bank may apply sums received between Tranches at its discretion.

(c) In case of receipt of sums which cannot be identified as applicable to a specific Tranche, and on which there is no agreement between the Bank and the Borrower on their application, the Bank may apply these between Tranches at its discretion.

ARTICLE 6

Borrower undertakings and representations

The undertakings in this Article 6 remain in force from the date when this Contract becomes effective for so long as any amount is outstanding under this Contract or the Credit is in force.

A. PROJECT UNDERTAKINGS

6.1 Use of Loan and availability of other funds

The Borrower and the Promoter shall:

(a) use all amounts borrowed by the Borrower under this Contract for the execution of the Project through the financing of Sub-Projects, which are subject of Allocation Requests approved by the Bank.

(b) upon written request by the Bank, provide to the Bank evidence of the use of the amounts borrowed by the Borrower under this Contract.

(c) ensure that it has available to it the other funds listed in Recital (g) and that such funds are expended, to the extent required, on the financing of the Project.

The Borrower shall make the proceeds of the disbursed Tranches available to the Promoter on such terms and conditions and in such a manner as to protect the interests of the Borrower, the Promoter and the Bank, to comply with the provisions of this Contract and to accomplish the purposes for which the Credit was made and in accordance with applicable rules and procedures under the Moldovan law.

The Borrower, acting through the MoE, and the Promoter shall ensure that the Sub-Projects financed with the proceeds of the Loan will comply with the eligibility requirements set out in Schedule A.1.

6.2 Completion of Project

The Borrower, acting through the MoE, and the Promoter shall carry out the Project in accordance with the Technical Description as may be modified from time to time with the approval of the Bank, and complete the Project by the final date specified therein.

The Borrower, acting through the MoE, and the Promoter shall:

(a) ensure that the Borrower and the Promoter fully controls all assets forming part of the Project; and

(c) not take or permit to be taken any action which would prevent or interfere with the implementation of the Project.

6.3 Increased cost of Project

If the total cost of the Project exceeds the estimated figure set out in Recital (j), the Borrower shall obtain the finance to fund the excess cost, so as to enable the Project to be completed in accordance with the Technical Description. The plans for funding the excess cost shall be communicated by the Borrower to the Bank without delay.

6.4 Continuing Project undertakings

The Borrower, acting through the MoE, and the Promoter shall, and shall ensure that in all contracts between the Promoter and the Contractors in respect of the Sub-Projects, each Contractor undertakes to:

(a) **Procurement**:

(i) purchase equipment, secure services and order works for the Project and for each Sub-Project by acceptable procurement procedures complying, to the Bank's satisfaction, with its policy as described in its Guide to Procurement, unless otherwise explicitly agreed by the Bank in the relevant Side Letter; and

(ii) ensure that review procedures for effective remedies are available to any party having, or having had, an interest in obtaining a particular contract and who has been or might be harmed by an alleged infringement of the Guide to Procurement.

(b) **Maintenance**: maintain, repair, overhaul and renew all property forming part of the Project as required to keep it in good working order;

(c) **Project assets**: unless the Bank shall have given its prior consent in writing retain title to and possession of all or substantially all the assets comprising each Sub-Project or, as appropriate, replace and renew such assets and maintain each Sub-Project in substantially continuous operation in accordance with its original purpose; the Bank may withhold its consent only where the proposed action would prejudice the Bank's interests as lender to the Borrower or would render the Project ineligible for financing by the Bank under its Statute or under article 309 of the Treaty on the Functioning of the European Union;

(d) **Insurance**: insure all works and property forming part of the Project with first class insurance companies in accordance with the most comprehensive relevant industry practice;

(e) **Rights and Permits**: maintain in force all rights of way or use and all Authorisations necessary for the execution and operation of the Project and each Sub-Project;

(f) **Environment and Social**:

(i) implement and operate the Project and each Sub-Project in compliance with the Environmental and Social Standards;

(ii) obtain and maintain requisite Environmental or Social Approvals for the Project and each Sub-Project;

(iii) comply with any such Environmental or Social Approvals; and

(g) **EU Law:** execute and operate the Project and each Sub-Project in accordance with the relevant laws of the Republic of Moldova and the relevant standards of EU law, save for any general derogation made by the European Union.

6.5 PIU

In order to co-ordinate, manage, monitor and evaluate all aspects of Project implementation, including the procurement of goods, works and services for the Project, the Borrower, acting through the MoE, and the Promoter shall, unless otherwise agreed with the Bank, establishes and at all times during execution of the Project operates a Project Implementation Unit with adequate resources and suitably qualified personnel. The Promoter shall ensure that the PIU has all the necessary capacities and mandates to deal with technical, economic, environmental and social, procurement, operational and management issues. The Borrower, acting through the MoE, and the Promoter shall entrust the Project Implementation Unit with the overall co-ordination of the Project and the responsibility for the implementation of the Project. The Borrower, acting through the MoE, and the Promoter shall ensure that the PIU acts as the Bank's counterpart in all technical, financial, disbursement facilitation, accounting/auditing, reporting, procurement and administration matters.

The Borrower, acting through the MoE, and the Promoter shall ensure that the Bank may, at the sole discretion of the Bank, directly communicate with any consultant working on the Project at any time.

6.6 Other undertakings

The Borrower, acting through the MoE, and the Promoter shall:

(a) implement recommendations and action plans of the environmental and social gap analysis, and of the recommendations of the strategic environmental assessment in relation to the Forest Development Programme and Environmental and Social Impact Assessment Study processes;

(b) ensure that public consultation and stakeholder engagement will be carried out at Project level and/or at Sub-Project level, in line with national legislation of Moldiva and the EU legislation;

(c) for the Sub-Projects requiring a full Environmental and Social Impact Assessment Study, provide the Bank with a copy of the Environmental and Social Impact Assessment Study report to the Bank and ensure that the implementation of such Sub-Projects will not start until it has received all necessary approvals from the relevant authorities;

(d) in line with applicable EU and national legislation for forestry sector activities in Moldova, including *inter alia*, valid afforestation plans (AP), forest management plans (FMPs), put in place and implement due diligence systems in compliance with Regulation (EU) 2023/1115 on deforestation-free products and sustainability criteria defined in Directive (EU) 2023/2413 (RED III);

(e) produce and/or update the afforestation plans and forest management plans, considering existing River Basin Management Plans[4] of Moldova, as applicable;

(f) ensure that the Sub-Projects to be implemented inside or in the vicinity of protected areas are aligned with the provisions of the management plans for protected areas (MPPAs) and ensure coherence and integration between AP, FMPs and MPPAs, in line with national and EU legislation;

(g) implement each Sub-Project following international best practices for SFM (Forest Europe's Criteria and Indicators for SFM[5] as enshrined in FMPs) and commitment to a roadmap for forest certification;

(h) timely implement prevention and mitigation measures to enhance the resilience of forest ecosystems against natural hazards and climate risks, and minimize potential forest, ecosystem and/or biodiversity losses in connection with the Project;

(i) ensure that the afforestation plans, selection of tree and shrub species for the Project are aligned with the provisions of the EU Forest Strategy for 2030[6] and with the Guidelines on Biodiversity-Friendly Afforestation, Reforestation and Tree Planting[7].

(j) ensure that appropriate occupational health and safety measures are applied during the implementation and operation of the Project by the Contractors and other project stakeholders, such as implementing entities, beneficiaries and service providers, that are involved in the implementation of the Project;

(k) ensure separated design (planning), management (execution of work), monitoring and control functions in the forestry sector and guarantee free and open access for private sector operators to the forestry market;

(l) ensure that the forestry planning documents are approved by independent third-party entities or commissions, such as the MoE or the Inspectorate for Environment Protection (IEP), that are not linked with Promoter and that are acceptable to the Bank;

(m) ensure that, in addition to the internal audits by Moldsilva, independent third-party entities, such as Inspectorate for Environment Protection or audit firms, that are acceptable to the Bank shall carry out control and verification of executed forestry works and compliance with regulatory framework on forests;

(n) implement this Contract and the operation herein in accordance with the Environmental and Social Standards and international human rights law, and consistent with the following guidelines, principles and conventions:

(i) UN Principles for Responsible Investment;

(ii) UN Guiding Principles on Business and Human Rights;

(iii) OECD Guidelines for Multinational Enterprises;

(iv) UN Food and Agriculture Organization's Principles for Responsible Investment in Agriculture and Food Systems; and

(v) International Labour Organization conventions;

(o) ensure that the amount of the EIB Allocation made towards each Sub-Project does not exceed the limits thereof as permitted by the Bank under this Contract, any Allocation Letter or any Side Letter;

(p) ensure that each Contractor is informed that the Bank has contributed under this Contract to the funding of the Sub-Project;

(q) comply in respect of each Contractor with "know your customer", anti-Money Laundering/anti-Terrorist Financing controls and general compliance procedures pursuant to any applicable law or regulation and in accordance with the FATF Recommendations and standards as amended, supplemented or restated, in respect of each Contractor;

(r) ensure that each contractual document entered into with the Contractors respect of the Sub-Project respects the terms of this Contract and Schedule A;

(s) ensure that funds under this Contract are allocated and disbursed by the Borrower and/or Promoter only to the Contractors that have represented they are not Excluded Contractors (as applicable); and

(t) use its reasonable efforts to ensure that Contractors acknowledge the origin of the EU financial support under the EFSD+ DIW1 Guarantee Agreement.

6.7 Contracts with Contractors

The Promoter shall ensure that in all contracts between the Promoter and the Contractors in respect of the implementation of the Project, each Contractor:

(a) undertakes to promptly inform the Promoter of:

(i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Contractor which is material with regard to environmental, social or other matters affecting the Sub-Project(s);

(ii) of any Environmental or Social Claim that is to its knowledge commenced, pending or threatened against it;

(iii) any fact or event known to the Contractor, which may substantially prejudice or affect the conditions of execution or operation of the Sub-Project(s);

(iv) any incident or accident relating to any Sub-Project which has or is likely to have a significant adverse effect on the Environment or on Social Matters;

(v) any non-compliance by the Contractor of any Environmental and Social Standard; and

(vi) any suspension, revocation or material modification of any Environmental or Social Approval,

---

[4] https://www.euwipluseast.eu/en/partner-republic-moldova/republic-of-moldova-activities/iwrm-actor-6

[5] https://foresteurope.org/sfm-criteria-indicators2/

[6] https://environment.ec.europa.eu/strategy/forest-strategy_en

[7] https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2023)61&lang=en

and set out the action to be taken with respect to such matters;

(b) represents and warrants to the Promoter that:

(i) it is in compliance with its undertakings listed in Article 6.4(f) above and to the best of its knowledge and belief (having made due and careful enquiry) no Environmental or Social Claim has been commenced or is threatened against it in relation to the Sub-Project(s); and

(ii) any information or document given to the Borrower or the Promoter in connection with the relevant Sub-Project(s) is true and correct in all respects;

(c) undertakes not to, directly or indirectly:

(i) maintain or enter into a business relationship with, and/or make any funds and/or economic resources available to, or for the benefit of, any Sanctioned Person in connection with the Sub-Project(s),

(ii) use all or part of the proceeds received from the Promoter or lend, contribute or otherwise make available such proceeds to any person, in each case, in any manner that would result in a breach by itself, by the Borrower or the Promoter or by the Bank of the Sanctions;

(iii) promptly inform the Promoter of any fact or event which results in (A) any member of its management bodies or (B) any of its controlling entities; in each case being a Sanctioned Person;

(d) undertake not to engage in (and not to authorise or permit any person acting on its behalf to engage in), any Prohibited Conduct in connection with the Sub-Project(s), any tendering procedure, or any transaction contemplated by any contract or other document related to the Sub-Project(s) as well as promptly inform the Promoter if at any time it becomes aware of any Prohibited Conduct occurring in connection with the Sub-Project(s);

(e) undertakes to take such action as the Borrower or the Promoter shall reasonably request to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the funds it received from the Promoter;

(f) undertakes to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Sub-Project(s);

(g) undertakes to promptly inform the Promoter of a genuine allegation, complaint or information with regard to a Prohibited Conduct related to a Sub-Project;

(h) undertakes to take within a reasonable timeframe appropriate measures in respect of any Relevant Person who becomes a Sanctioned Person, or is the subject of a final and irrevocable court ruling in connection with Prohibited Conduct perpetrated in the course of the exercise of their professional duties, in order to ensure that such Relevant Person is excluded from any activity in relation to any funds made available by the Promoter under the relevant contracts in relation to the relevant Sub-Project(s);

(i) undertakes to promptly inform the Promoter of any measure taken by such Contractor pursuant to paragraph (h) of this Article 6.7;

(j) undertake not to enter into a business relationship with any Sanctioned Person or make any funds available to or for the benefit of, directly or indirectly, any Sanctioned Person and to promptly inform the Promoter of any fact or event which results in (1) any member of its management bodies or (2) any of its controlling entities; in each case being a Sanctioned Person;

(k) undertakes to promptly inform the Promoter, to the extent permitted by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of its knowledge and belief, is current, imminent or pending against the Contractor or its controlling entities or members of the Contractor' management bodies in connection with Prohibited Conduct related to the funds received from the Promoter or to the Sub-Project(s);

(l) undertakes to inform the Promoter of any Change in the Beneficial Ownership of the relevant Contractor;

(m) represents to the Promoter that:

(i) to the best of its knowledge and belief, no funds invested in the Sub-Project(s) by it or any of its controlling entities are of illicit origin, including products of Money Laundering or linked to the Financing of Terrorism, as well as undertakes to promptly inform the Promoter if at any time it becomes aware of the illicit origin of any such funds;

(ii) neither the Contractor, nor any Relevant Person in relation to a Contractor has committed (x) any Prohibited Conduct in connection with the Sub-Project(s); or (y) any illegal activity related to the Financing of Terrorism or Money Laundering;

(iii) none of the Sub-Project(s) (including without limitation, the negotiation, award and performance of contracts financed or to be financed by the Loan) have involved, or given rise to, any Prohibited Conduct,

(n) undertakes to comply in all respects with all laws to which it or any the Sub-Project is subject;

(o) undertakes to:

(i) keep and to continue to keep proper books and records of account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Contractor, including to the extent applicable expenditures in connection with the Sub-Project, in accordance with GAAP as in effect from time to time;

(ii) keep records of contracts financed with the proceeds of the Loan including a copy of the contract itself and material documents relating to the procurement for at least 6 (six) years from substantial performance of the contract;

(iii) deliver to the Promoter upon request true copies of contracts financed with the proceeds of the Loan and evidence of expenditures relating to disbursements;

(iv) deliver to the Promoter any such information or further document required by the Bank to comply with its obligations under the NDICI-GE Regulation or the Financial Regulation, as the Promoter may reasonably require within a reasonable time;

(p) undertakes to allow the Bank, and when either required by the relevant mandatory provisions of EU Law or pursuant to the NDICI-GE Regulation or the Financial Regulation, as applicable, the European Court of Auditors, the European Commission, the European Anti-Fraud Office and the European Public Prosecutor's Office, as well as persons designated by the foregoing (each a "**Relevant Party**"):

(i) to visit the sites, installations and works comprising the Sub-Project and to conduct such checks as they may wish;

(ii) to interview representatives of a Contractor, and not obstruct contacts with any other person involved in or affected by the Sub-Project(s);

(iii) to conduct such investigations, inspections, on-the-spot audits and checks as they may wish and to review the Contractor's books and records in relation to the execution of the Sub-Project and to be able to take copies of related documents; and

(q) undertakes to provide the Bank and any Relevant Party, or ensure that the Bank and the Relevant Parties are provided, access to information, facilities and documentation, as well as with all necessary assistance, for the purposes described in this provision;

(r) represents that it is not subject to any exclusion decision or temporary suspension pursuant to the Exclusion Policy;

(s) undertakes to provide all necessary information upon the Promoter's request to allow the Borrower to comply with its obligations under this Article;

(t) represents to the Promoter that the Contractor is not an Excluded Contractor;

(u) acknowledges and agrees that:

(i) the Bank may be obliged to communicate information and materials relating to the Contractor, the Loan proceeds and/or the Sub-Project to any institution or body of the European Union, including the European Court of Auditors, the European Commission, any relevant EU Delegation, the European Anti-Fraud Office and the European Public Prosecutor's Office, as may be necessary for the performance of their tasks in accordance with EU Law (including the NDICI Regulation and the Financial Regulation);

(ii) the Bank may publish on its website and/or on social media, and/or produce press releases, containing information related to the financing provided pursuant to this Contract with the support of the EFSD+ DIW1 Guarantee, including the name, address and country of establishment of the Contractor, the purpose of the financing, and the type and amount of financial support received under this Contract.

The Promoter shall without delay provide any information or document it receives from the Contractors pursuant to Article 6.7 to the Bank.

B. GENERAL UNDERTAKINGS

6.8 Compliance with laws

The Borrower and the Promoter shall comply in all respects with all laws and regulations to which it or each Sub-Project is subject.

6.9 Change in business

The Borrower and the Promoter shall ensure that no substantial change is made to the core business of the Promoter from that carried on at the date of this Contract.

6.10 Merger

The Promoter shall not enter into any amalgamation, demerger, merger or restructuring.

6.11 Books and records

The Borrower and the Promoter shall:

(a) ensure that they have kept and will continue to keep proper books and records of account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and the Promoter, including expenditures in connection with the Project, in accordance with GAAP as in effect from time to time; and,

(b) keep records of contracts financed with the proceeds of the Loan including a copy of the contract itself and material documents relating to the procurement for at least 6 (six) years from substantial performance of the contract.

6.12 Integrity

(a) **Prohibited Conduct:**

(i) Neither the Borrower nor the Promoter shall engage in (or authorise or permit any Affiliate or any other person acting on its behalf to engage in) any Prohibited Conduct in connection with the Project or any Sub-Project, any tendering procedure for the Project any Sub-Project, or any transaction contemplated by the Contract.

(ii) The Borrower and the Promoter underake to take such action as the Bank shall reasonably request to investigate or terminate any alleged or suspected

occurrence of any Prohibited Conduct in connection with the Project or any Sub-Project.

(iii) The Borrower and the Promoter undertake to ensure that contracts financed by this Loan include the necessary provisions to enable the Borrower and/or the Promoter to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project or any Sub-Project.

(b) **Sanctions**

Neither the Borrower nor the Promoter shall, directly or indirectly:

(i) enter into a business relationship with, and/or make any funds and/or economic resources available to, or for the benefit of, any Sanctioned Person in connection with the Project or any Sub-Project,

(ii) use all or part of the proceeds of the Loan or lend, contribute or otherwise make available such proceeds to any person in any manner that would result in a breach by itself and/or by the Bank of any Sanctions; or

(iii) fund all or part of any payment under this Contract out of proceeds derived from activities or businesses with a Sanctioned Person or in any manner that would result in a breach by itself and/or by the Bank of any Sanctions.

It is acknowledged and agreed that the undertakings set out in this Article 6.12(b) are only sought by and given to the Bank to the extent that to do so would be permissible pursuant to any applicable anti-boycott rule of the EU such as Regulation (EC) 2271/96.

(c) **Relevant Persons**

The Borrower and the Promoter undertake to take within a reasonable timeframe appropriate measures, and to keep the Bank fully informed, in respect of any Relevant Person who is the subject of a court ruling in connection with Prohibited Conduct perpetrated in the course of the exercise of their professional duties, in order to ensure that such Relevant Person is excluded from any of the activities in relation to the Loan and to the Project or any Sub-Project.

6.13 Data Protection

(a) When disclosing information (other than mere contact information relating to the Borrower's personnel involved in the management of this Contract ("**Contact Details**")) to the Bank in connection with this Contract, the Borrower and the Promoter shall redact or otherwise amend that information (as necessary) so that it does not contain any information relating to identified or identifiable individuals ("**Personal Information**"), except where this Contract specifically requires, or the Bank specifically requests in writing, to disclose such information in the form of Personal Information.

(b) Before disclosing any Personal Information (other than Contact Details) to the Bank in connection with this Contract, the Borrower and the Promoter shall ensure that each individual to whom such Personal Information relates:

(i) has been informed of the disclosure to the Bank (including the categories of Personal Information to be disclosed); and

(ii) has been advised on the information contained in (or has been provided with an appropriate link to) the Bank's privacy statement in relation to its lending and investment activities as set out from time to time at https://www.eib.org/en/privacy/lending (or such other address as the Bank may notify to the Borrower in writing from time to time).



6.14 Conflict of Interest

Without prejudice to the general duties of the Borrower and the Promoter under the Guide to Procurement to effectively prevent, identify and remedy conflicts of interest, the Borrower and the Promoter shall ensure that prior to the award of any contract financed under the Project:

(a) the Beneficial Owners of the successful bidder (including joint venture partners and subcontractors) who are Close Associates or Family Members of the representative(s), member(s) of the management bodies or senior officer(s) (as applicable) of the Borrower or the Promoter are identified and promptly communicated to the Bank. Any such relationship shall, for the purpose of this Article and the Guide to Procurement, constitute a conflict of interest and be promptly notified to the Bank; and

(b) adequate measures are adopted to address any potential conflicts of interest such as a financial, economic or other personal interest (i) between the Beneficial Owner(s) identified as per paragraph (a) above and any member(s) of the Promoter's management bodies, representative(s) or senior officer(s); and (ii) between the Beneficial Owner(s) identified as per paragraph (a) above and any senior officer(s) or representatives of the Borrower or the Promoter, and in each case, and such measures shall be promptly notified to the Bank.

6.15 General Representations and Warranties

Each of the Borrower and the Promoter represents and warrants to the Bank that:

(a) the Borrower and the Promoter have the power to execute, deliver and perform its obligations under this Contract and all necessary action has been taken to authorise the execution, delivery and performance of the Contract by it;

(b) the Promoter is duly incorporated and validly existing as a state agency under the laws of the Republic of Moldova and, has power to carry on its activities as it is now being conducted and to own its property and other assets;

(c) the Promoter is a 100% (one hundred per cent) state owned entity;

(d) this Contract constitutes legally valid, binding and enforceable obligations of the Borrower and the Promoter;

(e) the execution and delivery of, the performance of the obligations of the Borrower and the Promoter under and compliance with the provisions of this Contract do not and will not contravene or conflict with:

(i) any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject or any restrictions on the incurring of indebtedness to which the Borrower or the Promoter is subject;

(ii) any agreement or other instrument binding upon the Borrower or the Promoter which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Contract;

(iii) any provision of the Promoter's constitutional documents and laws;

(f) the Borrower is not and, following the disbursement of the Loan (in whole or in part), will not be in breach of any restrictions applicable to it on the incurring of financial indebtedness;

(g) there has been no Material Adverse Change since 25 August 2021;

(h) no event or circumstance which constitutes an Event of Default has occurred and is continuing unremedied or unwaived;

(i) no litigation, arbitration, administrative proceedings or investigation is current or to the Borrower's or the Promoter's knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against the Borrower or the Promoter any unsatisfied judgement or award;

(j) the Borrower and the Promoter have obtained all necessary Authorisations in connection with this Contract and in order to lawfully comply with their obligations hereunder, and the Project and all such Authorisations are in full force and effect and admissible in evidence;

(k) the Promoter have obtained all necessary Authorisations in connection with the Project other than Authorisations which are not necessary for the implementation of the Project at the time this representation is made (or repeated) and in respect of which neither the Borrower nor the Promoter is aware of any reason (having made due and careful inquiry) for the Promoter being unable to obtain such Authorisations in due course;

(l) the payment obligations of the Borrower and the Promoter under this Contract rank not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law applying to companies generally;

(m) the Borrower and the Promoter are in compliance with Article 6.4 (f) and to the best of their knowledge and belief (having made due and careful enquiry) no Environmental or Social Claim has been commenced or is threatened against the Borrower or the Promoter;

(n) the Borrower and the Promoter are in compliance with all undertakings under this Article 6;

(o) the Project falls within the scope of the Framework Agreement;

(p) the Borrower is a state part to the New York Convention and any arbitral award obtained in an arbitration proceeding conducted in accordance with the requirements of the arbitration provisions of this Contract will be recognised and enforced in the Republic of Moldova;

(q) to the best of their knowledge, no funds invested in the Project by the Borrower or the Promoter are of illicit origin, including products of Money Laundering or linked to the Financing of Terrorism;

(r) neither the Borrower, the Promoter, any Relevant Person, nor any other person acting on their behalf or under their control has committed nor will commit;

  (i) any Prohibited Conduct in connection with the Project or any transaction contemplated by the Contract; or

  (ii) any illegal activity related to the Financing of Terrorism or Money Laundering;

(s) the Project (including without limitation, the negotiation, award and performance of contracts financed or to be financed by the Loan) has not involved or given rise to any Prohibited Conduct;

(t) none of the Borrower, the Promoter and/or any Relevant Person:

  (i) is a Sanctioned Person; or

  (ii) is in breach of any Sanctions that apply to the Borrower, the Promoter or any Relevant Person (respectively),

  it is acknowledged and agreed that the representations set out in this paragraph (r) are only sought by and given to the Bank to the extent that to do so would be permissible pursuant to any applicable anti-boycott rule of the EU such as Regulation (EC) 2271/96.; and

(u) the Declaration on Honour is true in all respects.

The representations and warranties set out above are made on the date of this Contract and on the Date of Effectiveness and are, with the exception of the representations set out in paragraph (g) and (u) above, deemed repeated with reference to the facts and circumstances then existing on date of each Disbursement Acceptance, each Disbursement Date and each Payment Date.

ARTICLE 7

Security

The undertakings in this Article 7 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

7.1 *Pari passu* ranking

The Borrower shall ensure that its payment obligations under this Contract rank, and will rank, not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its External Debt Instruments except for obligations mandatorily preferred by laws of general application.

In particular, if the Bank makes a demand under Article 10.01 or if an event or potential event of default under any unsecured and unsubordinated External Debt Instrument of the Borrower or of any of its agencies or instrumentalities has occurred and is continuing, the Borrower shall not make (or authorise) any payment in respect of any other such External Debt Instrument (whether regularly scheduled or otherwise) without simultaneously paying, or setting aside in a designated account for payment on the next Payment Date a sum equal to, the same proportion of the debt outstanding under this Contract as the proportion that the payment under such External Debt Instrument bears to the total debt outstanding under that Instrument. For this purpose, any payment of an External Debt Instrument that is made out of the proceeds of the issue of another instrument, to which substantially the same persons as hold claims under the External Debt Instrument have subscribed, shall be disregarded.

In this Contract, "**External Debt Instrument**" means:

(a) an instrument, including any receipt or statement of account, evidencing or constituting an obligation to repay a loan, deposit, advance or similar extension of credit (including without limitation any extension of credit under a refinancing or rescheduling agreement);

(b) an obligation evidenced by a bond, debenture or similar written evidence of indebtedness; or

(c) a guarantee granted by the Borrower for an obligation of a third party; provided in each case that such obligation is:

(i) governed by a system of law other than the law of the Borrower;

(ii) payable in a currency other than the currency of the Borrower's country; or

(iii) payable to a person incorporated, domiciled, resident or with its head office or principal place of business outside the Borrower's country.

7.2 *Additional* security

Should the Borrower grant to a third party any Security for the performance of any External Debt Instrument or any preference or priority in respect thereof, the Borrower shall, if so required by the Bank, provide to the Bank equivalent Security for the performance of its obligations under this Contract or grant to the Bank equivalent preference or priority.

7.3 Clauses by inclusion

If the Borrower concludes with any other medium or long term financial creditor a financing agreement that includes a loss-of-rating clause and/or a cross default clause and/or *pari passu* clause, if applicable, that is not provided for in this Contract or is more favourable to the relevant financial creditor than any equivalent provision of this Contract is to the Bank, the Borrower shall promptly inform the Bank and shall, at the request of the Bank, promptly execute an agreement to amend this Contract so as to provide for an equivalent provision in favour of the Bank.

ARTICLE 8

Information and Visits

8.1 Information concerning the Project

The Borrower and the Promoter shall:

(a) deliver to the Bank:

(i) the information in content and in form, and at the times, specified in section 1.2 of Schedule A or otherwise as agreed from time to time by the Parties; and

(ii) any such information or further document concerning the financing, procurement, implementation, operation and matters relating to Environment or Social Matters of or for the Project or any Sub-Project, or any information or further document required by the Bank to comply with its obligations under the NDICI-GE Regulation or the Financial Regulation, as the Bank may reasonably require within a reasonable time,

provided always that if such information or document is not delivered to the Bank on time, and the Borrower or the Promoter does not rectify the omission within a reasonable time set by the Bank in writing, the Bank may remedy the deficiency, to the extent feasible, by employing its own staff or a consultant or any other third party, at the Borrower's or the Promoter's expense and the Borrower and the Promoter shall provide such persons with all assistance necessary for the purpose;

(b) submit for the approval of the Bank without delay any material change to the Project, also taking into account the disclosures made to the Bank in connection with the Project prior to the signing of this Contract, in respect of, *inter alia*, the price, design, plans, timetable or to the expenditure programme or financing plan for the Project;

(c) promptly inform the Bank of:

(i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower and/or the Promoter which is material with regard to environmental, social or other matters affecting the Project or any Sub-Project;

(ii) any Environmental or Social Claim that is to its knowledge commenced, pending or threatened against the Borrower or the Promoter;

(iii) any fact or event known to the Borrower or the Promoter, which may substantially prejudice or affect the conditions of execution or operation of the Project or any Sub-Project;

(iv) any incident or accident relating to the Project or any Sub-Project which has or is likely to have a significant adverse effect on the Environment or on Social Matters;

(v) any non-compliance by the Borrower or the Promoter with any Environmental and Social Standards;

(vi) any suspension, revocation or material modification of any Environmental or Social Approval,

(vii) a genuine allegation, complaint or information with regard to any Prohibited Conduct or any Sanction related to the Project or any Sub-Project;

(viii) should the Borrower or the Promoter become aware of any fact or information confirming or reasonably suggesting that (a) any Prohibited Conduct has occurred in connection with the Project or any Sub-Project, or (b) any of the funds invested in the Promoter's share capital or in the Project or any Sub-Project was derived from an illicit origin;

and set out the action to be taken with respect to such matters; and

(d) provide to the Bank, if so requested:

(i) a certificate of its insurers showing fulfilment of the requirements of Article 6.4(c); and

(ii) annually, a list of policies in force covering the insured property forming part of the Project, together with confirmation of payment of the current premiums; and

(iii) true copies of contracts financed with the proceeds of the Loan and evidence of expenditures relating to disbursements.

8.2 Information concerning the Borrower and the Promoter

The Borrower and the Promoter shall:

(a) deliver to the Bank:

(i) annually, audited financial statements of the Promoter, prepared in accordance with GAAP; and

(ii) from time to time, such further information on the Borrower's or the Promoter's general financial situation as the Bank may reasonably require;

(b) ensure that its accounting records fully reflect the operations relating to the financing, execution and operation of the Project;

(c) inform the Bank immediately of:

(i) any material alteration to any laws, constitutional documents or shareholding structure of the Promoter and of any change of ownership of 5% or more of its shares after the date of this Contract;

(ii) any fact which obliges the Borrower or the Promoter to prepay any financial indebtedness or any European Union funding;

(iii) any event or decision that constitutes or may result in a Prepayment Event;

(iv) any intention on the Borrower's or the Promoter's part to grant any Security over any of its assets in favour of a third party;

(v) any intention on the Borrower's or the Promoter's part to relinquish ownership of any material Components of the Project or any Sub-Project;

(vi) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower or the Promoter under this Contract;

(vii) any Event of Default having occurred or being threatened or anticipated;

(viii) unless prohibited by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of its knowledge and belief, is current, imminent or pending against the Borrower or the Promoter or their controlling entities or members of their management bodies in connection with Prohibited Conduct related to the Credit, the Loan or the Project or any Sub-Project;

(ix) any measure taken by the Borrower and/or the Promoter pursuant to Article 6.12 of this Contract;

(x) any litigation, arbitration or administrative proceedings or investigation which is current, threatened or pending and which might if adversely determined result in a Material Adverse Change;

(xi) any Change in the Beneficial Ownership of the Promoter; and

(xii) any claim, action, proceeding, formal notice or investigation relating to any Sanctions concerning the Borrower, the Promoter, or any Relevant Person.

8.3 Visits, Right of Access and Investigation

(a) The Borrower and the Promoter shall allow the Bank, and when either required by the relevant mandatory provisions of EU law or pursuant to the NDICI-GE Regulation or the Financial Regulation, as applicable, the European Court of Auditors, the European

Commission, the European Anti-Fraud Office and the European Public Prosecutor's Office, as well as persons designated by the foregoing (each a "**Relevant Party**"), to:

(i) visit the sites, installations and works comprising the Project and any Sub-Project;

(ii) interview representatives of the Borrower and/or the Promoter, and not obstruct contacts with any other person involved in or affected by the Project or any Sub-Project;

(iii) conduct such investigations, inspections, on-the-spot audits and checks as they may wish and review the Borrower's and/or Promoter's books and records in relation to the Loan, the Contract and the execution of the Project and any Sub-Project, and to be able to take copies of related documents to the extent permitted by the law; and

(b) The Borrower and the Promoter shall provide the Bank and any Relevant Party, or ensure that the Bank and the Relevant Parties are provided, with access to information, facilities and documentation, as well as with all necessary assistance, for the purposes described in this Article.

(c) Additionally, the Borrower and the Promoter shall allow the European Commission and the EU Delegation of the Republic of Moldova to participate in any monitoring missions organised by the Bank related to this Contract, the Loan or the Project and any Sub-Project.

(d) In the case of a genuine allegation, complaint or information with regard to a Prohibited Conduct related to the Loan and/or the Project or any Sub-Project, the Borrower and the Promoter shall consult with the Bank in good faith regarding appropriate actions. In particular, if it is proven that a third party committed a Prohibited Conduct in connection with the Loan and/or the Project or any Sub-Project with the result that the Loan was misapplied, the Bank may, without prejudice to the other provisions of this Contract, inform the Borrower and the Promoter if, in its view, the Borrower and the Promoter should take appropriate recovery measures against such third party. In any such case, the Borrower and the Promoter shall in good faith consider the Bank's views and keep the Bank informed.

8.4 Disclosure and Publication

(a) The Borrower and the Promoter acknowledge and agree that:

(i) the Bank may be obliged to communicate information and materials relating to the Borrower, the Promoter, the Loan, the Contract, and/or the Project or any Sub-Project to any institution or body of the European Union, including the European Court of Auditors, the European Commission, any relevant EU Delegation, the European Anti-Fraud Office and the European Public Prosecutor's Office, as may be necessary for the performance of their tasks in accordance with EU Law (including the NDICI Regulation and the Financial Regulation); and

(ii) the Bank may publish on its website and/or on social media, and/or produce press releases, containing information related to the financing provided pursuant to this Contract with the support of the EFSD+ DIW1 Guarantee, including the name, address and country of establishment of the Borrower, the Promoter, the purpose of the financing, and the type and amount of financial support received under this Contract.

(b) The Borrower and the Promoter:

(i) acknowledge the origin of the EU financial support under the EFSD+ DIW1 Guarantee Agreement;

(ii) shall ensure the visibility of the EU financial support under the EFSD+, in particular when promoting or reporting on the Borrower, the Promoter, this Contract, the Project Implementation Agreement, the Loan or the Project and the Sub-Projects, and their results, in a visible manner on communication

material related to the Borrower, this Contract, the Loan or the Project and the Sub-Projects, and by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public, provided that the content of the communication material has been previously agreed with the Bank; and

(iii) shall consult with the Bank, the Commission and the EU Delegation of the Republic of Moldova on communication about the signature of this Contract;

(iv) shall use its reasonable efforts to ensure that Contractors acknowledge the origin of the EU financial support under the EFSD+ DIW1 Guarantee Agreement.

8.5 Language

Documents (other than constitutional documents, statutory and other official documents, or internal regulations of the Borrower or the Promoter), evidence, notices and communications provided or made by the Borrower or the Promoter pursuant to this Contract shall be provided in the English language. Where documents are not provided in the English language, the Borrower or the Promoter (as applicable) shall simultaneously provide a certified translation thereof into the English language.

ARTICLE 9

Charges and expenses

9.1 Taxes, duties and fees

The Borrower and the Promoter shall pay all Taxes, duties, fees and other impositions of whatsoever nature, including stamp duty and registration fees, arising out of the execution or implementation of this Contract or any related document and in the creation, perfection, registration or enforcement of any Security for the Loan to the extent applicable.

The Borrower shall pay all principal, interest, indemnities and other amounts due under this Contract gross without any withholding or deduction of any national or local impositions whatsoever required by law or under an agreement with a governmental authority or otherwise. If the Borrower is obliged to make any such withholding or deduction, it shall gross up the payment to the Bank so that after withholding or deduction, the net amount received by the Bank is equivalent to the sum due.

9.2 Other charges

The Borrower and the Promoter shall bear all charges and expenses, including professional, banking or exchange charges incurred in connection with the preparation, execution, implementation, enforcement and termination of this Contract or any related document, any amendment, supplement or waiver in respect of this Contract or any related document, and in the amendment, creation, management, enforcement and realisation of any Security for the Loan.

9.3 Increased costs, indemnity and set-off

(a) The Borrower shall pay to the Bank any costs or expenses incurred or suffered by the Bank as a consequence of the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or compliance with any law or regulation which occurs after the date of signature of this Contract, in accordance with or as a result of which (i) the Bank is obliged to incur additional costs in order to fund or perform its obligations under this Contract, or (ii) any amount owed to the Bank under this Contract or the financial income resulting from the granting of the Credit or the Loan by the Bank to the Borrower is reduced or eliminated.

(b) Without prejudice to any other rights of the Bank under this Contract or under any applicable law, the Borrower and the Promoter shall indemnify and hold the Bank harmless from and against any loss incurred as a result of any full or partial discharge that takes place in a manner other than as expressly set out in this Contract.

(c) The Bank may set off any matured obligation due from the Borrower or the Promoter under this Contract (to the extent beneficially owned by the Bank) against any obligation (whether or not matured) owed by the Bank to the Borrower or and the Promoter (respectively) regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Bank may set off in an amount estimated by it in good faith to be the amount of that obligation.

ARTICLE 10

Events of Default

10.1 Right to demand repayment

The Borrower shall repay all or part of the Loan Outstanding (as requested by the Bank) forthwith, together with accrued interest and all other accrued or outstanding amounts under this Contract, upon written demand being made by the Bank in accordance with the following provisions.

10.1.A Immediate demand

The Bank may make such demand immediately without prior notice (*mise en demeure préalable*) or any judicial or extra judicial step:

(a) if the Borrower does not pay on the due date any amount payable pursuant to this Contract at the place and in the currency in which it is expressed to be payable, unless:

(i) its failure to pay is caused by an administrative or technical error or a Disruption Event; and

(ii) payment is made within 3 (three) Business Days of its due date;

(b) if any information or document given to the Bank by or on behalf of the Borrower or the Promoter or any representation, warranty or statement made or deemed to be made by the Borrower or the Promoter in, pursuant to or for the purposes of entering into this Contract or any Side Letter or in connection with the negotiation or performance of this Contract or any Side Letter is or proves to have been incorrect, incomplete or misleading in any material respect;

(c) if, following any default of the Borrower in relation to any loan, or any obligation arising out of any financial transaction, other than the Loan:

(i) the Borrower is required or is capable of being required or will, following expiry of any applicable contractual grace period, be required or be capable of being required to prepay, discharge, close out or terminate ahead of maturity such other loan or obligation; or

(ii) any financial commitment for such other loan or obligation is cancelled or suspended;

(d) if the Borrower or the Promoter is unable to pay its debts as they fall due, or suspends its debts, or makes or seeks to make a composition with its creditors;

(e) if the Borrower or the Promoter defaults in the performance of any obligation in respect of any other loan granted by the Bank or financial instrument entered into with the Bank, or of any other loan or financial instrument made to it from the resources of the Bank or the European Union;

(f) if any expropriation, attachment, arrestment, distress, execution, sequestration or other process is levied or enforced upon the property of the Borrower or the Promoter or any property forming part of the Project and is not discharged or stayed within 14 (fourteen) days;

(g) if a Material Adverse Change occurs, as compared with the Borrower's or the Promoter's condition at the date of this Contract; or

(h) if it is or becomes unlawful for the Borrower or the Promoter to perform any of its obligations under this Contract or any Side Letter or this Contract or any Side Letter is not effective in accordance with its terms or is alleged by the Borrower or the Promoter to be ineffective in accordance with its terms.

10.1.B Demand after notice to remedy

The Bank may also make such demand without prior notice (*mise en demeure préalable*) or any judicial or extra judicial step (without prejudice to any notice referred to below):

(a) if the Borrower or the Promoter fails to comply with any provision of this Contract (other than those referred to in Article 10.1.A) or any Side Letter; or

(b) if any fact stated in the Recitals materially alters and is not materially restored and if the alteration either prejudices the interests of the Bank as lender to the Borrower or adversely affects the implementation or operation of the Project,

unless the non-compliance or circumstance giving rise to the non-compliance is capable of remedy and is remedied within a reasonable period of time specified in a notice served by the Bank on the Borrower.

10.2 Other rights at law

Article 10.1 shall not restrict any other right of the Bank at law to require prepayment of the Loan Outstanding.

10.3 Indemnity

10.3.A Fixed Rate Tranches

In case of demand under Article 10.1 in respect of any Fixed Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with the indemnity on any amount of principal due to be prepaid. Such indemnity shall (i) accrue from the due date for payment specified in the Bank's notice of demand and be calculated on the basis that prepayment is effected on the date so specified, and (ii) be for the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of the prepayment) of the excess, if any, of:

(a) the interest that would accrue thereafter on the amount prepaid over the period from the date of prepayment to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not prepaid; over

(b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate, applied as of each relevant Payment Date of the applicable Tranche.

10.3.B Floating Rate Tranches

In case of demand under Article 10.1 in respect of any Floating Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with a sum equal to the present value of 0.19% (nineteen basis points) per annum calculated and accruing on the amount of principal due to be prepaid in the same manner as interest would have been calculated and would have accrued, if that amount had remained outstanding according to the applicable amortisation schedule of the Tranche, until the Interest Revision/Conversion Date, if any, or the Maturity Date.

The value shall be calculated at a discount rate equal to the Redeployment Rate applied as of each relevant Payment Date.

10.3.C General

Amounts due by the Borrower pursuant to this Article 10.3 shall be payable on the date specified in the Bank's demand.

10.3.D Non-Waiver

No failure or delay or single or partial exercise by the Bank in exercising any of its rights or remedies under this Contract shall be construed as a waiver of such right or remedy. The rights and remedies provided in this Contract are cumulative and not exclusive of any rights or remedies provided by law.

ARTICLE 11

Law and dispute resolution, miscellaneous

11.1 Governing Law

This Contract and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of Luxembourg.

11.2 Dispute Resolution

(a) This Article 11.2 shall be governed by Dutch law.

(b) Any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Contract, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (for the purpose of this Article, a Dispute), shall be referred to and finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce (for the purpose of this Article, the "**Rules**").

(c) The Rules are incorporated by reference into this Article and capitalised terms used in this Article which are not otherwise defined in this Contract have the meaning given to them in the Rules.

(d) The number of arbitrators shall be three. The arbitrators nominated by the parties shall jointly nominate the third arbitrator who, subject to confirmation by the ICC Court, will act as president of the arbitral tribunal.

(e) The seat or legal place of arbitration shall be Amsterdam.

(f) The language used in the arbitral proceedings shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by an English translation. Each arbitrator shall be English law qualified and have 10 years practicing experience.

(g) Service by the Secretariat of any Request for Arbitration made pursuant to this Article shall be at the address given for the sending of notices under this Contract at Article 12 and in a manner provided for in that Article.

(h) If, at the case management conference, it appears to the Arbitral Tribunal that there is or may be no real prospect of succeeding on any or all of the claims made in the arbitration or of successfully defending any or all of the claims made in the arbitration, the Arbitral Tribunal may determine such claim(s) by a summary procedure if it considers that it is in the interests of justice to do so. The parties may make submissions about whether this is an appropriate procedure. In the event that a summary procedure is adopted, the Arbitral Tribunal shall proceed to determine such claim(s) as soon as reasonably practicable. The Arbitral Tribunal may call for further short written submissions in relation to such claim(s) and shall only hold an oral

hearing to determine by way of award such claim(s) if it feels that it is necessary to do so. The Arbitral Tribunal may decide to determine in its award only certain claims advanced in the arbitration by the summary procedure.

(i) Nothing in this Article 11 shall interfere with, override or otherwise erode Bank's privileges and immunities as set out in the European Union treaties including, without limitation, the inviolability of its archives and the Bank expressly reserved its rights in this regard.

11.3 Place of performance

Unless otherwise specifically agreed by the Bank in writing, the place of performance under this Contract shall be the seat of the Bank.

11.4 Evidence of sums due

In any legal action arising out of this Contract the certificate of the Bank as to any amount or rate due to the Bank under this Contract shall, in the absence of manifest error, be prima facie evidence of such amount or rate.

11.5 Waiver of immunity

To the extent that the Borrower may in any jurisdiction claim for itself or any of its assets immunity from suit, enforcement, attachment or other legal process on the grounds of sovereignty or otherwise, the Borrower hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction in respect of its obligations arising under or in connection with this Contract.

11.6 Entire Agreement

This Contract constitutes the entire agreement between the Bank, the Borrower and the Promoter in relation to the provision of the Credit hereunder, and supersedes any previous agreement, whether express or implied, on the same matter.

11.7 Invalidity

If at any time any term of this Contract is or becomes illegal, invalid or unenforceable in any respect, or this Contract is or becomes ineffective in any respect, under the laws of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

(a) the legality, validity or enforceability in that jurisdiction of any other term of this Contract or the effectiveness in any other respect of this Contract in that jurisdiction; or

(b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Contract or the effectiveness of this Contract under the laws of such other jurisdictions.

11.8 Amendments

Any amendment to this Contract shall be made in writing and be signed by the Parties and shall become effective on the date specified in a letter from the Bank to the Borrower confirming that the Bank has received: (i) evidence that any such amendment was duly ratified by the Parliament of the Republic of Moldova in accordance with the applicable laws of the Republic of Moldova; and (ii) if requested by the Bank, the legal opinion of the Minister of Justice of the Republic of Moldova in form and substance satisfactory to the Bank. For the avoidance of doubt, the Side Letters shall not be considered amendments to this Contract for the purpose of this Article 11.8.

11.9 Counterparts

This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

ARTICLE 12

Final clauses

12.1 Notices

12.1.A Form of Notice

(a) Any notice or other communication given under this Contract must be in writing and, unless otherwise stated, may be made by letter or electronic mail.

(b) Notices and other communications for which fixed periods are laid down in this Contract or which themselves fix periods binding on the addressee, may be made by hand delivery, registered letter or by electronic mail. Such notices and communications shall be deemed to have been received by the other Party:

(i) on the date of delivery in relation to a hand-delivered or registered letter;

(ii) in the case of any electronic mail only when such electronic mail is actually received in readable form and only if it is addressed in such a manner as the other Party shall specify for this purpose.

(c) Any notice provided by the Borrower and/or the Promoter to the Bank by electronic mail shall:

(i) mention the Contract Number in the subject line; and

(ii) be in the form of a non-editable electronic image (pdf, tif or other common non editable file format agreed between the Parties) of the notice signed by an authorised signatory with individual representation right or by two or more authorised signatories with joint representation right of the Borrower as appropriate, attached to the electronic mail.

(d) Notices issued by the Borrower and/or the Promoter pursuant to any provision of this Contract shall, where required by the Bank, be delivered to the Bank together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Borrower and the authenticated specimen signature of such person or persons.

(e) Without affecting the validity of electronic mail notices or communication made in accordance with this Article 12.1, the following notices, communications and documents shall also be sent by registered letter to the relevant Party at the latest on the immediately following Business Day:

(i) Disbursement Acceptance;

(ii) any notices and communication in respect of the deferment, cancellation and suspension of a disbursement of any Tranche, interest revision or conversion of any Tranche, Market Disruption Event, Prepayment Request, Prepayment Notice, Event of Default, any demand for prepayment; and

(iii) any other notice, communication or document required by the Bank.

(f) The Parties agree that any above communication (including via electronic mail) is an accepted form of communication, shall constitute admissible evidence in court and shall have the same evidential value as an agreement under hand (*sous seing privé*).

12.1.B Addresses

The address and electronic mail address (and the department for whose attention the communication is to be made) of each Party for any communication to be made or document to be delivered under or in connection with this Contract is:

For the Bank

Attention: GLO/ENL

100 boulevard Konrad Adenauer



L-2950 Luxembourg

E-mail address: Glo-nc2-projects@eib.org

For the Borrower

Attention: Ministry of Finance

Chisinau, 7 Constantin Tanase street

The Republic of Moldova

E-mail address: cancelaria@mf.gov.md

Attention: Ministry of Environment

Address: Stefan cel Mare si Sfant Boulevard

MD - 2004, Chisinau, the Republic of Moldova

E-mail address: cancelaria@mediu.gov.md

For the Promoter

Attention: IP Oficiul National de Implementare a Projectelor in domeniul Mediului

Address: Gheorghe Tudor, 5 mun. Chisinau MD-2028, the Republic of Moldova

E-mail address: cancelaria@onipm.gov.md

12.1.C Notification of communication details

The Bank and the Borrower shall promptly notify the other Party in writing of any change in their respective communication details.

12.1.D English language

(a) Any notice or communication given under or in connection with this Contract must be in English.

(b) All other documents provided under or in connection with this Contract must be:

(i) in English; or

(ii) if not in English, and if so required by the Bank, accompanied by a certified English translation and, in this case, the English translation will prevail.

12.2 Effectiveness of this Contract

Other than this Article 12.2 and Article 12.3 below, which will become legally effective and enter into full force and effect upon the date of signature of this Contract, this Contract shall become effective on the date (the **"Date of Effectiveness"**) specified in a letter from the Bank to the Borrower confirming that the Bank has received (i) the evidence that this Contract was duly ratified by the Parliament of the Republic of Moldova in accordance with the applicable laws of the Republic of Moldova and (ii) the legal opinion of the Minister of Justice of the Republic of Moldova referred to in Article 1.4.B(b) in form and substance satisfactory to the Bank, and such letter shall be conclusive evidence that this Contract has become effective.

If the Date of Effectiveness does not occur on or prior to the date falling 12 (twelve) months after the date of this Contract, this Contract shall not enter into force and no further action shall be necessary or required.



12.3 Framework Agreement

By signing this Contract, the Republic of Moldova:

(a) confirms that the Project and the investments and the operations to be financed under this Contract shall be deemed "investment project" for the purpose of the Framework Agreement; and

(b) gives its formal consent to the financing to be provided hereunder falling within the scope of the Framework Agreement, and confirms that the rights, remedies, privileges and immunities of the Bank under the Framework Agreement are applicable to the financing operation under this Contract.

12.4 Recitals, Schedules and Annexes

The Recitals and following Schedules form part of this Contract:

Schedule A	Project Specification and Reporting
Schedule B	Definition of EURIBOR
Schedule C	Form of Disbursement Offer/Acceptance (Articles 1.2.D and 1.2.E.)
Schedule D	Interest Rate Revision and Conversion
Schedule E	Certificates to be provided by the Borrower

The following Annexes are attached hereto:

Annex I	Authority of Signatory

The Parties have caused this Contract to be executed in 4 (four) originals in the English language.

in Chisinau, this 17 SEPTEMBER 2024

Signed for and on behalf of
THE REPUBLIC OF MOLDOVA as Borrower

Name: Victoria Belous
Title: Minister of Finance

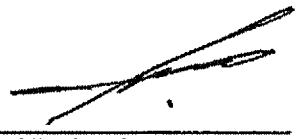
Name: Sergiu Lazarencu
Title: Minister of Environment

Signed for and on behalf of
EUROPEAN INVESTMENT BANK as Bank

Name: Teresa Czerwinska
Title: Vice-President

Signed for and on behalf of

IP Oficiul National de Implementare a Projectelor in domeniul Mediului as Promoter



Name: Nicolae Arnaut

Title: Interim Director

Schedule A

Project Specification and Reporting

Purpose, Location

The operation, the Forest Development Programme (FDP), will support investments for enhancing forest governance and regulatory framework, strengthening institutional and technical capacities, strengthening the production capacity of forest reproductive material (FRM) and afforestation, restoration, and rehabilitation of about 63 000 ha degraded lands and forests. The operation will also include investments in enabling infrastructure, equipment, and tools base for ensuring sustainable management of Moldovan forests.

The FDP aims to improve forest health and growth and to strengthen the resilience of forest ecosystems. It fosters the development of local supply of sustainable forest products and ecosystem services through promotion of sustainable forest management (SFM) practices.

The Project will be implemented in various regions of Moldova.

Description

The Project is divided into three main components:

Component I. Governance, Capacity Building and Technological Advancement

To achieve sustainable development of the forestry sector in Moldova, this component of the Project will be implemented as a priority during 2024-2026. The focus will be on enhancing forest governance, regulatory framework and institutional capacities, strengthening the production capacity of forest reproductive material (FRM), and modernization of forest infrastructure and forestry technology and equipment base. Associated investments will cover the following spectrum of activities:

1. Enhancing forest governance, regulatory framework and institutional capacities of public and private forest stakeholders	1.1 Strengthening Forest Governance and Institutional Capacities, incl. digitization of FMPs & IT Platform 1.2 Updating Forest Regulatory Framework 1.3 Consolidation of Forestry Protection and Surveillance 1.4 Deployment of National Forest Inventory (NFI) 1.5 Enhancing Skills and Competencies of Forest Stakeholders 1.6 Forest Certification of Moldsilva 1.7 Elaboration of a National Forest Policy (NFP)
2. Strengthening the production capacity of forest reproductive material (seed base and nurseries)	2.1 Improvement of the Seed Base (seed orchards) 2.1 Construction of National Center for Forest Genetics and Seed Science (NCFGSS) (1x) 2.2 Construction of three Regional Centers for Large-scale Production of Forestry Reproduction Materials – RC-LPFRM (3x) 2.4 Strengthening the Capacities of Private and Communal Forest Nurseries
3. Modernization of enabling forest infrastructure, forestry technology and equipment base for ensuring SFM	3.1 Upgrading Forestry Equipment, Technology, and Tools base 3.2 New Wood Storage Facilities (30x) and Timber Logistics Equipment 3.3 Upgrading Forest Road Infrastructure (266 km of new forest roads)

The Loan(s) will focus on financing mainly eligible activities from sub-components I.2 and I.3 and selected eligible activities from sub-component I.1.

Component II. Forest Expansion and Landscape Restoration (63 200 ha)

This component of the Project will focus on (i) expanding the forest cover in Moldova through afforestation of degraded lands and riparian areas (39 200ha), and (ii) restoration and

rehabilitation of degraded forest landscapes and ecosystems (24 000 ha). Associated investments will cover the following spectrum of activities:

4. Forest Expansion on Degraded Lands, Riparian Areas, and Other Non-Agricultural Lands	4.1 Design Phase: Elaboration of Technical Projects for Afforestation 4.2 Acquisition of Specialized Equipment and Tools for Afforestation 4.3 Execution Phase: Establishment of New Forest Plantations (39 200 ha), incl. tending and maintenance of young plantations
5. Forest Landscape and Ecosystem Restoration	5.1 Restoration / rehabilitation of degraded forest landscapes and ecosystems, incl. natural regeneration and enrichment planting (24 000 ha) 5.2 Acquisition of Specialized Equipment and Tools

This component of the Project will be implemented during 2024-2028. However, the Loan(s) will focus on financing selected eligible activities (works) only during 2026-2028, after concrete results have been achieved through the implementation of component I of the Project, and in any case not before the Project Implementation Manual (PIM) has been elaborated and the Project Implementation Unit (PIU) has been set-up and become operational. Afforestation and forest landscape and ecosystem restoration/rehabilitation activities (works) during the period 2024-2025 shall be financed from other financing sources (i.e., Promoter's own resources and/or other co-financing sources, as applicable).

Component III. Integrated Project Management & Reporting System (IPMRS)

This component of the Project will focus on establishing and operating the Project Implementation Unit (PIU) that will manage, monitor, evaluate and report the results of the project execution. It will also focus on developing the Project Implementation Manual (PIM), the Results Framework (RF) and the design and implementation of a mechanism for Monitoring, Reporting and Verification (MRV), as well as technical assistance (TA) to the PIU, implementing entities (IE) and project beneficiaries. Associated investments will cover the following spectrum of activities:

6. Integrated Project Management & Reporting System (IPMRS)	6.1 Project Planning and Implementation - PIU 6.2 Monitoring and Performance Evaluation 6.3 Reporting, Communication and Stakeholder Engagement
7. Technical Assistance	7.1 Technical Assistance (PIU, IEs and beneficiaries)

This component of the Project will be rolled out throughout the entire implantation period of the Project: 2024-2028.

Calendar

The Project will be implemented in a phased approach over a 5-year period (2024-2028):

- Phase I (2024-2025): rolling out selected investments mainly under Components I and III
- Phase II (2026-2028): rolling out investments under Components I, II and III

Project Investment Cost

Components	Sub-components	Investment Cost (MEUR)	Eligible Cost (MEUR)	EIB eligible share

				(%)
I. Governance, Capacity Building and Technological Advancement	1. Enhancing forest governance, regulatory framework and institutional capacities	22.7	22.7	100%
	2. Strengthening the production capacity of forest reproductive material	23.3	23.3	100%
	3. Modernization of enabling forest infrastructure, technology and equipment base	79.1	79.1	100%
II. Forest Expansion and Landscape Restoration (63 200 ha)	4. Forest Expansion on Degraded Lands, Riparian Areas, and Other Non-Agricultural Lands	189.4	126.9	67%
	5. Forest Landscape and Ecosystem Restoration	81.8	37.8	46%
III. Integrated Project Management & Reporting System (IPMRS)	6. Integrated Project Management & Reporting System (IPMRS)	6.8	6.8	100%
	7. Technical Assistance (PIU, IEs, beneficiaries)	7.6	7.6	100%
	Total Base Cost (M EUR)	**410.8**	**303.2**	**74%**
	Price contingencies 6% (M EUR)	24.6	24.6	100%
	TOTAL PROJECT INVESTMENT COST (PIC) – M EUR	**435.4**	**327.8**	**75%**

The principles underlying the Bank's support for the implementation of the investment programme are:

- enhanced forest governance and regulatory framework, aligned with EU policy framework,
- enhanced institutional and technical capacities of public and private forestry stakeholders,
- alignment with sustainable forest management (SFM) principles, including by promotion of predominantly native species, maintenance of natural forest ecosystems, judicious management of species with climatic resilience potential,
- ensuring guarantee of permanence of forest ecosystems and conservation of biodiversity (forests and habitats), regardless the type of forest/land ownership,
- ensuring stakeholder engagement and attracting public to greening and environmental education.

Eligible investments for the Bank's financing under this Contract shall adhere to the following:

- shall follow the Bank's techno-economic, social and environmental criteria,
- shall be based on valid afforestation plans and forest management plans that are available covering the entire project duration. These documents must explicitly contain a section describing how the relevant stakeholders have been consulted and what general agreement has been reached that is likely to be adopted before the end of the Sub-Project implementation period,
- for investments in National Center for Forest Genetics and Seed Science, and Regional Centers for Large-scale Production of Forestry Reproduction Materials, and forest road infrastructure, detailed design studies shall be made available,
- in case of implementing project activities (e.g., nurseries, afforestation, rehabilitation) with other public or private institutions/firms or public-private-community partnerships (e.g., with associations), a MoU detailing the roles and responsibilities of the various partner shall be made available,
- a fire prevention and response plan shall be made available for each project site,
- a GIS database of all project areas financed by the Loan shall be set-up and shall be regularly updated over the project life,
- Environmental awareness strategy shall be made available,
- Eligible Sub-Projects must be economically sound and viable. The Bank will provide a methodology and procedure for determining the economic soundness of the project in

accordance with its standards, including the consideration of non-monetary services rendered by the projects.

Specifically for **Re-/Afforestation and Forest Landscape Restoration** activities, the following criteria must be adhered to:

1. Afforestation Plan and forest management plan (FMP) or equivalent in place

- Afforestation plan and FMP or equivalent instruments are in place, in compliance with national and EU legislation, which are periodically revised
- Ensure application of sustainable forest management (SFM) principles and alignment with FOREST EUROPE | Sustainable Forest Management Criteria and Indicators, with the Pan-European Guidelines for Afforestation and Reforestation and with the EU Guidelines on Biodiversity-Friendly Afforestation, Reforestation and Tree Planting
- Compliance with EIB's Paris Alignment framework as highlighted in the EIB Group Climate Bank Roadmap 2021-2025 (Annex 2 – Paris Alignment Framework – Table E. Bioeconomy)

2. Climate Benefit Analysis (CBA)

- The project shall demonstrate increase in the carbon stocks of significant carbon pools and net GHG emission savings over the entire economic life of the project (rotation cycle of poplar plantations)
- Setting GHG emission baseline and GHG footprint assessment based on EIB Project Carbon Footprint Methodologies
- Compliance with Article 29(7), point (b), of Directive (EU) 2018/2001, as amended by Directive (EU) 2023/2413

3. Guarantee of permanence

- Compliance with national legislation applicable to forestry sector activities
- Application of international best practices in SFM aligned with forest certification standards and principles (e.g., FSC, PEFC) either through full certification or enabling the adoption of forest certification (i.e. roadmap certification)

4. Audit

- Independent audit reports issued by national authorities or forest certification organizations

5. Group assessment

- Certification or roadmap to certification (e.g. FSC, PEFC – see above) either at sourcing area level (for sufficiently large forest holders/operators), or at group of holders level (for smaller forest holders/operators)

Information to be included in the Side Letter(s) to the Finance Contract (non-exhaustive list):

- **Sites selection:**
  - Project sites must be selected based on clear and transparent criteria for site selection, tree species/afforestation/rehabilitation selection criteria and models, demonstrating strong contribution to the rehabilitation of degraded lands, forests and ecosystems.
  - Good quality land (be it agricultural or pasture lands) suitable for crops production and/or livestock/grazing, shall not be included in the project.
  - In view of the above, many sites observed during the site visits are not eligible for the Bank financing. Fertile land areas with high organic soil content do not add to the project's ecological carbon sequestration objective, neither to the environmental sustainability objective of rehabilitating degraded and eroded lands, and therefore they are not eligible for the Bank.
  - The Bank requires afforestation to be conducted only on eroded and/or degraded lands with poor soil conditions (e.g., lands affected by erosion (water; wind); landslides; sandy

soils; terrains with skeletal soils, gravel, rocks, etc; land with (permanent) excess of moisture; saline lands; etc.).

- In this respect, the Bank recommends that the site selection for afforestation to be based on the categories of degraded lands specified in the Technical Guide for Afforestation of Degraded Lands[8] (TGADL).
- The Bank also recommends prioritization of site selection for afforestation by level of land degradation category (i.e., from heavily eroded lands to less degraded lands), with tentative target areas or % to be covered by afforestation for each type of degraded lands.

- At all times, in addition to the criteria mentioned above for site selection, the Bank recommends using a consolidation approach, in order to address fragmentation issues and improve efficiency of implementation.

- **Species selection:**
  - The Project shall be aligned with the provisions of the EU Forest Strategy for 2030[9], including the Guidelines on Biodiversity-Friendly Afforestation, Reforestation and Tree Planting[10] (BFARTP).
  - The Bank notes that the Technical Guide for Afforestation of Degraded Lands (Moldsilva, 2015) is partially aligned with the EU guidelines on biodiversity-friendly afforestation, mostly with regards to planting models, which include a diverse range of tree and shrub species and planting models for each category of degraded land. However, TGADL should be updated to ensure full alignment with the EU guidelines, particularly in respect to tree species selection criteria, adaptation and biodiversity measures.
  - In view of the above, the use of *Robinia pseudoacacia* (Black locust)*in afforestation and enrichment planting shall be minimized.* In addition, *Robinia sp. shall be used in mixed/mosaic planting models, with at least two additional tree and/or shrub species.* Despite its benefits in fixing heavily degraded/eroded soils, its fast-growing rates and its high density and energy wood content (fuelwood), the Black locust is an invasive species that can threaten other local ecosystems (agricultural and pasture lands) and lead to depletion of soil organic content and biodiversity. Therefore, planting models with *Robinia sp.* should be considered only in heavily degraded and eroded lands.
  - For all components of the Project involving forestry works (i.e., afforestation on degraded lands, rehabilitation of degraded forests, shelterbelt protection forests and afforestation of riparian areas), tree and shrub species and planting models shall be selected and defined on clear and transparent criteria. To this end, the Bank recommends using the Moldova TGADL and the EU guidelines on BFARTP (see above) as a base for defining and prioritizing planting models with mixed shrubs and tree species by category of degraded lands/forests that help addressing land degradation and deliver the highest environmental, biodiversity and social impact.

Expected results of the FDP

The following results (outputs and outcomes) are expected to be achieved through the Forest Development Programme (non-exhaustive list to be further developed as part of the Results Framework):

- Regulatory framework on forests aligned with EU policy framework (by 2028);
- Enhanced institutional and technical capacities of forest stakeholders (public, private)
- Production of high-quality forest reproductive material:
  - Public nurseries: 80 – 90 million seedlings/year (25% with protected roots)

[8] MOLDSILVA, 2015: Scientific Technical Council of Moldsilva on 20 February 2015.

[9] Forest strategy (europa.eu)

[10] Register of Commission Documents - SWD(2023)61 (europa.eu)



- Private / communal nurseries: 4.5-6.0 million seedlings/year
- Increased country forest cover from 11% (370,000 ha in 2022) to 12% (409,200 ha in 2028);
- Reduced area of degraded and severely degraded lands on 39,200 ha:
- Protected water resources by establishment of 15,000 ha shelterbelt riparian forests;
- Decreased soil erosion/protected agricultural lands: 175,000 ha (through 5,000 ha shelterbelt forests);
- Employment created in the sector: 10,600 jobs full-time equivalent (FTE).

A.1.2 PROJECT RELATED CONDITIONS TO BE FULFILLED

Allocation procedure:

- All Project allocations must be at least EUR 10,000,000.00 (ten million euro) and will be subject to ex-ante appraisal and approval by the Bank. The Loan(s) will be allocated to eligible sub-components complying with the Technical Description and approval procedure applicable to the specific size of the allocation.
- Allocations corresponding to the financing of activities of components I and III of the Project shall be prioritized for the period 2024-2025, as they are prerequisite for starting the implementation of Component II (afforestation and forest restoration and rehabilitation works) of the Project. These allocations will follow, in principle, the projects-based modality of the Bank's sector based loan (SBL) approach and shall be between EUR 10,000,000.00 (ten million euro) and EUR 50,000,000.00 (fifty million euro).
- The allocation corresponding to the financing of component II of the Project activities must be undertaken after the allocations corresponding to the financing of components I and III of the Project.
- For all allocations, a project fiche shall be submitted to the Bank following the model defined in Appendix A.3.
- Allocations costing between EUR 10,000,000.00 (ten million euro) and EUR 50,000,000.00 (fifty million euro) shall be allocated following the Bank's ex-ante desk review of the project fiche submitted by the Promoter and are followed by regular monitoring by the Bank.
- Allocations costing more than EUR 50,000,000.00 (fifty million euro) shall be treated similar to direct investment loans in accordance with the Bank's rules, policies and procedures and will be subject to ex-ante appraisal, including on-site due diligence, and will be subject to the approval by the governing bodies of the Bank.

A.2 PROJECT INFORMATION TO BE SENT TO THE BANK AND METHOD OF TRANSMISSION

1. Dispatch of information: designation of the person responsible

The information below has to be sent to the Bank under the responsibility of:

	Financial Contact	**Technical Contact**
Company	*Ministry of Finance (MoF), Republic of Moldova*	*Ministry of Environment (MENV), Republic of Moldova*
Contact person	*Mr. Ion GUMENE*	*Mrs. Aliona RUSNAC*
Title	*Secretary of State*	*Secretary of State*

Function / Department financial and technical	*Management Department, MoF*	*Management Department, MENV* *President of the EIB Project Working Group – MENV*
Address	*Str. Constantin Tănase 7, mun. Chişinău, MD-2005, Republic of Moldova, Tel.: +(373) 22 26 25 23*	*Bd. Ştefan Cel Mare şi Sfânt 162, MD-2004, Chişinău, Republic of Moldova*
Phone	+373 (022) 26 28 00	+373 (022) 204-564
Fax	-	-
Email	*ion.gumene@mf.gov.md*	*aliona.rusnac@mediu.gov.md*

The above-mentioned contact person(s) is (are) the responsible contact(s) for the time being.

The Borrower shall inform the Bank immediately in case of any change.

2. Information on specific subjects

Document / information	**Deadline**
Project Implementation Manual (PIM), including i.e.: sub-project selection and prioritization, sector eligibility criteria, allocation procedure (including agreed fiche template) and compliance with the EIB Guide to Procurement, EIB Environmental and Social Standards and EIB sectorial policies.	At first allocation
Project's Procurement Strategy (2024-2028) and Project Procurement Plan for the first two years of implementation	At first allocation
Results Framework, including key performance indicators (KPIs) and mechanism for Monitoring, Reporting and Verification (MRV)	At first allocation
Ex-ante, the Bank's approval and allocation of the schemes to be financed on the basis of completed and duly signed fiches (the draft template for which will be provided in Appendix A3 of the Finance Contract). Fiches shall contain information on the technical, environmental, and economic criteria, inclusive of the procurement plan, ESIA and/ or screening decision and the assessment of impact on areas of nature conservation where applicable, as well as any additional information required by the Bank. A complete feasibility study to the satisfaction of the Bank will be required, also ex-ante	For all allocations under EUR 50m
Identification and analysis of stakeholder's exercise and put in place an effective Grievance Mechanism.	For all allocations not requiring ESIA
An own standard procedure and an expert on Climate Risk Assessment in place that draws on information from climate projections to systematically screen, assess in detail, classify and reduce physical climate risks in its operations and for managing physical climate risks to the sub-projects of this operation, to the satisfaction of the bank (Climate Change Risk Vulnerability Assessment -CCRVA).	Along the whole Project

3. Information on the project's implementation

The Borrower shall deliver to the Bank the following information on project progress during implementation at the latest by the deadline indicated below.

Document / information	**Deadline**	**Frequency of reporting**

Project Progress Report - *A brief update on the Technical Description, explaining the reasons for significant changes vs. initial scope;* - *Update on the date of completion of each of the main project's components and sub-components, explaining reasons for any possible delay;* - *Update on the cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost;* - *Update on employment effects of the project: person-days required during implementation, as well as permanent new jobs created* - *Actual project's expenditures to date;* - *A description of any major issue with impact on the environment and/or social impact;* - *Update of the procurement plan;* - *Update on the project's demand or usage and comments;* - *Any significant issue that has occurred and any significant risk that may affect the project's operation;* - *Any legal action concerning the project that may be on-going;* - *Non-confidential project-related pictures, if available.* - *Any update in the Borrower or Promoter's decarbonisation plan (including targets) or climate resilience plan since contract signature.* - *Update on the key performance indicators (KPIs), as defined in the Results Framework*	Every 31.01 and 31.07	*Semi-annually until 31.01.2029*

4. Information on the end of works and first year of operation

The Borrower shall deliver to the Bank the following information on project completion and initial operation at the latest by the deadline indicated below.

Document / information	**Date of delivery to the Bank**
Project Completion Report, including: (- *A final Technical Description of the project as completed, explaining the reasons for any significant change compared to the Technical Description in A.1.;* - *The date of completion of each of the main project's components, explaining reasons for any possible delay;* - *The final cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost;* - *Breakdown of project costs by regions* - *Employment effects of the project: person-days required during implementation as well as permanent new jobs created disaggregated by gender;* - *A description of any major issue with impact on the environment or social impacts;* - *Update on procurement procedures and explanation of deviations from the procurement plan;* - *Update on the project's demand or usage and comments;* - *Any significant issue that has occurred and any significant risk that may affect the project's operation;* - *Any legal action concerning the project that may be on going.* - *Any update in the Borrower or Promoter's decarbonisation plan (including targets) or climate resilience plan since contract signature.* - *Non-confidential project-related pictures, if available.* - *Update on the following Monitoring Indicators:* o *Employment during construction (temporary jobs);* o *Employment during Operation (permanent jobs created);* o *area of forest or other habitat protected (shelterbelt forests, ha);* o *forest growth (m3/ha/yr);* o *number of beneficiaries (households);* o *forest biomass growth (m3/yr);* o *new area planted (afforestation, ha),*	*31.12.2029*

o *forest area with improved forest management (ha);* o *forest roads created or maintained (km);* o *wood storage capacity (t)..* - *Update on the key performance indicators (KPIs), as defined in the Results Framework*	

5. Information required 3 years after the Project Completion Report

The Borrower shall deliver to the Bank the following information 3 years after the project completion report at the latest by the deadline indicated below.

Document / information	**Date of delivery to the Bank**
Update on the Monitoring Indicators listed in the table above and on the KPIs listed in the Results Framework	*31.12.2032*

Language of reports	*English*

A.3.1 PROJECT INFORMATION FICHE AND QUESTIONNAIRE FOR ALLOCATION REQUEST

PROJECT FICHE

MOLDOVA AFFORESTATION PROGRAMME

2023-0445

This fiche could be replaced by any internal document (e.g. application submitted by the contractor) providing the same information.

Scheme Name:	Scheme Promoter:
	Location:
Scheme reference number:	Sector:
Implementing body:	Type: new project/ extension/ rehabilitation
Contact Person:	Date:
Contact (e-mail, telephone):	Signature:

1. Scheme

1.1 Background and reasons for undertaking the Project and key objectives

- Description of the existing situation including a description of current environmental and social deficiencies/risks. In particular, any known environmental problems to be addressed by the project should be highlighted.
- Phases and links with sectoral plans/programmes or regional master plans. If yes, please indicate planning horizon (e.g. 2035) and year of approval.

- Current/planned involvement with other donors/agencies/international financial institutions approved by borrower's government.
- Stakeholder consultation and engagement for project development

1.2 Technical description of the project including relevant key dimensions and capacities

- see also separate investment questionnaire in EXCEL format
- General scope of project(s) and list of investments
- Relevant key dimensions of buildings, roads, storage capacity, etc.
- Relevant assumptions used and planning horizon (such as 10 years, 20 years), or with a date (2030, 2040, etc.).
- Provide one or more overview maps of the project area (in pdf format, max. A3) that distinguish between existing and planned infrastructure and show :
- The municipality, all towns or villages affected by the project components,
- Land use, distinguishing between pasture and agricultural areas, degraded areas, forests, urban areas, roads, rivers.

- If available, in addition to the map already provided in point 2.1, please include plans or drawings at an appropriate scale and format (pdf file, A3 format maximum) showing the layout, indicating existing and proposed infrastructures such as buildings, roads, etc.

1.3 Entity(ies) responsible for project design, construction and supervision

1.4 Investment cost (total)

Please provide all items in current prices to be updated accordingly for each component, if applicable.

The investment cost breakdown, financing plan and sources of funds shall also be presented on an EXCEL spreadsheet the template of which shall be submitted by the Bank.

1.5

	in EUR
Engineering and supervision	-
Land	-
Civil works (Building work)	-
Equipment	-
Miscellaneous	-
Technical contingencies	-
Price contingencies (...% escalation p.a.), if applicable	-
VAT	
...	-
Total	-

Are the cost estimates before or after procurement?

1.5.1 Financial plan and requested allocation

Sources of financing	**in EUR**
EU funds (if applicable)	
[National/regional/municipal]* budget	
Other (e.g. private)	
Total	
of which requested EIB loan	

* as relevant to the project

1.6 **Expected expenditure schedule** (in EUR)

year	...	...	...	n	Total
EUR					

1.7 **Expected technical/ economical life-span (years)**

1.8 **Implementation period (dates: month, year)**

a) Start:

b) Completion:

1.9 **Authorisation required to implement/operate the project**

Please provide the name(s) of the authority(ties) issuing the relevant permit(s) and whether or not the authorisation(s) has (have) been issued. If permits are not issued, please indicate the expected date.

1.10 **Jobs affected by the investment**

Number of jobs that will be created, secured or lost as a consequence of the project

a) during construction:	
b) post construction (operation and maintenance) – secured:	

1.11 **Physical indicators**

Please indicate (quantify) planned physical output/result of the project.

Indicator name and definition	Baseline (year)	Target value (year)
Areas under protection (ha)		
Forest Growth (m^3/ha/yr)		
Number of beneficiaries of the project (forest owners, households)		
New area of forest planted (ha)		
Existing forest areas with improved forest management (ha)		
Access roads created or maintained (km)		
Wood storage capacity (t)		

1.12 **Procurement plan**

Number of contracts, their value and types of tender procedures, timetable

Contracts/ lots name	Type of contract: e.g. design, design-build, supply, services	Tender procedure	Start (publication date)	End (contract signature date)	Publication reference (OJEU or national journal)	Contract value (EUR)	Company awarded (if available)

1.13 Environmental impacts, social issues and risk

a) Please explain briefly the effects of the project on the environment
b) Is an Environmental Impact Assessment (EIA) required under law? Have the EIAs been performed? If so, provide non-technical summary. Describe manner of public participation.
c) Is there any flooding experience/risk of flooding in the project area?
d) Is there any drought experience in the project area?
e) Is there a climate risk vulnerability assessment for the project, the project area or the region carried out? If not, have increased risks of flooding and drought taken into account in the design of project components?
f) Are there any areas of nature conservation interest in the vicinity or downstream (nature reserves, area with special wildlife/natural features)? If yes, has a screening been carried out under either the EIA or other procedures?
g) Are there any industrial enterprises or sources of pollution for the irrigation intakes operating in the area? What industries have operated in the past? Are industrial zones upstream the intake treating their industrial discharges?

1.14 Operation and maintenance of the facilities:

a) Organisation in charge of the operation and maintenance of the Scheme:
b) Operating and maintenance costs and available budget for operation and maintenance, distinguishing staff, vehicles, energy

1.15 Climate change risks

a) Has there been a climate risk and vulnerability undertaken for the project? Please outline main results.
b) How will the design and layout of the infrastructure maximise opportunities for building infrastructure resilience (e.g. water and energy efficiency measures, sustainable urban drainage, flood risk)?

1.16 Economic and financial aspects

The economic viability of the project should be demonstrated through an economic cost-benefit analysis covering the construction period plus an operations period of at least 25 years (including estimates of economic rate of return and economic net present value). The projected economic cost and benefit streams should reflect data provided in previous sections. Figures should be in constant prices, and should include details of the various costs and benefits of the project.

2. Overall conclusions and recommendations

Place:
Date:
Promoter:
Responsible person:



Project Questionnaire

2023-0445 - MOLDOVA AFFORESTATION PROGRAMME

Number and name of sub-project:

Overall summary budget:

Currency (USD or/and EUR, please indicate):

Nr.	Investment Cost	EUR (excluding VAT)
1	Design	
2	Supervision of design	
3	Supervision of civil works	
4	Civil works *Earthworks* *Structures* ...	
5	Equipment *Maintenance* *Measurement* ...	
6	Land acquisition	
7	Miscellaneous	
8	Contingencies total * - of which financing contingencies (if estimated separately) - of which price contingencies (if estimated separately)	
9	VAT**	
	TOTAL	

Financing Plan:

Source	EUR (excluding VAT)	%
Promoter's own funds		0.0%
Donor		0.0%
Other 1 (other 3rd party)		0.0%
Other etc. (other 3rd party)		0.0%
...		0.0%
...		0.0%
Other IFI loans		0.0%
Requested EIB loan***		100.0%
		0.0%
TOTAL	-	**100.0%**

* Please make clear what kind and amount of contingencies have been applied
** Please explain VAT procedures and percentage
*** VAT and land acquisition shall not be covered by the EIB loan

Number and name of sub-project

Detailed expenditure and financing schedule for project proposed for EIB financing

All amounts are given in [ ]

Nr.	Description of component	Source of funds for component *	2024	2025	2026	2027	2028
	Design						
	Supervision of design						
	Supervision of civil works						
	Civil works						
	Earthworks						
	Structures						
	...						
	Equipment						
	Maintenance						
	Measurement						
	...						
	Land acquisition						
	Miscellaneous						
	Contingencies total *						
	- of which financing contingencies (if estimated separately)						
	- of which price contingencies (if estimated separately)						
	VAT**						
	TOTAL						

* EIB, other IFI, donor, municipality, utility's own cash resources - where a components is financed from more than one source, please state all sources

Schedule B

Definitions of EURIBOR

EURIBOR

"**EURIBOR**" means:

(a) in respect of a relevant period of less than one month, the Screen Rate (as defined below) for a term of one month;

(b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and

(c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the "**Representative Period**").

For the purposes of paragraphs (a) to (c) above:

(i) "**available**" means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), or any successor to that function of EMMI, as determined by the Bank; and

(ii) "**Screen Rate**" means the rate of interest for deposits in EUR for the relevant period as published at 11:00 a.m., Brussels time, or at a later time acceptable to the Bank on the day (the "**Reset Date**") which falls 2 (two) Relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

If such Screen Rate is not so published, the Bank shall request the principal offices of four major banks in the euro-zone, selected by the Bank, to quote the rate at which EUR deposits in a comparable amount are offered by each of them, as at approximately 11:00 a.m., Brussels time on the Reset Date to prime banks in the euro-zone interbank market for a period equal to the Representative Period. If at least 2 (two) quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If no sufficient quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in the euro-zone, selected by the Bank, at approximately 11:00 a.m., Brussels time, on the day which falls 2 (two) Relevant Business Days after the Reset Date, for loans in EUR in a comparable amount to leading European banks for a period equal to the Representative Period. The Bank shall inform the Borrower without delay of the quotations received by the Bank.

All percentages resulting from any calculations referred to in this Schedule will be rounded, if necessary, to the nearest one thousandth of a percentage point, with halves being rounded up.

If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EMMI (or any successor to that function of EMMI as determined by the Bank) in respect of EURIBOR, the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

If the Screen Rate becomes permanently unavailable, the EURIBOR replacement rate will be the rate (inclusive of any spreads or adjustments) formally recommended by (i) the working group on euro risk-free rates established by the European Central Bank (ECB), the Financial Services and Markets Authority (FSMA), the European Securities and Markets Authority (ESMA) and the European Commission, or (ii) the European Money Market Institute, as the administrator of EURIBOR, or (iii) the competent authority responsible under Regulation (EU) 2016/1011 for supervising the European Money Market Institute, as the administrator of the EURIBOR, or (iv) the national competent authorities designated under Regulation (EU) 2016/1011, or (v) the European Central Bank.

If the Screen Rate becomes permanently unavailable and no EURIBOR replacement rate is formally recommended as provided above, EURIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

Schedule C

Form of Disbursement Offer/Acceptance (Articles 1.2.B and 1.2.C)

Disbursement Offer/Acceptance

Valid until: [time] CET on [date]

From: European Investment Bank

To: The Republic of Moldova

Date:

Subject: Disbursement Offer/Acceptance for the Finance Contract between European Investment Bank, The Republic of Moldova and IP Oficiul National de Implementare a Projectelor in domeniul Mediului dated [●] (the "**Finance Contract**")

Contract Number 96851 Operation Number 2023-0445

Dear Sirs,

We refer to the Finance Contract. Terms defined in the Finance Contract have the same meaning when used in this letter.

Following your request for a Disbursement Offer from the Bank, in accordance with the relevant provisions of the Finance Contract, and otherwise subject to its terms, we hereby offer to make available to you the following Tranche:

GENERAL

Scheduled Disbursement Date:
Currency of Tranche:
Amount of Tranche:

PRINCIPAL

Repayment periodicity[11]:
Terms for repayment of principal[12]:
First Repayment Date[13]:
Last Repayment Date[14]:

---

[11] In accordance with provisions of Article 4.1

[12] Whether repayment by instalments (under 4.1 A) or by single instalment (under Article 4.1.B)

[13] Only if repayment by instalments is offered (under Article 4.1.A)

[14] Only if repayment by instalments is offered (under Article 4.1 A)

Repayment Dates[15]:
Single Repayment Date[16]:

INTEREST

Interest payment periodicity[17]:
First interest Payment Date:
Payment Dates:
Interest Revision / Conversion Date:

COMMENTS[18]:

APPLICABLE RATE

Interest Rate basis[19]:
Rate applicable until[20]
Fixed Rate[21]:
Spread[22]:
Relevant Interbank Rate[23]:

If not duly accepted by the above stated time, the offer contained in this document shall be deemed to have been refused and shall automatically lapse.

We hereby accept the above Disbursement Offer for and on behalf of the Borrower:

Name(s) of the Borrower's Authorised Signatory(ies) (as defined in the Finance Contract):

.....

_____

[15] Only if repayment by instalments is offered (under Article 4.1 A)

[16] Only if bullet option is offered (under Article 4.1.B)

[17] In accordance with Article 3.1

[18] If applicable

[19] Whether a Fixed Rate Tranche or a Floating rate Tranche, in each case pursuant to the relevant provisions of Article 3.1

[20] Either Conversion Date or Maturity Date, as applicable

[21] Only if Fixed Rate offered

[22] Only if Floating Rate offered

[23] Only if Floating Rate offered

Signature(s) of the Borrower's Authorised Signatory(ies) (as defined in the Finance Contract):

Date:

Please return the signed Disbursement Acceptance to the following email [ ].

IMPORTANT NOTICE TO THE BORROWER:

BY SIGNING ABOVE YOU CONFIRM THAT THE LIST OF AUTHORISED SIGNATORIES AND ACCOUNTS PROVIDED TO THE BANK WAS DULY UPDATED PRIOR TO THE PRESENTATION OF THE ABOVE DISBURSEMENT OFFER BY THE BANK.

IN THE EVENT THAT ANY SIGNATORIES OR ACCOUNTS APPEARING IN THIS DISBURSEMENT ACCEPTANCE ARE NOT INCLUDED IN THE LATEST LIST OF AUTHORISED SIGNATORIES AND ACCOUNTS (AS DISBURSEMENT ACCOUNT) RECEIVED BY THE BANK, THE ABOVE DISBURSEMENT OFFER SHALL BE DEEMED AS NOT HAVING BEEN MADE.

Disbursement Account to be credited[24]:

Disbursement Account N°: .....

Disbursement Account holder/beneficiary: .....

(please, provide IBAN format if the country is included in IBAN Registry published by SWIFT, otherwise an appropriate format in line with the local banking practice should be provided)

Bank name and address: .....

Bank identification code (BIC): .....

Payment details to be provided: .....

[24] The details concerning banking intermediary are also to be provided if such intermediary has to be used to make the transfer to the Beneficiary's Account.

Schedule D

Interest Rate Revision and Conversion

If an Interest Revision/Conversion Date has been included in the Disbursement Offer for a Tranche, the following provisions shall apply.

A. Mechanics of Interest Revision/Conversion

Upon receiving an Interest Revision/Conversion Request the Bank shall, during the period commencing 60 (sixty) days and ending 30 (thirty) days before the Interest Revision/Conversion Date, deliver to the Borrower an Interest Revision/Conversion Proposal stating:

(a) the Fixed Rate and/or Spread that would apply to the Tranche, or of its part indicated in the Interest Revision/Conversion Request pursuant to Article 3.1; and

(b) that such rate shall apply until the Maturity Date or until a new Interest Revision/Conversion Date, if any, and that interest is payable quarterly, semi-annually or annually, in accordance with Article 3.1, in arrear on designated Payment Dates.

The Borrower may accept in writing an Interest Revision/Conversion Proposal by the deadline specified therein.

Any amendment to this Contract requested by the Bank in this connection shall be effected by an agreement to be concluded and effective not later than 1 Business Day prior to sending by the Bank of an Interest Revision/Conversion Proposal.

Fixed Rates and Spreads are available for periods of not less than 4 (four) years or, in the absence of a repayment of principal during that period, not less than 3 (three) years.

B. Effects of Interest Revision/Conversion

If the Borrower duly accepts in writing a Fixed Rate or a Spread in respect of an Interest Revision/Conversion Proposal, the Borrower shall pay accrued interest on the Interest Revision/Conversion Date and thereafter on the designated Payment Dates.

Prior to the Interest Revision/Conversion Date, the relevant provisions of this Contract and Disbursement Offer and Disbursement Acceptance shall apply to the Tranche in its entirety. From and including the Interest Revision/Conversion Date onwards, the provisions contained in the Interest Revision/Conversion Proposal relating to the new Fixed Rate or Spread shall apply to the Tranche (or any part thereof, as indicated in the Interest Revision/Conversion Request) until the new Interest Revision/Conversion Date, if any, or until the Maturity Date.

C. Partial or no Interest Revision/Conversion

In case of a partial Interest Revision/Conversion, the Borrower will repay, without indemnity, on the Interest Revision/Conversion Date the part of the Tranche that is not covered by the Interest Revision/Conversion Request and which is therefore not subject to the Interest Revision/Conversion.

If the Borrower does not submit an Interest Revision/Conversion Request or does not accept in writing the Interest Revision/Conversion Proposal for the Tranche or if the Parties fail to effect an amendment requested by the Bank pursuant to paragraph A above, the Borrower shall repay the Tranche in full on the Interest Revision/Conversion Date, without indemnity.

Schedule E

Certificates to be provided by the Borrower

A.1 **Form of Certificate from Borrower and Promoter (Article 1.4.D)**

To:	European Investment Bank
From:	The Republic of Moldova and IP Oficiul National de Implementare a Pro in domeniul Mediului
Date:	[**]
Subject:	Certificate for the Finance Contract between European Investment Bank and the Republic of Moldova dated [**] (the "**Finance Contract**")
Project Name:	Moldova Forest Development Programme
	Contract Number: 96851 Operation Number: 2023-0445

Dear Sirs,

Terms defined in the Finance Contract have the same meaning when used in this letter.

For the purposes of Article 1.4 of the Finance Contract we hereby certify to you as follows:

(a) there has been no material change to any aspect of the Project or in respect of which we are obliged to report under Article 8.1, save as previously communicated by us;

(b) we have sufficient funds available to ensure the timely completion and implementation of the Project in accordance with Schedule A;

(c) no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute a Prepayment Event or an Event of Default has occurred and is continuing unremedied or unwaived;

(d) no litigation, arbitration administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against us or any of our subsidiaries any unsatisfied judgement or award;

(e) the representations and warranties to be made or repeated by us under Article 6.15 are true in all respects;

(f) no Material Adverse Change has occurred, as compared with the situation at the date of the Finance Contract;

(g) the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower is up-to-date and the Bank may rely on the information set out therein; and

(h) we undertake to immediately notify the Bank if any the above fails to be true or correct as of the Disbursement Date for the proposed Tranche.

Yours faithfully,

For and on behalf of

The Republic of Moldova

Date:

For and on behalf of

IP Oficiul National de Implementare a Projectelor in domeniul Mediului

Annex I

Authority of Signatory