WORLD BANK GROUP

THE WORLD BANK IFC MIGA

02-Jun-2025, 2025

Her Excellency
Ms. Victoria Belous
Minister
Ministry of Finance
Constantin Tănase Street, 7
MD-2005 Chisinau
Republic of Moldova

Excellency:

Re: Republic of Moldova: Credit No. 6542 -MD
Higher Education Project
Acknowledgement of Amendment to the Financing Agreement executed on May 19, 2022, Notice of Extension of the Closing Date, and Amendment No. 3 to the Financing Agreement

We refer to the Financing Agreement between the Republic of Moldova (the "Recipient") and the International Development Association (the "Association") dated May 19, 2020, as amended on May 19, 2022 and August 14, 2024, for the above-mentioned Higher Education Project (the "Financing Agreement"). The capitalized terms used in this letter and not defined herein have the meanings ascribed to them in the Financing Agreement.

This letter serves as: (A) an acknowledgement of the amendments to the Financing Agreement executed on May 19, 2022; (B) a notice of the extension of the Closing Date of the captioned Credit as requested by the Recipient during the negotiations for the Additional Financing for the Project during April 10-24, 2025; and (C) an amendment to the Financing Agreement to reflect the proposed changes to the Project as a result of the Recipient's request for additional financial assistance in support of the Project.

(A) The Association hereby acknowledges the amendments to the Financing Agreement executed on May 19, 2022, including the following:

(1) the applicable Interest Charge set forth in Article 2.05 of the Financing Agreement is the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance of which the "Basis Adjustment to the Interest Charge" means the Association's standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum."

(2) the Repayment Schedule set forth in Schedule 3 to the Financing Agreement is as follow:

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage) *
On each April 15 and October 15:	
commencing on April 15, 2025 to and including October 15, 2044	1.65%
commencing on April 15, 2045 to and including October 15, 2049	3.4%

(B) The Association agrees with the Recipient's request and has established December 31, 2029, as the later date for purposes of paragraph 2 of Section III.B of Schedule 2 to the Financing Agreement. The extension of the Closing Date under this paragraph (B) shall become effective as of the date of this letter.

(C) The Association agrees with the Recipient's request and hereby amends the Financing Agreement as follows:

(1) the Project Description in Schedule 1 shall be deleted in its entirety and replaced with the Project Description as set forth in the Annex 1 to this letter;

(2) the withdrawal table set forth in Section I.A.5 of Schedule 2 shall be deleted in its entirety and replaced with the revised withdrawal table set forth in the Annex 2 to this letter; and

(3) the references to "Part 2(a)", "Part 2(b)" and "Part 4" of the Project in the Financing Agreement shall be deleted in its entirety and replaced with the references to "Part 2.1" and "Part 2.2", and "Part 4.1(i)-(vi) and 4.2(i)" of the Project, respectively.

Except as specifically amended in this letter, all terms and conditions in the Financing Agreement remain unchanged.

Please confirm your agreement with the amendments under paragraph (C) above to the foregoing on behalf of the Recipient by signing and dating the form of confirmation set forth below, and returning one fully countersigned original of this amendment letter to us and retaining one original for your records. Upon receipt by the Association of the countersigned copy of this letter, the amendments under paragraph (C) shall become effective on the date upon which the Association dispatches to the Recipient a notice of its acceptance of the evidence that this amendment letter: (a) has been duly authorized by, and executed and delivered on behalf of, the Recipient; and (b) is legally binding upon the Recipient in accordance with the terms of the Financing Agreement, as amended hereby.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Inguna Dobraja
WBG Country Manager
World Bank Group
Moldova

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AGREED:

REPUBLIC OF MOLDOVA

By: Hon. Dan Perciun

Authorized Representative

Name: Hon. Dan Perciun

Title: Mister

Date: 02-Jun-2025 2 iunie 2025

ANNEX 1

REVISED SCHEDULE 1

Project Description

The objective of the Project is to strengthen the capacity for research, quality assurance and refugee response in higher education, and to improve labor market orientation and internationalization in selected higher education institutions.

The Project consists of the following parts:

Part 1. Improving the Quality Assurance Mechanism and Strategic Policy Initiatives

Improving the quality assurance mechanisms through the following:

1.1. *National Qualifications Framework ("NQF") and quality assurance* including through:

(i) Improving the National Qualifications Framework through:

(A) development and revision of qualification standards for higher education academic programs;

(B) assistance to the implementation of the NQF including through carrying out of training of university teachers, as well as support to More for the self-certification;

(C) technical assistance for the management and maintenance of the national qualifications register; and

(D) digitalization of the archive of diplomas that were issued before 2008; and

(ii) Improving Quality Assurance through:

(A) assistance to the accreditation of academic programs, as well as institutions that offer doctoral programs;

(B) enhancement of the capacity of NAQAER and universities including through the carrying out of training and provision of advice;

(C) carrying out of training of MoER's and NAQAER's staff in European best practices in higher education quality assurance; and

(D) registration of NAQAER in the European Quality Assurance Register for Higher Education including the provision of advice.

1.2. *System Management and Monitoring*: through the development and implementation of information systems and a higher education system-wide graduate tracer study.

1.3. *Higher Education Financing*, including through:

(i) piloting and adjusting the new financial model;

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(ii) developing guidelines for the implementation of the model mentioned under (i);

(iii) carrying out of Training of MoER's and universities' staff on the model mentioned under (i);

(iv) monitoring and assessing the implementation of the model mentioned under (i) for course correction; and

(v) developing and implementing a communication strategy to raise awareness on the model mentioned under (i).

1.4. *Strategic Policy Initiatives.*

Carrying out a program of activities for the implementation of results-based strategic policy initiatives, through:

(i) preparing and approving the University Administrators' Training Plan informed by and embedded in strategic policy initiatives, on institutional management, financial management and academic integrity;

(ii) trainings and capacity building and certifying University Administrators to implement results-based strategic policy initiatives based on the University Administrators' Training Plan approved by MoER for each Selected University; and

(iii) facilitating systematized data sharing between HEIs and MoER for the operationalization of the National Higher Education Management Information System ("National HEMIS"), through technical and capacity-building support to universities for developing and implementing data sharing protocols.

Part 2. Improving Labor Market Orientation, Research and Innovation

Improving the labor market orientation of Recipient's Selected Higher Education Institutions and Selected Pedagogical Colleges, including through:

2.1. *Higher Education Improvement Program Preparation*

(i) preparation of improvement programs by Selected Higher Education Institutions and Selected Pedagogical Colleges, including the development of guidelines for HEIP Beneficiaries;

(ii) evaluation of the proposed improvement programs mentioned under (i);

(iii) carrying out of the fiduciary tasks (procurement and financial management) related to the HEIP; and

(iv) adaptation or development of an online tool for citizens engagement.

2.2. *Higher Education Improvement Program Implementation*

Implementing HEIP's awarded proposals, including through the provision of Sub-grants to Selected Higher Education Institution and Selected Pedagogical College.

2.3. *Improving Research and Innovation in Higher Education*

(i) Improving Capacity for Management of Research and Innovation

Carrying out a program of activities to improve the institutional capacity of NARD for the management and financing of research and technology transfer at the national level and to improve the capacity of Moldovan researchers in accessing international and national competitive research funding, through:

(A) capacity building activities, including: development and implementation of a capacity-building program for doctoral students and researchers from Selected Universities, industry, non-profits and affiliate research organizations in the management of research grants;

(B) providing proportional funding to the funding received by Selected Universities from the Horizon Europe and European Research Council Grants for Eligible Research Activities to incentivize researchers to secure an increased amount of competitive external funding; and

(C) capacity building support to NARD through: reviewing and strengthening NARD's institutional structure and research management capacity, assisting NARD in developing standards, procedures, and methodologies for awarding research grants, training NARD's staff in the management of research and innovation and technology transfer, identification of potential international research collaborators and consortia, strengthening NARD's policies and programs to promote inclusion and accessibility, and development of an E-Research System.

(ii) Establishing Research Infrastructure and Promoting Culture of Research

(A) Carrying out Research Infrastructure Sub-projects for the establishment of research infrastructure in the Priority Research Areas;

(B) promoting a culture of research through the provision of: (1) Young Researcher Grants to doctoral students and early career researchers enrolled and/or employed in Moldovan universities, including those with refugee status, for national and international collaboration in pre-identified research areas; and (2) Research Dissemination Grants to researchers enrolled and/or employed in Moldovan universities, including those with refugee status, for patenting, participation, and presentation of research papers in international conferences.

2.4. *Establishing Agriculture Innovation Center*

Establishment and operationalization of an Agriculture Innovation Center in the Technical University of Moldova ("TUM") focusing on climate-resilient agriculture and food technology, through:

(i) carrying out a technical feasibility study and preparation of a business plan for the Agriculture Innovation Center Sub-project; and

(ii) developing a proposal for the Agriculture Innovation Center Sub-project and carrying out the activities under the Agriculture Innovation Center Sub-project with the defined outputs in the approved proposal by MoER, including, *among others*, industry-oriented agriculture training plans and curricula, training of teachers in the faculty or department of agriculture

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(including English language training), business start-up incubation and acceleration activities, agriculture extension programs, applied research projects, and international partnerships.

Part 3. Project Management, and Monitoring and Evaluation

Providing technical and operational assistance for coordination, financial management, procurement, environmental and social risk and impact management, monitoring and evaluation, independent verification of achievement of PBC Targets, and audit of the Project.

Part 4. Internationalization of Higher Education

Improving the quality of selected higher education programs and the quality of on-campus living conditions of students, through:

4.1. *Internationalization of Higher Education Programs* through the provision of technical and capacity building support for internationalization of Selected Universities, including:

(i) development of curricula support, didactic and other teaching- learning materials in print and digital versions in accordance with international standards;

(ii) training of teachers and relevant staff on English and other foreign languages;

(iii) development and implementation of learning assessments;

(iv) accreditation of selected national and international programs;

(v) capacity building activities for universities offering international programs;

(vi) development and implementation of a marketing strategy, including participation in relevant international events, students counselling and guidance events in countries with potential for students' recruitment; and

(vii) carrying out of a program of activities by Selected Universities for the development and implementation of strategic plans for internationalization, and facilitation of enrollment of international students.

4.2. *Enhancing Students' On-Campus Living Experience* through renovation and refurbishment of Identified Dormitories and Additional Identified Dormitories in the Selected Universities, including:

(i) renovation and refurbishment of Identified Dormitories in the Selected Universities through: (A) the carrying out of facilities assessment; (B) preparation of drawings; and (C) designs and estimated costs.

(ii) renovation and refurbishment of Additional Identified Dormitories in the Selected Universities, through the carrying out Student Dormitory Sub-projects, including: (A) the carrying out of feasibility studies for the Student Dormitory Sub-projects, (B) obtaining structural safety certificates, (C) designing, preparing bidding documents, and carrying out renovation and refurbishment integrated with environment and climate resilience measures and technologies, (D) monitoring progress and quality of works, (E) procuring environment-friendly dormitory furniture and equipment, (F) obtaining user-ready

certificates for the renovated dormitories, (G) development of e-management system of dormitory operations, and (H) development and adoption of guidelines for student safety.

Part 5. Contingent Emergency Response

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

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ANNEX 2

REVISED WITHDRWAL TABLE

Category	Amount of the Credit Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Training, and Operating Costs under Parts 1.1, 1.2, 1.3, 2.1, and 3 of the Project	6,385,454	100%
(2) Goods, works, non-consulting services, consulting services, Training, and Operating Costs for Sub-projects under Part 2.2 of the Project	24,706,000	100%
(3) (2) Goods, works, non-consulting services, consulting services, Training, and Operating Costs for Subprojects under Part 4.1(i)-(vi) and 4.2(i) of the Project	4,608,546	100%
TOTAL AMOUNT	**35,700,000**	

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