LOAN NUMBER 9819-MD
GCFF TF NUMBER TF0C8474

Loan Agreement

(Moldova Supporting Economic Opportunities and Climate Transition Development Policy Loan)

between

REPUBLIC OF MOLDOVA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(acting in its own capacity and as an Implementation Support Agency of the Global Concessional Financing Facility)

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF MOLDOVA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"), acting in its own capacity and as an Implementation Support Agency of the Global Concessional Financing Facility, for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, *inter alia*, of:

(i) the actions which the Borrower has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement;

(ii) the Borrower's maintenance of an adequate macroeconomic policy framework;

(iii) the International Development Association has decided to provide financing in support of the Program in accordance with the Financing Agreement (as defined in the Appendix to this Agreement);

(iv) the Association/Bank, acting as administrator of the Moldova Growth, Resilience and Opportunities for Well-Being ("M-Grow") Program Multi Donor Trust Fund has decided to provide financing in support of the Program in accordance with the Grant Agreement (as defined in the Appendix to this Agreement);

(v) funding from the Global Concessional Financing Facility ("GCFF"), which was received by the Bank, in its capacity as an Implementation Support Agency of the GCFF, for purposes of providing concessional financing under this Agreement; and

(vi) the terms of a Financial Procedures Arrangement with the Trustee of the Global Concessional Financing Facility dated August 10, 2016, under which the Bank, in its capacity as an Implementation Support Agency of the GCFF, has agreed to provide additional funds to the Borrower (the "Concessional Portion of the Loan" as defined in the Appendix to this Agreement) as part of an integrated lending operation under the terms of this Agreement; and

NOW THEREFORE, the Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — LOAN

2.01. The Bank agrees to extend to the Borrower on the terms and conditions set forth or referred to in this Agreement the following:

(a) a loan in the amount of thirty-seven million Euros (€37,000,000) ("Non-concessional Portion of the Loan"), as such amount may be converted from time to time through a Currency Conversion; and

(b) a concessional portion of the loan in the amount of eight million Dollars ($8,000,000) ("Concessional Portion of the Loan").

2.02. The Front-end Fee is one quarter of one percent (0.25%) of the amount of the Non-concessional Portion of the Loan.

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

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

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

2.06. The principal amount of the Non-concessional Portion of the Loan shall be repaid in accordance with Section 3.03 of the General Conditions and Schedule 2 to this Agreement.

2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

ARTICLE III — PROGRAM

3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:

(a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and

(c) without limitation upon paragraph (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely, a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

4.02. The Additional Event of Acceleration consists of the following the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework;

(b) the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled; and

(c) the Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

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

(a) the Borrower's address is:

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

(b) the Borrower's Electronic Address is:

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

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

(a) the Bank's address is:

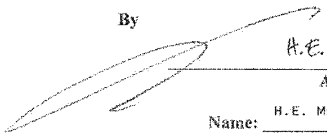
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

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

AGREED as of the Signature Date.

REPUBLIC OF MOLDOVA

By 

H.E. Ms. Victoria Belous

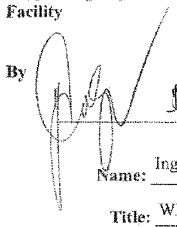
Authorized Representative

Name: H.E. Ms. Victoria Belous

Title: Minister

Date: 28-May-2025

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting in its own capacity and as an Implementation Support Agency of the Global Concessional Financing Facility

By 

Dobraja

Authorized Representative

Name: Inguna Dobraja

Title: WBG Country Manager

Date: 28-May-2025

SCHEDULE 1

Program Actions; Availability of Loan Proceeds

Section I. **Actions under the Program**

The actions taken by the Borrower under the Program include the following:

Pillar 1: Boosting Private Sector Competitiveness by Easing Market Entry and Exit

1. To prevent distortionary state aid and anticompetitive effects of market concentration, the Borrower, through the Competition Council, has enhanced the governance of state aid, including green state aid, and streamlined the merger notification procedures, through the Competition Council's approval of the Regulation on the Form of Notification, Examination Procedure, and Decision Making on State Aid and the Regulation on Merger Control.

2. To support the restructuring of distressed but viable firms, and the exit of non-viable firms, the Borrower has improved the insolvency framework by digitalizing certain insolvency processes and simplifying insolvency procedures, and increased the remuneration of insolvency administrators, through the Borrower's Amendments to the Law on Insolvency.

3. To attract more investments, the Borrower has enhanced the transparency and predictability of the investment screening regime, through the Borrower's Amendments to the Law on Mechanism for Examining Investments of Importance for State Security.

4. To mobilize private capital to finance public investment, the Borrower has strengthened the public-private partnership ("PPP") legislative framework by enhancing risk-sharing approaches and incorporating climate considerations, through the Borrower's Amendments to Law on PPP.

Pillar 2: Improving Employability and Access to Quality Education

5. To improve the employability of youth, the Borrower, through its Government, has introduced dual education programs in universities, combining theoretical learning and practical work experience, through the Government's approval of the Decision on the Dual Education.

6. To ensure employability and long-term integration of displaced persons, the Borrower has improved the regulatory framework for temporary

protection holders, asylum seekers, and those with special needs, through the Borrower's Amendments to the Law on Asylum.

Pillar 3: Enhancing Energy Security and Promoting Climate-Smart Agriculture

7. To ensure an integrated policy framework for advancing a sustainable energy transition, the Borrower, through its Government, has established a framework for implementing sustainable and accessible energy measures, including national targets for renewable and efficient energy, through Government's approval of the Decision on the Energy Governance and Climate Action Mechanism and the Decision on National Energy and Climate Plan.

8. To support renewable energy uptake and energy security, the Borrower has freed up unused capacities and connection permits for renewable energy plants, through the Borrower's Amendments to the Law on Electricity.

9. To ensure the quality and safety of solid biofuels and encourage the use of renewable energy sources, the Borrower, through its Government, has adopted quality standards for solid biofuels and enforcement measures, through the Government's approval of the Decision on the Solid Biofuel.

10. To strengthen the adoption of climate-smart agricultural practices, the Borrower has established regional and national Agricultural Chambers, through the Borrower's Law on Agricultural Chambers.

11. To boost farmers' resilience against climate risks, the Borrower, through its Government, has established the integrated administration and control system and the information system "Farmers Register", through the Government's approval of the Decision on Integrated Administration and Control System and the Information System "Farmers Register".

Section II. **Availability of Loan Proceeds**

A. **General.** The Borrower may withdraw the proceeds of the Concessional Portion of the Loan and the Non-concessional Portion of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.

B. **Allocation of Loan Amounts.** The Loan is allocated in a single withdrawal tranche, from which the Borrower may make withdrawals of the proceeds of the Concessional Portion of the Loan and the Non-concessional Portion of the Loan.

The allocation of the amounts of the Concessional Portion of the Loan and the Non-concessional Portion of the Loan to this end is set out in the table below:

Allocations	Amount of the Non-concessional Portion of the Loan Allocated (expressed in EUR)	Amount of the Concessional Portion of the Loan Allocated (expressed in USD)
(1) Single Withdrawal Tranche	37,000,000	8,000,000
TOTAL AMOUNT	**37,000,000**	**8,000,000**

C. Withdrawal Tranche Release Conditions.

1. No withdrawal shall be made of the Single Withdrawal Tranche unless: (a) each withdrawal is made on a *pari passu basis* and at a eighty-three percent (83%) to seventeen percent (17%) ratio between the amount of the Non-concessional Portion of the Loan allocated and the amount of the Concessional Portion of the Loan allocated; and (b) the Bank is satisfied: (i) with the Program being carried out by the Borrower; and (ii) with the adequacy of the Borrower's macroeconomic policy framework.

D. Deposit of Loan Amounts.

1. The Borrower, within seven (7) days after the withdrawal of the Concessional Portion of the Loan and the Non-concessional Portion of the Loan from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the Moldovan Leu equivalent of the Loan proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Borrower's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

E. Closing Date. The Closing Date is June 30, 2026.

SCHEDULE 2

Commitment-Linked Amortization Repayment Schedule

The Borrower shall repay the principal amount of the Loan in accordance with the following table, which sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share").

Level Principal Repayments

Principal Payment Date	Installment Share
On each April 15 and October 15 Beginning October 15, 2030 through April 15, 2055	2 %

APPENDIX

Section I. Definitions

1. "Agricultural Chambers" means, collectively, the autonomous and non-profit public institutions established to support, coordinate, and promote the interests of agricultural producers and rural communities.

2. "Amendments to the Law on Asylum" means the amendments of the Borrower's Law No. 270/2008 on Asylum adopted under Law No. 297, dated December 26, 2024, and published in the Official Gazette on January 16, 2025.

3. "Amendments to the Law on Electricity" means the amendments of the Borrower's Law No. 107/2016 on Electricity adopted under Law No. 45/2025, dated March 13, 2025, and published in the Official Gazette on March 27, 2025.

4. "Amendments to the Law on Insolvency" means the amendments of the Borrower's Law No. 149/2012 on Insolvency adopted under Law No. 313, dated December 26, 2024, and published in the Official Gazette on January 16, 2025.

5. "Amendments to the Law on Mechanism for Examining Investments of Importance for State Security" means the amendments of the Borrower's Law No.174/2021 on the Mechanism for Examining Investments of Importance for State Security adopted under Law No. 33/2025, dated February 27, 2025, and published in the Official Gazette on March 20, 2025.

6. "Amendments to Law on PPP" means the amendments of the Borrower's Law No. 179/2008 on the PPP adopted under Law No. 32/2025, dated February 27, 2025, and published in the Official Gazette on March 17, 2025.

7. "Competition Council" means an autonomous authority, subordinated to the Borrower's Parliament, established pursuant to Parliament Decision No. 21-XVI of February 16, 2007, operating in accordance with Law No 183/2012 of July 11, 2012 , which ensures the enforcement and observance of the legislation in the domain of competition, state aid and advertising within its competences.

8. "Concessional Portion of the Loan" means the amount of the Loan provided by the Bank in its capacity as an Implementation Support Agency of the GCFF, and referred to in Section 2.01(b) of this Agreement.

9. "Decision on the Dual Education" means the Government Decision No. 660/2024, dated September 25, 2024, and published in the Official Gazette on November 3, 2024.

10. "Decision on the Energy Governance and Climate Action Mechanism" means the Government Decision No. 10/2024, dated January 10, 2024, and published in the Official Gazette on March 21, 2024.

11. "Decision on Integrated Administration and Control System and the Information System "Farmers' Register" means the Government Decision No. 597/2024 dated August 28, 2024, and published in the Official Gazette on September 19, 2024.

12. "Decision on the National Energy and Climate Plan" means the Government Decision No. 86/2025, dated February 26, 2025, and published in the Official Gazette on March 25, 2025.

13. "Decision on the Solid Biofuel" means the Government Decision No. 778/2024, dated November 11, 2024, and published in the Official Gazette on November 21, 2024.

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

15. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Development Policy Financing", dated December 14, 2018 (Last revised on July 15, 2023), with the modifications set forth in Section II of this Appendix.

16. "Global Concessional Financing Facility" and "GCFF" each means the financing facility established in 2016 with a focus on providing concessional financing to middle income countries most affected by the presence of large numbers of refugees, and referred to in the Preamble to this Agreement.

17. "Grant Agreement" means the agreement between the Borrower and the Association, acting as administrator of the Moldova Growth, Resilience and Opportunities for Well-Being (M-Grow) Program Multi Donor Trust Fund, in support of the Program, of the same date as this Agreement, as such agreement may be amended from time to time. "Grant Agreement" includes all appendices, schedules and agreements supplemental to the Grant Agreement.

18. "Law on Agricultural Chambers" means Law No. 39/2025 dated March 6, 2025 and published in the Official Gazette on April 3, 2025.

19. "Moldovan Leu" means the Borrower's local currency.

20. "Non-concessional Portion of the Loan" means the amount of the Loan provided by the Bank in its own capacity, and referred to in Section 2.01(a) of this Agreement.

21. "Official Gazette" means the Borrower's official gazette: "*Monitorul Oficial al Republicii Moldova*".

22. "Program" means: the program of objectives, policies, and actions set forth or referred to in the letter dated April 4, 2025 from the Borrower to the Bank declaring the Borrower's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program's objectives.

23. "Regulation on Merger Control" means the Competition Council's Decision No. 2/2025, dated March 6, 2025, and published in the Official Gazette on March 17, 2025.

24. "Regulation on the Form of Notification, Examination Procedure, and Decision Making on State Aid" means the Competition Council's Decision No. 1/2025, dated January 2, 2025, and published in the Official Gazette on February 20, 2025.

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

26. "Single Withdrawal Tranche" means the amount of the Non-concessional Portion of the Loan and Concessional Portion of the Loan allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.01 (Front-end Fee; Commitment Charge; Exposure Surcharge) is modified to read as follows:

"Section 3.01. Front-end Fee; Commitment Charge

(a) The Borrower shall pay the Bank a Front-end Fee on the Loan amount at the rate specified in the Loan Agreement. Except as otherwise provided in

Section 2.05 (b), the Borrower shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.

(b) The Borrower shall pay the Bank a Commitment Charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement. The Commitment Charge shall accrue from a date sixty (60) days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. Except as otherwise provided in Section 2.05 (c), the Borrower shall pay the Commitment Charge semi-annually in arrears on each Payment Date."

2. Section 3.04 (Prepayment) is modified to read as follows:

"Section 3.04. Prepayment

(a) After giving not less than forty-five (45) days' notice to the Bank, the Borrower may repay the Bank the following amounts in advance of maturity, as of a date acceptable to the Bank (provided that the Borrower has paid all Loan Payments due as at such date): (i) the entire Withdrawn Loan Balance as at such date; or (ii) the entire principal amount of any one or more maturities of the Loan. Any partial prepayment of the Withdrawn Loan Balance shall be applied in the manner specified by the Borrower, or in the absence of any specification by the Borrower, in the following manner: (A) if the Loan Agreement provides for the separate amortization of specified Disbursed Amounts of the principal of the Loan the prepayment shall be applied in the inverse order of such Disbursed Amounts, with the Disbursed Amount which has been withdrawn last being repaid first and with the latest maturity of said Disbursed Amount being repaid first; and (B) in all other cases, the prepayment shall be applied in the inverse order of the Loan maturities, with the latest maturity being repaid first.

(b) If, in respect of any amount of the Loan to be prepaid, a Conversion has been effected and the Conversion Period has not terminated at the time of prepayment, the provisions of Section 4.06 shall apply."

3. In paragraph originally numbered 75 and 81 of the Appendix, the terms "Loan Payment" and "Payment Date" are modified to read as follows:

"75. "Loan Payment" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any surcharge, any transaction fee for a Conversion or early termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower."

"79. "Payment Date" means each date specified in the Loan Agreement occurring on or after the date of the Loan Agreement on which interest, Commitment Charge and other Loan charges and fees (other than the Front-end Fee) are payable, as applicable."

4. The definitions in paragraphs 4 (Allocated Excess Exposure Amount); 51 (Exposure Surcharge); 93 (Standard Exposure Limit) and 99 (Total Exposure) in the Appendix are all deleted in their entirety and the remaining definitions and paragraphs (as the case may be) renumbered accordingly.

5. Wherever used throughout the General Conditions, including the modifications set forth in this Section, (other than throughout the Appendix) the term "Loan Payment" and "Loan Payments" are modified to read "Payment of the Non-Concessional Portion of the Loan" and "Payments of the Non-Concessional Portion of the Loan", respectively. Furthermore, wherever used in Sections in Section 2.05; Sections 3.01 to 3.07; Section 4.01; Sections 4.02 to 4.05 (including the Title); Sections 7.04 to 7.07; Section 8.02; and Section 9.05, the term "*Loan*" is modified to read "*Non-Concessional Portion of the Loan*"; the term "*Unwithdrawn Loan Balance*" is modified to read "*Unwithdrawn Balance of the Non-Concessional Portion of the Loan*"; and the term "*Withdrawn Loan Balance*" is modified to read "*Withdrawn Balance of the Non-Concessional Portion of the Loan*".

6. In the Appendix, **Definitions**, wherever used in the following definitions (as modified pursuant to this Section) of the terms "Automatic Conversion to Local Currency"; "Automatic Rate Fixing Conversion"; "Commitment Linked Repayment Amortization Schedule"; "Conversion"; "Currency Conversion"; "Default Interest Period"; "Default Interest Rate"; "Default Variable Rate"; "Disbursed Amount"; "Disbursement-Linked Amortization Schedule"; "Fixed Rate"; "Fixed Referenced Rate"; "Fixed Spread"; "Installment Share"; "Interest Rate Cap"; "Interest Rate Collar"; "Interest Rate Conversion"; "Loan Payment"; "Payment Date"; "Principal Payment Date"; "Reference Rate Reset Date"; "Unwithdrawn Loan Balance", "Variable Spread"; and "Withdrawn Loan Balance"; the term "*Loan*" is modified to read "*the Non-Concessional Portion of the Loan*"; the term "*Unwithdrawn Loan Balance*" is modified to read "*the Unwithdrawn Balance of the Non-Concessional Portion of the Loan*"; and the term "*Withdrawn Loan Balance*" is modified to read "*Withdrawn Balance of the Non-Concessional Portion of the Loan*".