LOAN AGREEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA AND THE GOVERNMENT OF THE KINGDOM OF BELGIUM FOR THE IMPLEMENTATION OF THE PROJECT „DECENTRALIZED DRINKING WATER SUPPLY FOR MOLDOVA"

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The Government of the Republic of Moldova, hereinafter referred to as the "Government of the Republic of Moldova" and the Government of the Kingdom of Belgium, hereinafter referred to as "the Belgian Government", together referred to as the Parties;

Considering that the Royal Decree of 30th May 1997 authorises in Belgium the Minister of Finance and the Minister who has foreign trade relations in his attributions to grant loans to foreign States;

Deeming it desirable to favour the friendly relations and the trade expansion between Republic of Moldova and Belgium;

Have agreed as follows:

ARTICLE 1
Provision of funds

1.1. The Belgian Government shall grant to the Government of the Republic of Moldova a loan of a maximum amount of 12.000.000 EUR (twelve million EUR) with an interest rate of 1,5%.

1.2. To this end, the National Bank of Belgium will open a non-interest bearing account in EUR in the name of the Government of the Republic of Moldova for all disbursements to be made.

1.3. Money will be paid into this account according to the needs, and, at the most, to a total amount of 12.000.000 EUR (twelve million EUR).

ARTICLE 2
Repayment

2.1. The Government of the Republic of Moldova will repay to the Belgian Government the loan granted under the terms of the present Agreement. Each payment onto the account in the name of the Government of the Republic of Moldova with the National Bank of Belgium shall be repaid in twenty (20) annual instalments, based on the invoices submitted.

2.2. These repayments shall be made in EUR to the Government of Belgium. The repayments shall be made annually on December 15th of each year, and of the first time repayment shall be made on December 15th of the tenth (10th) year following the year of payment into the account mentioned in Article 1.3.

2.3. These repayments will be effected in favour of IBAN BE43 6792 0040 2101 of the Federal Public Service Finance of Belgium, with BNP PARIBAS FORTIS (BIC: GEBABEBB). The structured communication, to be indicated as a reference, will be communicated to the Moldovan party at each due date.

ARTICLE 3
Payment of interest

3.1. The Government of the Republic of Moldova shall pay interest at the rate of 1.5% on the balance due of the amounts granted under the provisions of this Agreement.

3.2. Interest shall be calculated from a date ten (10) years after the first disbursement on the account opened by the National Bank of Belgium in the name of the Government of the Republic of Moldova. This interest shall be payable annually, on December 15th of each year, and for the first time on December 15th of the tenth (10th) year following the date of first payment on the account referred to in Article 1.3. of this Agreement.

3.3. Interest shall be paid in EUR to account no. BE43 6792 0040 2101 of the Federal Public Service Finance of Belgium with BNP PARIBAS FORTIS (BIC: GEBABEBB). The structured communication, to be indicated as a reference, will be communicated to the Moldovan party at each due date.

ARTICLE 4
Assignment of the loan

4.1. The financial assistance provided under this Agreement shall be used entirely and exclusively by the Government of the Republic of Moldova for decentralized drinking water supply.

4.2. The financing of Belgian goods and services shall also comply with the rules laid down in the OECD Arrangement on guidelines for officially supported export credits.

4.3. The technical procedures for implementing the provisions of this article are described in Annex 1 of the present Agreement.

ARTICLE 5
Availability of the Financial Assistance

5.1. This Agreement shall have a duration of five (5) years from the date of its entry into force. However, if the project is still in its implementation phase beyond the five-year period, and there are still invoices to be paid, these may be paid after a decision by the Belgian Council of Ministers for a further period of three (3) years.

5.2. After the extended availability period of eight years payments can only be made after an amendment of the present Agreement in writing through diplomatic channels between the Government of the Republic of Moldova and the Government of Belgium.

5.3. The part of the financial aid that has not been disbursed either by the end of the initial five-year period or the additional three-year period, or, where applicable, by the end of the project, will be considered cancelled.

ARTICLE 6
Charges and tax exemption

Belgian financial aid of 12.000.000 EUR granted under this Agreement shall in no circumstances be used for the payment of any taxes, customs duties, entry taxes and other fiscal and administrative charges (including VAT) on supplies and equipment, works and services. If taxes or charges are payable according to the Republic of Moldova's legislation, they will be borne by the Republic of Moldova budget.

ARTICLE 7
Project implementation

7.1. The project will be executed according to the terms set out in Annex 1, which forms an integral part of this Agreement.

7.2. The National Bank of Belgium acting as fiscal agent of the Belgian Government and the Ministry of Infrastructure and Regional Development of the Republic of Moldova, jointly with the Ministry of Finance of the Republic of Moldova, will undertake, by mutual agreement, the technical and financial measures necessary for the execution of the provisions set forth in this Agreement.

For the purpose of monitoring the financing under this Agreement, the Ministry of Finance of the Republic of Moldova, upon formal request by the Ministry of Infrastructure and Regional Development of the Republic of Moldova, shall verify that all documentation submitted is in full compliance with the terms and conditions of this Agreement. Subsequently, the Ministry of Finance shall present the validated documentation to the National Bank of Belgium to initiate the disbursement procedure as stipulates in Annex 1 point 2 and 3.

ARTICLE 8
Liability of other parties

8.1. The public client, the debtor under the commercial contract, is the Ministry of Infrastructure and Regional Development of the Republic of Moldova. Project implementation is supervised by the Regional Development Agencies.

8.2. The Moldovan party designates the Ministry of Finance of the Republic of Moldova as the authority responsible for the financial monitoring of the execution of the project, which shall be carried out jointly with the Ministry of Infrastructure and Regional Development. For the purpose of the approval by the Ministry of Finance of the Republic of Moldova of the invoices attributable to the Belgian State loan, in accordance with the provisions set forth in Annex 1, the Ministry of Infrastructure and Regional Development shall submit a formal request to the Ministry of Finance of the Republic of Moldova.

8.3. The Belgian party designates the General Administration of Treasury of the Federal Public Service Finance as the administrative and financial entity responsible for its contribution to the project.

8.4. The Belgian party designates the entity responsible for the general monitoring of the proper execution of the works and related services as well as for the final evaluation of the project.

8.5. Each of the parties undertakes to make, in due course, the institutional, administrative and budgetary arrangements necessary to fulfil the obligations entered into in the Agreement and the Annex 1 to the Agreement.

ARTICLE 9
Renunciation to the right of seizure

The Parties commit themselves expressly to renounce all acts of seizure or freeze of the reciprocal credits that constitute the object of the present Agreement, during a delay of fifteen years starting at the date of entry into force of the present Agreement.

ARTICLE 10
Conflict resolution

The Government of the Republic of Moldova and the Belgian Government will make every necessary effort in order to settle amicably any dispute arising between them and relating to the interpretation or the implementation of the present Agreement. If the negotiations fail to reach a satisfactory agreement between the Government of the Republic of Moldova and the Belgian Government and if, therefore, a violation of the present Agreement is recorded, the Parties may then terminate the present Agreement provided they both honor the commitments already made.

ARTICLE 11
Anti-corruption clause

11.1. The Parties recognize the importance of good governance of public affairs and the fight against corruption. They commit to transparency and accountability.
No offer, payment, gift or profit of any kind that may be considered an illegal or corrupt act, can be promised, committed, sought, or accepted, directly or indirectly as an incentive or compensation related to activities in the field of this Agreement, including any procedure relating to the launching of the award or implementation of procurement contracts. The Parties shall inform each other of any incident or suspicion of a corruption incident related to the use of budgets.

11.2. In the event of non-compliance with these commitments, the Parties shall consult each other and determine appropriate actions to be taken, which may include the return of misappropriated funds and the suspension or termination of funding.

ARTICLE 12
Amendment of the Agreement

This Agreement may be amended in writing, by mutual consent of the Parties, by the conclusion of Additional Protocols, which shall form an integral part thereof. These Protocols shall enter into force in accordance with Article 13 of this Agreement.

ARTICLE 13
Entry into force

The provisions of this Agreement shall become effective at a date to be determined by an exchange of letters, thought diplomatic channels, establishing that the formalities required by the national legislation of each of the Parties for the implementation of this Agreement have been complied with.

In witness whereof the undersigned, duly authorized thereto, have appended their signatures to this Agreement.

Done in Chisinau, on June 13, 2025, in two original versions in Romanian and English, both texts being equally authentic. In the event of any discrepancy between the two language versions, the English version shall take precedence.

FOR THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA	FOR THE GOVERNMENT OF THE KINGDOM OF BELGIUM
Deputy Prime Minister, Minister of Infrastructure and Regional Development	The Ambassador of Belgium

ANNEX 1: PROJECT IMPLEMENTATION ARRANGEMENTS

1. Monitoring of the Project Implementation

The Belgian party commits to taking the necessary institutional, administrative, and budgetary measures to fulfill its obligations under this Agreement. To this end, it will designate the entity to ensure the general monitoring of the proper execution of the work and the assessment of the project's compliance with the implementation contract.

Implementation and Monitoring
The designated entity will monitor the progress of the project. This assessment will be carried out partly during the project visit, but also via the monthly monitoring and supervision reports during the verification of payments due in comparison with the commercial contract concluded between the Belgian company designated to carry out the project (referred as 'the company') and the public client.

Verification of Payments
The designated entity will verify the invoices submitted through the Ministry of Finance of the Republic of Moldova, in coordination with the Ministry of Infrastructure and Regional Development, and shall confirm their validity to the General Administration of Treasury of the Federal Public Service Finance for payment. The analysis of the invoices will be based on the contract, and the monthly monitoring and supervision reports. Any request for additional information from the designated entity will go through the General Administration of Treasury of the Federal Public Service Finance of Belgium.

Provisional and Final Handover of the Project
The designated entity will accompany the provisional acceptance committee of the works as an observer and will verify the quality of the acceptance reports (provisional and final).

Final Evaluation
The designated entity will draft the final report of the project, following the conformity of the activities within the commercial contract.

2. Loan allocation

The amount in EUR made available to the Republic of Moldova under the Article 1 of the Agreement (hereinafter referred to as "amount in EUR") shall be used entirely and exclusively for payments in favour of persons and firms whose trading activity is located in Belgium, for the purchase of Belgian capital goods or industrial equipment and services related thereto, effected in compliance with specific performance of contracts for which import licenses, where required, have been issued by the Government of the Republic of Moldova, after the date entry into force of the Agreement.
The financing of Belgian goods or services shall also comply with the rules laid down in the OECD Arrangement on guidelines for officially supported export credits.

3. Verification of due payments

The Government of the Republic of Moldova shall send, through the diplomatic channels, to the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation of Belgium photocopies of the contracts, bills and other documents provided for in these contracts, against which payments are made in EUR. The Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation, shall forward these documents to the General Administration of Treasury of the Federal Public Service Finance who will be responsible for the execution of the payments.

These contracts, invoices and other documents shall include the following information:
a) the date of issue of the import license when such a document is required;
b) the nature of the services provided;
c) the nature of the goods delivered as well as their main number on the Moldovan customs tariff;
d) the Belgian origin of the goods.

Transport and insurance documents for the goods will also be provided, as well as the various bank guarantees provided for as part of the works and service contracts financed by this State-to-State loan.

The General Administration of Treasury of the Federal Public Service Finance of Belgium may request the Government of the Republic of Moldova to supply such additional information as may be necessary to ascertain whether the payments due for the performance of the relevant contracts are in conformity with the objectives of the Agreement.

4. Financial intervention by agents

In accordance with Article 7 of the Agreement, the technical measures required for the execution of its provisions will be taken, on the initiative of the National Bank of Belgium, by exchange of letters between the National Bank of Belgium and the Ministry of Finance of the Republic of Moldova.
As soon as these technical measures will have been taken, the Ministry of Finance of the Republic of Moldova may forward to the National Bank of Belgium one or more irrevocable payment orders aiming at utilizing the amount in EUR in respect of payments provided for by the above mentioned contracts.

The execution of these payment orders is subject to formal approval by the General Administration of Treasury of the Federal Public Service Finance of Belgium.