AFD AGREEMENT N° CMD1011 01 B

CREDIT FACILITY AGREEMENT

dated as of 14 May 2026

between

AGENCE FRANÇAISE DE DEVELOPPEMENT

The Lender

and

THE REPUBLIC OF MOLDOVA

The Borrower

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CREDIT FACILITY AGREEMENT

BETWEEN:

(1) **THE REPUBLIC OF MOLDOVA**, represented by Mrs Ludmila Catlabuga, in her capacity as Minister of Agriculture and Food Industry, who is duly authorised to sign this Agreement,

("**Moldova**" or the "**Borrower**");

AND

(2) **AGENCE FRANCAISE DE DEVELOPPEMENT**, a French public entity governed by French law, with registered office at 5, Rue Roland Barthes, 75598 Paris Cedex 12, France, registered with the Trade and Companies Register of Paris under number 775 665 599, represented by Mathieu Vasseur, in his capacity as Regional Director European Neighbourhood and Enlargement, duly authorised to sign this Agreement,

("**AFD**" or the "**Lender**");

(hereinafter jointly referred to as the "**Parties**" and each a "**Party**");

WHEREAS:

(A) The Borrower intends to rehabilitate two centralized irrigation systems, establish a hire-purchase scheme for private investment in small-scale irrigation based on water harvesting and build the capacity of stakeholders at all levels in the irrigated agriculture value chains, under the Integrated Development of Agriculture and Irrigation Programme (the "**Project**" or "iDRIP"), as described further in Schedule 2 (*Project Description*).

(B) The Borrower has requested that the Lender makes a facility available for the purposes of financing the Project in part.

(C) The Project, for which the Facility is made available, involves two entities operating under separate arrangements as set out in this Agreement : (i) the Project is partially implemented by the Agency for Land Improvement ("**ANIF**") acting as implementing agency (the "**Implementing Agency**") pursuant to a Project Management Agreement to be signed with the Borrower, acting through the Ministry of Agriculture and Food Industry; and (ii) the funds of the Facility are partly on-lent by the Borrower, acting through the Ministry of Finance, to the Agency for the Development and Modernization of Agriculture ("**ADMA**") (the "**Final Beneficiary**").

(D) The Lender, a public entity contributing to the implementation of the French State's development aid policy (in accordance with Article L. 515-13 of French Monetary and Financial Code), has expressed its interest to participate in the financing of the Project.

(E) Pursuant to a resolution n° C20251100 of the *Comité des Etats Etrangers* dated December 10, 2025, the Lender has agreed to make the Facility available to the Borrower pursuant to the terms and conditions of this Agreement.

(F) The Project is cofinanced by the European Union through a grant made available by AFD, as further described in Schedule 3 (*Financing Plan*).

THEREFORE THE PARTIES HAVE AGREED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised words and expressions used in this Agreement (including those appearing in the recitals above and in the Schedules) shall have the meaning given to them in Schedule 1A (*Definitions*), except as otherwise provided in this Agreement.

1.2 Interpretation

Words and expressions used in this Agreement shall be construed pursuant to the provisions of Schedule 1B (*Construction*), unless the contrary intention appears.

2 FACILITY, PURPOSE AND CONDITIONS OF UTILISATION

2.1 Facility

Subject to the terms of the Financing Documents, the Lender makes available to the Borrower a Facility in a maximum aggregate amount of forty-five million Euros (EUR 45,000,000).

2.2 Purpose

The Borrower shall apply all amounts borrowed by it under the Facility exclusively towards financing and/or refinancing Eligible Expenses, excluding Taxes, in accordance with the Project's description set out in Schedule 2 (*Project Description*) and the Financing Plan set out in Schedule 3 (*Financing Plan*).

A portion of the Facility will be on-lent by the Borrower, acting through the Ministry of Finance, to the Final Beneficiary in the form of a loan. The Lender shall provide its prior no objection on the corresponding on-lending agreement between the Ministry of Finance and the Final Beneficiary.

2.3 Monitoring

The Lender shall not be held responsible for the use of any amount borrowed which is not in accordance with the provisions of this Agreement.

2.4 Conditions precedent

(a) No later than the Signing Date, the Borrower shall provide to the Lender all of the documents set out in Part I of Schedule 4 – A (*Conditions Precedent*).

(b) A Drawdown Request may not be delivered to the Lender unless:

(i) in the case of the first Drawdown, the Lender has received all of the documents listed in Part II of Schedule 4 – A (*Conditions Precedent*) and has notified the Borrower that such documents are satisfactory in form and substance;

(ii) in the case of the second Drawdown, the Lender has received all of the documents listed in Part III of Schedule 4 – A (*Conditions Precedent*) and has notified the Borrower that such documents are satisfactory in form and substance;

(iii) for each Drawdown, the Lender has received all of the relevant documents listed in Schedule 4 - B (*CONDITIONS PRECEDENT*), and has confirmed to the Borrower that such documents are in form and substance satisfactory to the Lender; and

(iv) on the date of the Drawdown Request and on the proposed Drawdown Date for the relevant Drawdown, no Payment Systems Disruption Event has occurred and the conditions set out in this Agreement have been fulfilled, including:

(1) no Event of Default or mandatory prepayment event is continuing or would result from the proposed Drawdown;

(2) no Co-Financier has suspended its payments in relation to the Project;

(3) the Borrower is up-to-date with all its payment obligations, including fees and commissions due under the Agreement;

(4) the Drawdown Request has been made in accordance with the terms of Clause 3.2 (*Drawdown request*);

(5) each representation given by the Borrower in relation to Clause 10 (*Representations And Warranties*) is true;

(6) any previous Advance was used in accordance with this Agreement.

3 DRAWDOWN OF FUNDS

3.1 Drawdown amounts

The Facility will be made available to the Borrower during the Availability Period, in several Drawdowns, provided that the number of Drawdowns shall not exceed (20) twenty.

For fixed rate Drawdowns, each Drawdown shall be of a minimum amount of three million Euros (EUR 3,000,000) or an amount equal to the Available Facility if such amount is less than three million Euros (EUR 3,000,000).

For floating interest rate Drawdowns, each Drawdown shall be of a minimum amount of one-hundred thousand Euros (EUR 100,000) or an amount equal to the Available Facility if such amount is less than one-hundred thousand Euros (EUR 100,000).

As an exception, for the initial Advance only, the minimum amount can be of EUR 300,000 at fixed rate.

3.2 Drawdown request

Provided that the conditions set out in Clause 2.4(b) (*conditions precedent*) are satisfied, the Borrower, acting through the Ministry of Finance, may draw on the Facility by delivery to the Lender of a duly completed Drawdown Request. Each Drawdown Request shall be delivered by the Borrower, acting through the Ministry of Finance, to the AFD office Director at the address specified in Clause 16.1 (*In writing and addresses*).

Each Drawdown Request is irrevocable and will be regarded as having been duly completed if:

(a) the Drawdown Request is substantially in the form set out in Schedule 5A (*Form of drawdown request*);

(b) the Drawdown Request is received by the Lender at the latest fifteen (15) Business Days prior to the Deadline for Drawdown of Funds;

(c) the Drawdown Date is a Business Day falling within the Availability Period;

(d) the amount of the Drawdown complies with Clause 3.1 (*Drawdown amounts*); and

(e) all of the relevant documents set out in Schedule 4 (*Conditions Precedent*) for the purposes of the Drawdown are attached to the Drawdown Request, comply with the abovementioned Schedule and with the requirements of Clause 3.4 (*Payment mechanics*), and are in form and substance satisfactory to the Lender.

Any documentary evidence, such as bills or paid invoices, shall include the reference number and date of the relevant payment order. The Borrower undertakes to keep possession of the documentary evidence originals, to make such evidence available to the Lender at any time and to provide the Lender with Certified copies or duplicates of such evidence as the Lender may request.

3.3 Payment completion

Subject to Clause 14.7 (*Payment Systems Disruption*), if each of the conditions set out in Clause 2.4(b) (*conditions precedent*) of this Agreement has been met, the Lender shall make the requested Drawdown available to the Borrower in accordance with the Drawdown Request and not later than the Drawdown Date.

The Lender shall provide the Borrower with a letter of Drawdown confirmation substantially in the form set out in Schedule 5B (*Form of confirmation of drawdown and rate*). A copy of each Drawdown confirmation shall be delivered to the Borrower.

3.4 Payment mechanics

The Facility shall be made available in accordance with the following terms:

3.4.1 Refinancing of expenses paid by the Final Beneficiary or the Implementing Agency

The funds shall be paid directly to the Final Beneficiary or the Implementing Agency in accordance with the terms and conditions of this Agreement provided that evidence of payment of the Eligible Expenses by the Final Beneficiary or the Implementing Agency referred to in the Drawdown Request, has been delivered to the Lender in form and substance satisfactory to the Lender. The Final Beneficiary or the Implementing Agency shall attach to each Drawdown Request the relevant documents set out in Schedule 4 (*Conditions Precedent*).

If the Final Beneficiary, or the Implementing Agency, requests repayment of any Eligible Expenses which it has paid in a currency other than Euro, the Borrower shall procure that the Final Beneficiary or the Implementing Agency converts the amount of such Eligible Expenses into an equivalent amount in Euros by applying the exchange rate for the relevant currency applied by the European Central Bank, or failing that, by the central bank of the country of the relevant currency as at the date of the Drawdown Request.

The Lender may request that the Borrower provides such other evidence showing that works or services corresponding to the relevant Eligible Expenses have been implemented.

3.4.2 Payments in the form of Advances

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The Facility shall also be made available by the Lender in the form of advances ("**Advance(s)**") paid into the Project Accounts (as defined below).

3.4.3 Opening of the Project Accounts

(i) ANIF Project Account

The Borrower shall procure that the Implementing Agency opens and maintains an account in the name of the Project (the "**ANIF Project Account**"), in an Acceptable Bank (the "**ANIF Account Bank**"), for the sole purpose of (i) receipt of the proceeds of a Drawdown and (ii) payment of the Eligible Expenses.

The Borrower hereby undertakes to procure that the Implementing Agency waives, and procure that the ANIF Account Bank waives, any right of set-off such party may have in respect of the ANIF Project Account and any other account opened in the name of the Implementing Agency at the ANIF Account Bank, or against any other debt of the Implementing Agency.

In the event that the ANIF Account Bank ceases to be an Acceptable Bank, the Lender may instruct the Borrower to request that the Implementing Agency replaces the ANIF Account Bank with another Acceptable Bank. The Borrower hereby undertakes to instruct the Implementing Agency to replace the ANIF Account Bank promptly at its own cost immediately upon the Lender's first demand.

(ii) MAFI Project Account

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall open and maintain an account in the name of the Project (the "**MAFI Project Account**"), in an Acceptable Bank (the "**MAFI Account Bank**"), for the sole purpose of (i) receipt of the proceeds of a Drawdown and (ii) transferring all proceeds of a Drawdown to the ADMA Project Account.

The Borrower hereby waives, and procure that the MAFI Account Bank waives, any right of set-off such party may have in respect of the MAFI Project Account and any other account opened in the name of the Borrower at the MAFI Account Bank, or against any other debt of the Borrower.

In the event that the MAFI Account Bank ceases to be an Acceptable Bank, the Lender may instruct the Borrower to replace the MAFI Account Bank with another Acceptable Bank. The Borrower hereby undertakes to replace the MAFI Account Bank promptly at its own cost immediately upon the Lender's first demand.

(iii) ADMA Project Account

The Borrower shall procure that the Final Beneficiary opens and maintains an account in the name of the Project (the "**ADMA Project Account**"), in an Acceptable Bank (the "**ADMA Account Bank**"), for the sole purpose of (i) receipt of the proceeds from the MAFI Project Account and (ii) payment of the Eligible Expenses.

The Borrower hereby undertakes to procure that the Final Beneficiary waives, and procure that the ADMA Account Bank waives, any right of set-off such party may have in respect of the ADMA Project Account and any other account opened in the name of the Final Beneficiary at the ADMA Account Bank, or against any other debt of the Final Beneficiary.

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In the event that the ADMA Account Bank ceases to be an Acceptable Bank, the Lender may instruct the Borrower to request that the Final Beneficiary replaces the ADMA Account Bank with another Acceptable Bank. The Borrower hereby undertakes to instruct the Final Beneficiary to replace the ADMA Account Bank promptly at its own cost immediately upon the Lender's first demand.

3.4.4 Initial Advances

Provided that the conditions set out in Clause 2.4 (*Conditions precedent*) have been satisfied, the Lender shall pay an initial Advance to the ANIF Project Account. This initial Advance will be forecasted by the Implementing Agency ANIF for the upcoming six-month period, as justified in accordance with the Project Description and the Financing Plan, provided that such amount is not less than three hundred thousand Euros (EUR 300,000). Provided that the conditions set out in Clause 2.4 (*Conditions precedent*) have been satisfied, the Lender shall pay an initial Advance of two million seven hundred fifty thousand Euros (EUR 2,750,000) to the MAFI Project Account. Both initial Advances for the ANIF Project Account and the MAFI Project Account can be combined as a single Drawdown request to AFD.

3.4.5 Additional Advances

Additional Advances will be paid upon the request of the Borrower, acting through the Ministry of Finance, subject to the applicable conditions set out in Clause 2.4 *(conditions precedent)* being satisfied.

Additional Advances for the ANIF Project Account and the MAFI Project Account can be combined as a single Drawdown request to AFD.

3.4.6 Final Advance

Unless the Lender agrees otherwise, the final Advance shall be paid in accordance with the same conditions as the other Advances and, if applicable, shall take into account any change in the financing plan of the Project agreed between the Parties.

3.4.7 Justification for use of Advances

(i) ANIF justification for use of Advances

The Borrower agrees to procure that the Implementing Agency delivers to the Lender:

(a) no later than the Deadline for Use of Funds, a certificate signed by an authorised signatory of the Implementing Agency certifying that one hundred per cent (100%) of both the penultimate Advance and the final Advance have been used and providing a detailed breakdown of the sums paid in respect of the Eligible Expenses in the relevant period; and

(b) no later than three (3) months after the date of delivery of the certificate referred to in subparagraph (a) above, a final audit report of the ANIF Project Account (the "**ANIF Final Audit Report**"), carried out by an independent and reputable auditing firm appointed by the Implementing Agency and the Borrower, acting through the Ministry of Agriculture and Food Industry, subject to the Lender's no-objection on the terms of reference of the audit mission and the appointment of the auditing firm selected by the Borrower, acting through the Ministry of Agriculture and Food Industry. All audit costs shall be paid by the Borrower. The appointed auditing firm shall verify that all amounts drawn under the Facility and

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paid into the ANIF Project Account have been used in accordance with the terms and conditions of this Agreement.

(ii) ADMA justification for use of Advances

The Borrower agrees to procure that the Final Beneficiary delivers to the Lender:

(a) no later than the Deadline for Use of Funds, a certificate signed by an authorised signatory of the Final Beneficiary certifying that one hundred per cent (100%) of both the penultimate Advance and the final Advance have been used and providing a detailed breakdown of the sums paid in respect of the Eligible Expenses in the relevant period; and

(b) no later than three (3) months after the date of delivery of the certificate referred to in subparagraph (a) above, a final audit report of the MAFI and ADMA Project Accounts (the "MAFI and **ADMA Final Audit Report**"), carried out by an independent and reputable auditing firm appointed by the Borrower, acting through the Ministry of Agriculture and Food Industry, subject to the Lender's no-objection on the terms of reference of the audit mission and the appointment of the auditing firm selected by the Borrower, acting through the Ministry of Agriculture and Food Industry. All audit costs shall be paid by the Borrower. The appointed auditing firm shall verify that all amounts drawn under the Facility and paid into the MAFI and transferred to the ADMA Project Account have been used in accordance with the terms and conditions of this Agreement.

3.4.8 Applicable exchange rate

If any Eligible Expenses are denominated in a currency other than Euro, the Borrower shall procure that the Final Beneficiary and the Implementing Agency convert the invoice amount into the equivalent amount in Euros using the exchange rate for the relevant currency applied by the European Central Bank, or failing that, the central bank of the country of the relevant currency on the payment date of the relevant invoice.

3.4.9 Deadline for Use of Funds

The Borrower agrees and procures that the Final Beneficiary and the Implementing Agency agree that all funds paid in the form of Advances shall be used in full to pay Eligible Expenses no later than the Deadline for Use of Funds.

3.4.10 Control – Audit

The Borrower agrees that, during the Drawdown Period, the MAFI Project Account, the ANIF Project Account and the ADMA Project Account (together referred to as the "**Project Accounts**") shall be audited on an annual basis. These audits shall be carried out by an independent and reputable auditing firm appointed by the Borrower in consultation with the Final Beneficiary and the Implementing Agency, subject to the Lender's no-objection on the terms of reference of the audit mission and the appointed auditing firm. All audit costs shall be paid by the Borrower. The auditing firm shall verify that all amounts drawn under the Facility and paid into the Project Accounts have been used in accordance with the terms of this Agreement.

Audit reports shall be made available no later than three (3) months after the last day of each fiscal year.

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During the Drawdown Period, the Lender may carry out, or procure that a third party carries out on its behalf and at the cost of the Borrower, random inspections rather than systematic control of documentary evidence.

3.4.11 Failure to justify the use of Advances

The Lender may request that the Borrower repays:

(a) all amounts in respect of which utilisation has not been duly or sufficiently justified as Eligible Expenses, together with

(b) all other outstanding sums to the credit of the Project Accounts on the Deadline for Use of Funds.

The Borrower shall repay such amounts to the Lender within twenty (20) calendar days of receipt of such notification from the Lender. Any repayment by the Borrower under this Clause shall be treated as a mandatory prepayment in accordance with the provisions of Clause 8.2 (*Mandatory prepayment*).

3.4.12 Retention of documents

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall retain and undertakes to instruct the Final Beneficiary and the Implementing Agency to retain documentary evidence and other documents in connection with the Project Accounts and use of the Advances for a period of ten (10) years from the date of the last Drawdown under the Facility.

The Borrower, acting through the Ministry of Agriculture and Food Industry, undertakes to deliver such documentary evidences and other documents to the Lender, or to any auditing firm appointed by the Lender, upon the Lender's request.

3.5 Deadline for the First Drawdown

The first Drawdown shall occur at the latest on the Deadline for the First Drawdown.

If the first Drawdown does not occur in the above-mentioned period, the Lender may cancel the Facility in accordance with Clause 8.4(b) (*Cancellation by the Lender*).

The Deadline for the First Drawdown may not be postponed without the prior consent of the Lender.

Any postponement of the Deadline for the First Drawdown will be (i) subject to fees and/or new financial conditions and (ii) formalized in writing between the Parties.

3.6 Deadline for Drawdown of the Funds

The full drawdown of the Facility shall occur at the latest on the Deadline for Drawdown of Funds.

If the full drawdown does not occur by the above-mentioned date, the Lender may cancel the Available Facility in accordance with Clause 8.4 (*Cancellation by the Lender*).

The Deadline for Drawdown of Funds may not be postponed without the prior consent of the Lender.

Any postponement of the Deadline for Drawdown of Funds will be (i) subject to fees and/or new financial conditions and (ii) formalized in writing between the Parties.

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4 INTEREST

4.1 Interest Rate

4.1.1 Selection of Interest Rate

For each Drawdown, the Borrower may select a fixed Interest Rate or a floating Interest Rate, which shall apply to the amount set out in the relevant Drawdown Request, by stating the selected Interest Rate, i.e., fixed or floating, in the Drawdown Request delivered to the Lender substantially in the form set out in Schedule 5A (*Form of drawdown request*) subject to the following conditions:

(a) Floating Interest Rate

The Borrower may select a floating Interest Rate, which shall be the percentage rate per annum, being the aggregate of:

- six-month EURIBOR, or, as the case may be, the Replacement Benchmark plus any Adjustment Margin, as determined in accordance with the provisions of Clause 5 (*Change To The Calculation Of Interest*) of the Agreement; and
- the Margin.

Notwithstanding the above, for each Drawdown and in the case where the first Interest Period is less than one hundred and thirty-five (135) days, the applicable EURIBOR shall be:

- one-month EURIBOR, or, as the case may be, the Replacement Benchmark plus any Adjustment Margin, as determined in accordance with the provisions of Clause 5 (*Change To The Calculation Of Interest*) of the Agreement, if the first Interest Period is less than sixty (60) days; or
- three-month EURIBOR, or, as the case may be, the Replacement Benchmark plus any Adjustment Margin, as determined in accordance with the provisions of Clause 5 (*Change To The Calculation Of Interest*) of the Agreement if the first Interest Period is between sixty (60) days and one hundred and thirty-five (135) days.

(b) Fixed Interest Rate

Provided that the amount of a requested Drawdown is equal to or greater than three million Euros (EUR 3,000,000), the Borrower may select a fixed Interest Rate for such requested Drawdown. The fixed Interest Rate shall be the Fixed Reference Rate increased or decreased by any fluctuation of the Index Rate for the period from the Signing Rate Setting Date and the Rate Setting Date for each Drawdown.

The Borrower may specify in the Drawdown Request a maximum amount for fixed Interest Rate. If the fixed Interest Rate as calculated on the Rate Setting Date exceeds the maximum amount for fixed Interest Rate specified in the relevant Drawdown Request, such Drawdown Request shall be cancelled and the Drawdown amount specified in the cancelled Drawdown Request shall be credited to the Available Facility.

4.1.2 Minimum Interest Rate

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The Interest Rate determined in accordance with Clause 4.1.1 (*Selection of Interest Rate*), regardless of the elected option, shall not be less than zero point twenty-five per cent (0.25%) per annum, notwithstanding any decline in the interests rates.

4.1.3 Conversion from a floating Interest Rate to a fixed Interest Rate

(a) Rate Conversion upon the Borrower's request or at the Lender's initiative in the event of Restructuring

The Borrower may request at any time that the Lender converts the floating Interest Rate applicable to a Drawdown or several Drawdowns to a fixed Interest Rate, provided that the amount of such Drawdown or aggregate amount of Drawdowns (as applicable) is equal to, or higher than, three million Euros (EUR 3,000,000).

To this effect, the Borrower shall send to the Lender a Rate Conversion Request substantially in the form set out in Schedule 5B (*Form of confirmation of drawdown and rate*).

The Borrower may specify in the Rate Conversion Letter a maximum amount for fixed Interest Rate. If the fixed Interest Rate as calculated on the Rate Setting Date exceeds the maximum amount for fixed Interest Rate specified by the Borrower in the Rate Conversion Request, such Rate Conversion Request will be automatically cancelled.

The fixed Interest Rate will be effective two (2) Business Days after the Rate Setting Date.

In the case of Restructuring or a project of Restructuring affecting the Borrower and likely to have an impact on the Facility, and in order to facilitate the completion of the Restructuring in the interests of the Parties, the Lender may convert the floating Interest Rate into a fixed Interest Rate applicable to one or more Drawdowns. The Lender shall inform the Borrower of any such conversion.

(b) Rate Conversion mechanics

The fixed Interest Rate applicable to the relevant Drawdown(s) shall be determined in accordance with Clause 4.1.1(b) (*Fixed Interest Rate*) above on the Rate Setting Date referred to in subparagraph (a) above.

The Lender shall send to the Borrower a letter of confirmation of Rate Conversion substantially in the form set out in Schedule 5D (*Form of rate conversion confirmation*).

A Rate Conversion is final and effected without costs.

4.2 Calculation and payment of interest

The Borrower, acting through the Ministry of Finance, shall pay accrued interest on Drawdown(s) on each Payment Date.

The amount of interest payable by the Borrower on a relevant Payment Date and for a relevant Interest Period shall be equal to the sum of any interest owed by the Borrower on the amount of the Outstanding Principal in respect of each Drawdown. Interest owed by the Borrower in respect of each Drawdown shall be calculated on the basis of:

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(a) the Outstanding Principal owed by the Borrower in respect of the relevant Drawdown as at the immediately preceding Payment Date or, in the case of the first Interest Period, on the corresponding Drawdown Date;

(b) the exact number of days which have accrued during the relevant Interest Period on the basis of a three hundred and sixty (360) day year; and

(c) the applicable Interest Rate determined in accordance with the provisions of Clause 4.1 (*Interest Rate*).

4.3 Late payment and default interest

(a) Late payment and default interest on all amounts due and unpaid (except for interest)

If the Borrower fails to pay any amount payable by it to the Lender under the Financing Documents (whether a payment of principal, a Prepayment Indemnity, any fees or incidental expenses of any kind except for any unpaid overdue interest) on its due date, interest shall accrue on the overdue amount, to the extent permitted by law, from the due date up to the date of actual payment (both before and after an arbitral award, if any) at the Interest Rate applicable to the current Interest Period (default interest) increased by three point five per cent (3.5%) (late-payment interest). No formal prior notice from the Lender shall be necessary.

(b) Late payment and default interest on unpaid overdue interest

Interest which has not been paid on its due date shall bear interest to the extent permitted by law, at the Interest Rate applicable to the ongoing Interest Period (default interest), increased by three point five per cent (3.5%) (late-payment interest), to the extent that such Interest has been due and payable for at least one (1) year. No formal prior notice from the Lender shall be necessary.

The Borrower shall pay any outstanding interest under this Clause 4.3 (*Late payment and default interest*) immediately on demand by the Lender or on each Payment Date following the due date for the outstanding payment.

(c) Receipt of any payment of late payment interest or default interest by the Lender shall neither imply the grant of any payment extension to the Borrower, nor operate as a waiver of any of the Lender's rights hereunder.

4.4 Communication of Interest Rates

The Lender shall promptly notify the Borrower of the determination of each Interest Rate in accordance with this Agreement.

4.5 Effective Global Rate (*Taux Effectif Global*)

In order to comply with Articles L. 314-1 to L.314-5 and R.314-1 *et seq.* of the French Consumer Code and L. 313-4 of the French Monetary and Financial Code, the Lender informs the Borrower, and the Borrower accepts, that the effective global rate (*taux effectif global*) applicable to the Facility may be valued at an annual rate of four point thirty per cent (4.30 %) on the basis of a three hundred and sixty-five (365) day year and an Interest Period of six (6) months, at a period rate of two point thirteen per cent (2.13 %), subject to the following:

(a) the above rates are given for information purposes only;

(b) the above rates are calculated on the basis that:

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(i) drawdown of the Facility in full at fixed rate on the Signing Date; and

(ii) the fixed rate for the duration of the facility should be equal to four point thirteen per cent (4.13 %) per annum; and

(c) the above rates take into account the fees and costs payable by the Borrower under this Agreement, assuming that such fees and costs will remain fixed and will apply until the expiry of the term of this Agreement.

5 CHANGE TO THE CALCULATION OF INTEREST

5.1 Market Disruption

(a) If a Market Disruption Event affects the interbank market in the Eurozone and it is impossible:

(i) for the fixed Interest Rate, to determine the fixed Interest Rate applicable to a Drawdown, or

(ii) for the variable Interest Rate, to determine the applicable EURIBOR for the relevant Interest Period,

the Lender shall inform the Borrower.

(b) Upon the occurrence of the event described in paragraph (a) above, the applicable Interest Rate, as the case may be, for the relevant Drawdown or for the relevant Interest Period will be the sum of:

(i) the Margin; and

(ii) the percentage rate per annum corresponding to the cost to the Lender of funding the relevant Drawdowns(s) from whatever source it may reasonably select. Such rate shall be notified to the Borrower as soon as possible and, in any case, prior to (1) the first Payment Date for interest owed under such Drawdown for the fixed Interest Rate or (2) the Payment Date for interest owed under such Interest Period for the variable Interest Rate.

5.2 Replacement of Screen Rate

5.2.1 Definitions

"**Relevant Nominating Body**" means any central bank, regulator, supervisor or working group or committee sponsored or chaired by, or constituted at the request of any of them.

"**Screen Rate Replacement Event**" means any of the following events or series of events:

(a) the definition, methodology, formula or means of determining the Screen Rate has materially changed;

(b) a law or regulation is enacted which prohibits the use of the Screen Rate, it being specified, for the avoidance of doubt, that the occurrence of this event shall not constitute a mandatory prepayment event;

(c) the administrator of the Screen Rate or its supervisor publicly announces:

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(i) that it has ceased or will cease to provide the Screen Rate permanently or indefinitely, and, at that time, no successor administrator has been publicly nominated to continue to provide that Screen Rate;

(ii) that the Screen Rate has ceased or will cease to be published permanently or indefinitely; or

(iii) that the Screen Rate may no longer be used (whether now or in the future);

(d) a public announcement is made about the bankruptcy of the administrator of that Screen Rate or any other insolvency proceedings against it, and, at that time, no successor administrator has been publicly nominated to continue to provide that Screen Rate; or

(e) in the opinion of the Lender, the Screen Rate has ceased to be used in a series of comparable financing transactions.

"**Screen Rate**" means EURIBOR or, following the replacement of this rate by a Replacement Benchmark, the Replacement Benchmark.

"**Screen Rate Replacement Date**" means:

(a) with respect to the events referred to in items a), d) and e) of the above definition of Screen Rate Replacement Event, the date on which the Lender has knowledge of the occurrence of such event, and,

(b) with respect to the events referred to in items b) and c) of the above definition of Screen Rate Replacement Event, the date beyond which the use of the Screen Rate will be prohibited or the date on which the administrator of the Screen Rate permanently or indefinitely ceases to provide the Screen Rate or the date beyond which the Screen Rate may no longer be used.

5.2.2 Each Party acknowledges and agrees for the benefit of the other Party that if a Screen Rate Replacement Event occurs and in order to preserve the economic balance of the Agreement, the Lender may replace the Screen Rate with another rate (the "**Replacement Benchmark**") which may include an adjustment margin in order to avoid any transfer of economic value between the Parties (if any) (the "**Adjustment Margin**") and the Lender will determine the date from which the Replacement Benchmark and, if any, the Adjustment Margin shall replace the Screen Rate and any other amendments to the Agreement required as a result of the replacement of the Screen Rate by the Replacement Benchmark.

5.2.3 The determination of the Replacement Benchmark and the necessary amendments will be made in good faith and taking into account, (i) the recommendations of any Relevant Nominating Body, or (ii) the recommendations of the administrator of the Screen Rate, or (iii) the industry solution recommended by professional associations in the banking sector or, (iv) the market practice observed in a series of comparable financing transactions on the replacement date.

5.2.4 In case of replacement of the Screen Rate, the Lender will promptly notify the Borrower of the replacement terms and conditions to replace the Screen Rate with the Replacement Benchmark, which will be applicable to Interest Periods starting at least two Business Days after the Screen Rate Replacement Date.

5.2.5 The provisions of Clause 5.2 (*Replacement of Screen Rate*) shall prevail over the provisions of Clause 5.1 (*Market Disruption*).

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6 FEES

6.1 Commitment Fees

A commitment fee of zero point five per cent (0.5 %) per annum will be calculated from the Signing Date onwards.

The first payment in respect of such commitment fee shall only be due by the Borrower to the Lender from the Effective Date of this Agreement.

The commitment fee shall be computed at the rate specified above and pro-rated for the actual number of elapsed days on the sum of: (i) the Available Facility and (ii) the amount of any pending Drawdown Requests.

The first commitment fee shall be calculated for the period from (i) the Signing Date (excluded) up to (ii) the immediately following Payment Date (included). Subsequent commitment fees shall be calculated for periods commencing on the day immediately following (included) a Payment Date and ending on the next Payment Date (included).

The accrued commitment fee shall be payable after the Effective Date (i) on each Payment Date as long as the Available Facility is higher than zero; (ii) on the Payment Date following the last day of the Drawdown Period; and (iii) in the event the Available Facility is cancelled in full, on the Payment Date following the effective date of such cancellation.

6.2 Appraisal Fee

Thirty days maximum following the Effective Date and in any case prior to the date of the first Drawdown, the Borrower shall pay to the Lender an appraisal fee of zero point five per cent (0.5 %) calculated on the maximum amount of the Facility.

7 REPAYMENT

Following expiry of the Grace Period, the Borrower shall repay the Lender the principal amount of the Facility in eighteen (18) equal semi-annual instalments, due and payable on each Payment Date.

The first instalment shall be due and payable on August 20, 2032 and the last instalment shall be due and payable on February 20, 2041.

At the end of the Drawdown Period, the Lender shall deliver to the Borrower an amortisation schedule in respect of the Facility taking into account, if applicable, any potential cancellation of the Facility pursuant to Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*).

8 PREPAYMENT AND CANCELLATION

8.1 Voluntary prepayment

The Borrower shall not be entitled to prepay the whole or any part of the Facility prior to the expiration of the Grace Period. As from the date following the expiration of the Grace Period, the Borrower may prepay the whole or any part of the Facility, subject to the following conditions:

(a) the Borrower shall notify the Lender of its intention to prepay by not less than thirty (30) Business Days' written and irrevocable notice prior to the contemplated prepayment date;

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(b) the amount to be prepaid shall be equal to one or several instalment(s) in principal;

(c) the contemplated prepayment date shall be a Payment Date;

(d) all prepayments shall be made together with the payment of accrued interest, any fees, indemnities and related costs in connection with the prepaid amount as provided under this Agreement;

(e) there is no overdue amount outstanding; and

(f) in case of a partial prepayment, the Borrower shall have given evidence, satisfactory to the Lender, that it has sufficient committed funding available for the purpose of financing the Project as determined in the Financing Plan.

On the Payment Date on which the prepayment is made, the Borrower shall pay the full amount of the Prepayment Indemnities due and payable pursuant to Clause 9.3 (*Prepayment Indemnity*)

8.2 Mandatory prepayment

The Borrower shall immediately prepay the whole or part of the Facility upon receipt of a notice from the Lender informing the Borrower of any of the following events:

(a) Illegality: it becomes unlawful for the Lender pursuant to its applicable law to perform any of its obligations as contemplated by this Agreement or to fund or maintain the Facility;

(b) Decisions and instructions of the French State: the French State has announced its intention or has decided to sever, suspend or interrupt all or part of its diplomatic ties and/or cooperation with the Borrower or the Government of the Borrower's country; or the Borrower has severed or announced that it will sever all or part of its diplomatic ties and/or cooperation with France;

(c) Default: the Lender declares an Event of Default in accordance with Clause 13 (*Events Of Defaults*);

(d) Failure to justify use of funds: the Borrower fails to justify in a manner satisfactory to the Lender the use of the Advances by the Deadline for Use of Funds;

(e) Prepayment in the event of damage loss:

(i) subject to paragraph (ii) below, if the Borrower receives insurance proceeds under the Insurance Policies for any damage loss sustained in connection with the Project, the Borrower shall apply such insurance proceeds in prepayment of an equivalent amount of the Facility;

(ii) the Borrower shall not be obliged to prepay the Facility pursuant to paragraph (i) above if the Lender approves a reinstatement plan submitted by the Borrower to the Lender; and

(iii) the prepayment date shall be the Payment Date immediately following receipt by the Borrower of the insurance proceeds referred to in paragraph (i) above.

In the case of each of the events specified in paragraphs (a), (b) and (c) above, the Lender reserves the right, after having notified the Borrower in writing, to exercise its rights as a creditor in the manner specified in Clause 13.2 (*Acceleration*).

8.3 Cancellation by the Borrower

Prior to the Deadline for Drawdown of Funds, the Borrower may cancel the whole or any part of the Available Facility by giving the Lender a three (3) Business Days' prior notice.

Upon receipt of such notice of cancellation, the Lender shall cancel the amount notified by the Borrower, provided that the Eligible Expenses, as specified in the Financing Plan, are covered in a manner satisfactory to the Lender, except in the event that the Project is abandoned by the Borrower.

8.4 Cancellation by the Lender

The Available Facility shall be immediately cancelled upon delivery of a notice to the Borrower which shall be immediately effective, if:

(a) the Available Facility is not equal to zero on the Deadline for Drawdown of Funds;

(b) the first Drawdown has not occurred on the Deadline for the First Drawdown;

(c) an Event of Default has occurred and is continuing; or

(d) an event referred to in Clause 8.2 (*Mandatory prepayment*) has occurred.

8.5 Restrictions

(a) Any notice of prepayment or cancellation given by a Party pursuant to this Clause 8 (*Prepayment And Cancellation*) shall be irrevocable, and, unless otherwise provided in this Agreement, any such notice shall specify the date or dates on which the relevant prepayment or cancellation is to be made and the amount of that prepayment or cancellation.

(b) The Borrower shall not prepay or cancel all or any part of the Facility except at the times and in the manner expressly provided for in this Agreement.

(c) Any prepayment under this Agreement shall be made together with payment of (i) accrued interest on the prepaid amount, (ii) outstanding fees, and (iii) the Prepayment Indemnity referred to in Clause 9.3 (*Prepayment Indemnity*).

(d) Any prepayment amount will be applied against the remaining instalments in inverse order of maturity.

(e) The Borrower may not re-borrow the whole or any part of the Facility which has been prepaid or cancelled.

9 ADDITIONAL PAYMENT OBLIGATIONS

9.1 Costs and expenses

9.1.1 If an amendment to this Agreement is required, the Borrower shall reimburse to the Lender for any applicable costs incurred in connection with this amendment.

9.1.2 The Borrower shall reimburse to the Lender for all costs and expenses (including legal fees) incurred by it in connection with the enforcement or preservation of any of its rights under this Agreement.

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9.1.3 The Borrower shall pay directly or, if applicable, reimburse the Lender, the amount of all costs and expenses or transfer fees in connection with the transfer of funds to, or for the account of, the Borrower invoiced by any bank (intermediary or final) chosen by the Borrower.

9.2 Cancellation Indemnity

If the Facility is cancelled in full or in part in accordance with the terms of Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*) paragraphs (a), (b) and (c), the Borrower shall pay a cancellation indemnity computed at two point five per cent (2.5 %) on the cancelled amount of the Facility.

Each cancellation indemnity shall be due and payable on the Payment Date immediately following a cancellation of all or part of the Facility.

9.3 Prepayment Indemnity

On account of any losses suffered by the Lender as a result of the prepayment of the whole or any part of the Facility in accordance with Clauses 8.1 (*Voluntary prepayment*) or 8.2 (*Mandatory prepayment*), the Borrower shall pay to the Lender an indemnity equal to the aggregate amount of:

(a) the Prepayment Compensatory Indemnity; and

(b) any costs arising out of the break of any interest rate hedging swap transactions put in place by the Lender in connection with the amount prepaid.

9.4 Taxes and duties

9.4.1 Registration costs

No registration cost or other similar taxes shall be payable in respect of the Agreement and any potential amendment thereto.

9.4.2 Withholding Tax

The Borrower undertakes that all payments made to the Lender under this Agreement shall be free of any Withholding Tax.

If a Withholding Tax is required by law, the Borrower undertakes to gross-up the amount of any such payment to such amount which leaves the Lender with an amount equal to the payment which would have been due if no payment of Withholding Tax had been required.

The Borrower shall reimburse to the Lender all expenses and/or Taxes for the Borrower's account which have been paid by the Lender (if applicable), with the exception of any Taxes due in France.

9.5 Currency indemnity

If any sum due by the Borrower under this Agreement, or any order, judgment or award given or made in relation to such a sum, has to be converted from the currency in which that sum is payable into another currency, for the purpose of:

(a) making or filing a claim or proof against the Borrower; or

(b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower shall indemnify the Lender against and, within three (3) Business Days of the Lender's request and as permitted by law, pay to the Lender, the amount of any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between: (A) the exchange rate used to convert the relevant sum from the first currency to the second currency; and (B) the exchange rate or rate(s) available to the Lender at the time of its receipt of that sum. This obligation to indemnify the Lender is independent of any other obligation of the Borrower under this Agreement.

The Borrower waives any right it may have in any jurisdiction to pay any amount due the Financing Documents in a currency or currency unit other than that in which it is expressed to be payable.

9.6 Due dates

Any indemnity or reimbursement payable by the Borrower to the Lender under this Clause 9 (*Additional Payment Obligations*) is due and payable on the Payment Date immediately following the circumstances which have given rise to the relevant indemnity or reimbursement.

Notwithstanding the above, any indemnity to be paid in connection with a prepayment pursuant to Clause 9.3 (*Prepayment Indemnity*) is due and payable on the date of the relevant prepayment.

10 REPRESENTATIONS AND WARRANTIES

All the representations and warranties set out in this Clause 10 (*Representations And Warranties*) are made by the Borrower for the benefit of the Lender on the Effective Date. All the representations and warranties in this Clause 10 (*Representations And Warranties*) are also deemed to be made by the Borrower on the date on which all of the conditions precedent listed in Part II or III of Schedule 4 – A (*Conditions Precedent*) are satisfied, on the date of each Drawdown Request, on each Drawdown Date and on each Payment Date, except that the repeating representations contained in Clause 10.9 (No misleading information) are deemed to be made by the Borrower in relation to the information provided by the Borrower since the date on which the representation was last made.

10.1 Power and authority

The Borrower has the power to enter into, perform and deliver the Financing Documents and Project Documents and to perform all contemplated obligations. The Borrower has taken all necessary action to authorise its entry into, performance and delivery of the Financing Documents and Project Documents and the transactions contemplated those Financing Documents and Project Documents.

10.2 Validity and admissibility in evidence

All Authorisations required:

(a) to enable the Borrower to lawfully enter into, and exercise its rights and comply with its obligations under the Financing Documents and Project Documents; and

(b) to make the Financing Documents and the Project Documents admissible in evidence in the courts of the jurisdiction of the Borrower or in arbitration proceedings as defined under Clause 17 (*Governing Law, Enforcement And Choice Of Domicile*),

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have been obtained and are in full force and effect, and no circumstances exist which could result in the revocation, non-renewal or modification, in whole or in part, of any such Authorisations.

10.3 Binding obligations

The obligations undertaken by the Borrower under the Financing Documents and the Project Documents comply with all laws and regulations applicable to the Borrower in its jurisdiction and are legal, valid, binding and enforceable obligations which are effective in accordance with their written terms.

10.4 No filing or stamp taxes

Under the laws of the jurisdiction of the Borrower, it is not necessary that the Financing Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar taxes or fees be paid on or in relation to the Financing Documents or the transactions contemplated therein.

10.5 Transfer of funds

All amounts due by the Borrower to the Lender under this Agreement whether as principal or interest, late payment interest, Cancellation Indemnity, Prepayment Indemnity, incidental costs and expenses or any other sum are freely convertible and transferable.

This representation shall remain in full force and effect until full repayment of all sums due to the Lender. In the event that the repayment dates of the Facility are extended by the Lender, no further confirmation of this representation shall be necessary.

The Borrower shall obtain Euros necessary for compliance with this representation in due course.

10.6 No conflict with other obligations

The entry into and performance by the Borrower of, and the transactions contemplated by, the Financing Documents and the Project Documents do not conflict with any domestic or foreign law or regulation applicable to it, its constitutional documents (or any similar documents) or any agreement or instrument binding upon the Borrower or affecting any of its assets.

10.7 Governing law and enforcement

(a) The choice of French law as the governing law of this Agreement will be recognised and enforced by the courts and arbitration tribunals in the jurisdiction of the Borrower.

(b) Any judgment obtained in relation to this Agreement in a French court or any award by an arbitration tribunal will be recognised and enforced in the jurisdiction of the Borrower.

10.8 No default

No Event of Default is continuing or is reasonably likely to occur.

No breach of the Borrower is continuing in relation to any other agreement binding upon it, or affecting any of its assets, which has, or is reasonably likely to have, a Material Adverse Effect.

10.9 No misleading information

All information and documents supplied by the Borrower to the Lender were true, accurate and up-to-date as at the date they were provided or, if appropriate, as at the date at which they are

stated to be given and have not been varied, revoked, cancelled or renewed on revised terms, and are not misleading in any material respect as a result of an omission, the occurrence of new circumstances or the disclosure or non-disclosure of any information.

10.10 Project Documents

The Project Documents represent the entire agreement relating to the Project on the Signing Date and are valid, binding and enforceable against third parties. The Project Documents have not been amended, terminated or suspended without the prior approval of the Lender since the date on which they were delivered to the Lender and there is no current dispute in connection with the validity of the Project Documents.

10.11 Project Authorisations

All Project Authorisations have been obtained or effected and are in full force and effect and there are no circumstances which may result in any Project Authorisation being revoked, cancelled, not renewed or varied in whole or in part.

10.12 Procurement

The Borrower, acting through the Ministry of Agriculture and Food Industry, hereby declares that it (i) has received a copy of the Procurement Guidelines and (ii) understands the provisions of the Procurement Guidelines, in particular, those provisions relating to any actions which the Lender may take in the case of a breach of the Procurement Guidelines by the Borrower and (iii) has provided a copy of the Procurement Guidelines to the Final Beneficiary and the Implementing Agency which has confirmed that it understands the provisions of the Procurement Guidelines and in particular, those provisions relating to any actions which the Lender may take in the case of a breach of the Procurement Guidelines by the Final Beneficiary or Implementing Agency.

The Borrower, acting through the Ministry of Agriculture and Food Industry, is contractually bound by the Procurement Guidelines as if such Procurement Guidelines were incorporated by reference into this Agreement.

The Borrower, acting through the Ministry of Agriculture and Food Industry, confirms that the procurement, award and performance of all contracts entered into for the purposes of implementing the Project or any part thereof, comply with the provisions of the Procurement Guidelines, including such contracts entered into, and/or for which the procurement process has started, prior to the Signing Date and that are retroactively financed by AFD.

10.13 Pari passu ranking

The Borrower's payment obligations under this Agreement rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors.

10.14 Licit Origin of the funds and Prohibited Practices

The Borrower represents and warrants that:

(a) the funds which are or will be invested in the Project, if any, other than those provided by the State, are not of Illicit Origin;

(b) the Project (in particular, the negotiation, award and performance of any contracts financed with the Facility) has not given rise to any Prohibited Practices; and

(c) it has not committed or participated in any act contrary to any anti-Money Laundering and counter-Terrorist Financing applicable law

10.15 No Material Adverse Effect

The Borrower represents and warrants that no event or circumstance which is likely to have a Material Adverse Effect has occurred or is likely to occur.

11 UNDERTAKINGS

The undertakings in this Clause 11 (*Undertakings*) take effect on the Signing Date, except for the financial obligations which shall take effect on the Effective Date. They shall remain in full force and effect for as long as any amount is outstanding under this Agreement.

11.1 Compliance with Laws, Regulations and Obligations

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall comply and procure that the Final Beneficiary and the Implementing Agency comply:

(a) in all respects with all laws and regulations to which it and/or the Project is subject, particularly in relation to all applicable environmental protection, safety and labour laws; and prevention and fight against Prohibited Practices; and

(b) with all of its obligations under the Project Documents.

11.2 Authorisations

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect and procure that the Final Beneficiary and the Implementing Agency promptly obtain, comply with and do all that it necessary to maintain in full force and effect any Authorisation required under any applicable law or regulation to enable it to perform its obligations under the Financing Documents and the Project Documents and to ensure the legality, validity, enforceability and admissibility in evidence of any of Financing Documents or Project Document.

11.3 Project Documents

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall provide itself and procure that the Final Beneficiary and the Implementing Agency provide the Lender for no-objection or information, as the case may be, with a copy of any Project Documents or amendment thereto and shall not (and shall not agree to) make any material amendment to any Project Document without obtaining the Lender's prior no-objection.

11.4 Implementation and preservation of the Project

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall and shall procure that the Final Beneficiary and the Implementing Agency:

(a) implement the Project in accordance with the generally accepted safety principles and in accordance with technical standards in force; and

(b) maintain the Project assets in accordance with all applicable laws and regulations and in good operating and maintenance conditions, and use such assets in compliance with their purpose and all applicable laws and regulations; and

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(c) ensure that the necessary and required Insurance Policies, in compliance with applicable laws and regulations for such projects, are subscribed and maintained in full force and effect.

11.5 Procurement

In relation to the procurement, award and performance of contracts entered into for the purposes of implementing the Project or any part thereof, and financed by the Facility, the Borrower, acting through the Ministry of Agriculture and Food Industry, shall comply with, and implement, the provisions of the Procurement Guidelines. The Borrower guarantees that the Final Beneficiary and Implementing Agency will comply with and implement the Procurement Guidelines.

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall take all actions and steps deemed necessary for the effective implementation of the provisions of the Procurement Guidelines.

In the event of non-compliance by the Final Beneficiary and/or the Implementing Agency of the Procurement Guidelines, the Lender may declare the related costs ineligible under this Agreement and request the return of the funds from the Facility used to pay such ineligible costs.

11.6 Environmental and social responsibility

11.6.1 Implementation of environmental and social measures

In order to promote sustainable development, the Parties agree that it is necessary to promote compliance with internationally recognised environmental and labour standards, including fundamental conventions of the International Labour Organization ("**ILO**") and the international environmental laws and regulations applicable in the Borrower's jurisdiction. For such purpose, the Borrower shall and ensure that the the Implementing Agency and the Final Beneficiary shall:

with respect to its business activities:

(a) comply with international standards for the protection of the environment and labour laws, particularly the fundamental conventions of the ILO and the international environmental conventions, in accordance with the applicable laws and regulations of the country in which the Project is being implemented.

with respect to the Project:

(b) include in the procurement contracts, and, as the case may be, in the bidding documents, a clause whereby the contracting parties agree, and agree to procure that their sub-contractors (if any) agree, to comply with such standards in accordance with the applicable laws and regulations of the country where the Project is being implemented. The Lender will be entitled to request that the Borrower deliver a report on environmental and social conditions of implementation of the Project;

(c) put in place appropriate mitigation measures specific to the Project as defined within the context of the environmental and social risk management policy of the Project and describe in the ESCP attached as Schedule 6;

(d) require that the Providers appointed for implementation of the Project, apply the mitigation measures set out in paragraph (c) above and procure that their subcontractors (if any) comply with all such measures and take all appropriate steps in the event of a failure to put in place such mitigation measures; and

(e) provide the Lender with half-yearly follow-up reports in relation to the ESCP.

11.6.2 Environmental and social (ES) complaints-management

(a) The Borrower, acting through the Ministry of Agriculture and Food Industry, (i) confirms that it has received a copy of the ES Complaints-Management Mechanism's Rules of Procedure and has acknowledged its terms, in particular with respect to actions that may be taken by the Lender in the event that a third party lodges a complaint, and (ii) acknowledges that these ES Complaints-Management Mechanism's Rules of Procedure have, as between the Borrower and the Lender, the same contractually binding effect as this Agreement.

(b) The Borrower, acting through the Ministry of Agriculture and Food Industry, expressly authorises the Lender to disclose to the experts (as defined in the ES Complaints-Management Mechanism's Rules of Procedure) and to parties involved in the compliance review and/or conciliation processes, the Project documents concerning environmental and social matters necessary for processing the environmental and social complaint, including, without limitation, those listed in Schedule 9 (*Non-Exhaustive List Of Environmental And Social Documents Which The Borrower Permits To Be Disclosed In Connection With Es Complaints-Management Mechanism's Rules Of Procedure*).

11.6.3 Biodiversity Data Sharing

In order to promote biodiversity data sharing and in accordance with international targets related to biodiversity data knowledge and sharing, the Borrower undertakes to share, or procure that its third party contractors share, the biodiversity data (raw or processed) generated in relation with the Project with the Global Biodiversity Information Facility (GBIF) worldwide database, in order to enable its publication.

For this purpose, the Borrower undertakes to take all appropriate measures towards its third party contractors so that they allow the sharing on the GBIF worldwide database of the processed biodiversity data on which they may have intellectual property rights, regardless of the medium.

The data sharing on the GBIF database shall be carried out in accordance with the terms and conditions set out in Schedule 10 (*Biodiversity Data* Sharing).

The AFD shall be mentioned as "project funder" in the metadata section.

11.7 Additional financing

The Borrower shall not amend or alter the Financing Plan without obtaining the Lender's prior written consent and shall finance any additional costs not anticipated in the Financing Plan on terms which ensure that the Facility will be repaid.

11.8 Pari passu ranking

The Borrower undertakes (i) to ensure that its payment obligations under this Agreement rank at all times at least *pari passu* with its other current and future unsecured and unsubordinated payment obligations; (ii) not to grant prior ranking or guarantees to any other lenders except if the same ranking or guarantees are granted by the Borrower in favour of the Lender, if so requested by the Lender.

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11.9 Assignment

Unless the Lender agrees otherwise in writing, the Borrower shall:

(a) amend the Insurance Policies to include the Lender as sole beneficiary in respect of any insurance indemnity until all sums due under this Agreement have been re-paid in full; and

(b) assign to the Lender the benefit of the Provider's Guarantees.

11.10 Project Accounts

The Borrower shall procure that the Final Beneficiary and the Implementing Agency open, maintain and fund respectively the Project Accounts in accordance with the terms and conditions of this Agreement.

11.11 Inspections

The Borrower hereby authorizes the Lender and its representatives to carry out inspections the purpose of which will be to assess the Project implementation and operations as well as the impact and the achievement of the Project objectives.

The Borrower shall co-operate and provide all reasonable assistance and information to the Lender and its representatives when carrying out such inspections, the timing and format of which shall be determined by the Lender following consultation with the Borrower.

The Borrower shall procure that the Final Beneficiary and the Implementing Agency retain and make available for inspection by the Lender, all documents relating to the Eligible Expenses for a period of ten (10) years from the date of the last Drawdown under the Facility.

11.12 Project evaluation

The Borrower acknowledges that the Lender may carry out, or procure that a third party carries out on its behalf, an evaluation of the Project. Feedback from this evaluation will be used to produce a report containing information on the Project, such as: total amount and duration of the funding, objectives of the Project, expected and achieved quantified outputs of the Project, assessment of the relevance, effectiveness, impact and viability/sustainability of the Project, main conclusions and recommendations.

The main objective of the evaluation will be the articulation of credible and independent judgement on the key issues of relevance, implementation (efficiency) and effects (effectiveness, impact and sustainability).

Evaluators will need to take into account in a balanced way the different legitimate points of view that may be expressed and conduct the evaluation impartially.

The Borrower will be involved as closely as possible in the evaluation, from the drafting of the Terms of Reference to the delivery of the final report.

The Borrower agrees to the publication of this report, in particular on the Lender's website.

11.13 Financial Sanctions Lists and Embargo

The Borrower shall and shall procure that the Final Beneficiary and the Implementing Agency undertake:

(a) that no funds or economic resources of the Project are made available, directly or indirectly, to or for the benefit of persons, groups or entities listed on any Financial Sanctions Lists;

(b) not finance, acquire or provide any supplies or intervene in sectors which are subject to an Embargo by the United Nations, the European Union or France.

11.14 Licit Origin, absence of Prohibited Practices

The Borrower undertakes, and ensure that the Final Beneficiary and the Implementing Agency undertake:

(a) to use the funds of the Facility in accordance with the AFD Group's policy to prevent and combat Prohibited Practices as available on its Website;

(b) to ensure that the funds, other than those of State origin, invested in the Project will not be of an Illicit Origin;

(c) to ensure that the Project (in particular during the negotiation, entry into and performance of the contracts funded out of the Facility) shall not give rise to any Prohibited Practice;

(d) as soon as it becomes aware of, or suspects, any Prohibited Practice, to inform the Lender without any delay;

(e) in the event referred to in paragraph above, or at the Lender's request if the Lender suspects any Prohibited Practice has occurred, take all necessary actions to remedy the situation in a manner satisfactory to the Lender and within the time period determined by the Lender; and

(f) to notify the Lender without delay if it has knowledge of any information which leads it to suspect any Illicit Origin of any funds invested in the Project.

11.15 Investigations

The Borrower shall, and shall procure that the Final Beneficiary and the Implementing Agency undertake, to allow the Lender or any third party mandated by the Lender, to carry out an investigation in the event of an allegation of Prohibited Practice. To this end, the Lender or any third party mandated by it is authorized to:

(a) interview anyone who may have information about an alleged Prohibited Practice;

(b) conduct audits and controls, both documentary and on-site, as the Lender may deem appropriate, including access to the accounting books and records or any other documentation relating to the Project held by the Borrower or any person or entity connected with the Project;

(c) carry out visits of the sites, facilities and works related to the Project; and

(d) achieve all the steps and actions necessary for these investigations.

The Borrower shall, and shall procure that the Final Beneficiary and the Implementing Agency undertake, to ensure that the tender documents, contracts and sub-contracts financed through the Facility allow the implementation of this Clause.

Non-compliance with this Clause by the Borrower could, at the discretion of the Lender, constitute a Non-Cooperative Practice.

11.16 Monitoring of the Final Beneficiary and the Implementing Agency

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall:

(a) procure that the On-lending Agreement and the Project Management Agreement provides for, inter alia, all the undertakings that the Borrower has made on behalf of the Final Beneficiary and the Implementing Agency under this Agreement including, but not limited to, the undertakings set out in Clauses 11 (*Undertakings*) and 12 (*Information Undertakings*) as well as the proxy granted to the Final Beneficiary and the Implementing Agency to act in the name of and on behalf of the Borrower, especially in regard to the Drawdown Requests;

(b) systematically collect and make available to the Lender, the details of any person (identity, citizenship, domicile) and/or any legal entity (corporate name, place of incorporation, registered office, identity of shareholders) benefiting from the on-lent funds;

(c) (c) provide the Lender with any information in relation to the on-lending (including the repayment status of the on-lent funds) which shall be recorded in the accounting books of the Final Beneficiary;

(d) ensure that the Final Beneficiary and the Implementing Agency fulfil their obligations under the On-lending Agreement and the Project Management Agreement and use the funds exclusively for financing of the Project in accordance with the terms and conditions of this Agreement;

(e) procure that the Final Beneficiary insures the assets financed by the Facility against the primary risks that may materialise during the implementation and operation of the Project.

11.17 Visibility and Communication

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall implement visibility and communication actions related to the implementation of the Project in accordance with the terms of the Visibility and Communication Guide, and acknowledges having fully read and understood the aforementioned guide.

According to the Visibility and Communication Guide, the Project is subject to communication and visibility obligations of LEVEL 1.

12 INFORMATION UNDERTAKINGS

The undertakings in this Clause 12 (*Information Undertakings*) take effect on the Signing Date and remain in full force and effect for as long as any amount is outstanding under this Agreement.

12.1 Financial Information

The Borrower shall supply to the Lender any information that the Lender may reasonably require in relation to the Borrower's foreign and domestic debt as well as the status of any guaranteed loans, unless such disclosure of information is not permitted under the mandatory provisions of Moldovan law.

12.2 Progress Report

(a) Until the Technical Completion Date, the Borrower, acting through the Ministry of Agriculture and Food Industry, through the Implementing Agency shall supply to the Lender on a half-yearly basis a technical and financial progress report in relation to the

implementation of the Project and an annual follow-up report of the Project's indicators in the form set out in Schedule 7 (*Form Of Follow-Up Report Of The Project's Indicators*).

(b) Within three (3) months after the Technical Completion Date, the Borrower, acting through the Ministry of Agriculture and Food Industry, through the Implementing Agency shall supply to the Lender a general progress report including a follow-up report with respect to the Project' indicators in the form set out in Schedule 7 (*Form Of Follow-Up Report Of The Project's Indicators*).

12.3 Information - miscellaneous

The Borrower shall supply to the Lender:

(a) promptly upon becoming aware of them, details of any event or circumstance which is or may be an Event of Default or which has or may have a Material Adverse Effect, the nature of such an event and all the actions taken or to be taken to remedy it (if any);

(b) promptly upon becoming aware of them, details of any incident or accident directly related to the implementation of the Project which might have a significant impact on the Project site, the working conditions of its employees or Providers' employees, the nature of such incident or accident, together with details of any action taken or proposed to be taken, as applicable, by the Borrower to remedy it;

(c) promptly, details of any decision or event which might affect the organisation, completion or operation of the Project;

(d) promptly but in any event within five (5) Business Days after becoming aware of them, details of any notification of default, termination, dispute or material claim made against it under a Project Document or affecting the Project, together with details of any action taken or proposed to be taken by the Borrower to remedy it;

(e) during the completion of services (including but not limited to services related to studies and monitoring where the Project involves the provision of such services), the interim and final reports drafted by any service provider, and after full completion of such services an overall execution report;

(f) promptly, any further information regarding its financial condition, assets and operations or any documents or other communications given or received by it under any Project Document that the Lender may reasonably request.

12.4 Information relating to the Final Beneficiary and the Implementing Agency

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall take all necessary actions during the implementation and operation of the Project to ensure that the Final Beneficiary and the Implementing Agency supply the Lender with:

(a) as soon as they are approved, its annual financial statements or budgetary documents, as well as any details that the Lender may reasonably require in relation to its financial condition;

(b) upon the Lender's request, the minutes of meetings, resolutions and reports of its corporate bodies together with, as the case may be, its auditors report or any report in relation to the audit of its financial statements.

13 EVENTS OF DEFAULTS

13.1 Events of Default

Each of the events or circumstances set out in this Clause 13.1 (*Events of Default*) is an Event of Default.

(a) Payment Default

The Borrower does not pay on the due date any amount payable by it under this Agreement in the manner required under this Agreement. However, without prejudice to Clause 4.3 (*Late payment and default interest*), no Event of Default will occur under this paragraph (a) if such payment is made in full by the Borrower within five (5) Business Days of the due date.

(b) Project Documents

Any Project Document, or any of the rights and obligations set out therein, ceases to be in full force and effect, is subject to a notice of termination or its validity, legality or enforceability is challenged.

No Event of Default will occur pursuant to this paragraph (b) if (i) the challenge or notice of termination is withdrawn within thirty (30) calendar days after the date on which the Lender informed the Borrower of such challenge or notice or the Borrower became aware of such challenge or notice; and (ii), according to the opinion of the Lender, such dispute or request has not had a Material Adverse Effect during such thirty (30) day period.

(c) Undertakings and Obligations

The Borrower does not comply with any term of the Financing Documents, including, without limitation, any of the undertakings it has given pursuant to Clause 11 (*Undertakings*) and Clause 12 *(Information Undertakings*).

Save for the undertakings given pursuant to Clauses 11.6 (*Environmental and social responsibility*), 11.13 (*Financial Sanctions Lists and Embargo*) and 11.14 (*Licit Origin, absence of Prohibited Practices*) in respect of which no grace period is permitted, no Event of Default will occur under this paragraph (c) if the non-compliance is capable of remedy and is remedied within five (5) Business Days of the earlier of (A) the date of the Lender' notice of failure to the Borrower; and (B) the Borrower becoming aware of the breach, or within the time limit determined by the Lender in the case referred to in subparagraph 11.14(e) of Clause 11.14 (*Licit Origin, absence of Prohibited Practices*).

(d) Misrepresentation

A representation or warranty made by the Borrower in the Financing Documents, including under Clause 10 (*Representations And Warranties*), or in any document delivered by or on behalf of the Borrower under or in relation to the Financing Documents, is incorrect or misleading when made or deemed to be made.

(e) Cross Default

(i) Subject to paragraph (iii), any Financial Indebtedness of the Borrower is not paid on its due date or, if applicable, within any grace period granted pursuant to the relevant documentation.

(ii) Subject to paragraph (iii), a creditor has cancelled or suspended its commitment towards the Borrower pursuant to any Financial Indebtedness, or has declared the Financial Indebtedness due and payable prior to its specified maturity, or requested prepayment in full of the Financial Indebtedness, in each case, as a result of an event of default or any provision having a similar effect (howsoever described) pursuant to the relevant documentation.

(iii) No Event of Default will occur under this Clause 13.1(e) if the relevant amount of Financial Indebtedness or the commitment for Financial Indebtedness falling within paragraphs (i) and (ii) above is less than fifteen million Euros (EUR 15,000,000.00) (or its equivalent in any other currency(ies)).

(f) Unlawfulness

The Borrower's obligations under the Financing Documents are declared not to be binding on or enforceable against the Borrower or are declared to be illegal upon arbitration proceedings in the conditions set out in Clause 17.2 (*Arbitration*) or by a court of competent jurisdiction.

(g) Material adverse change

Any event (including a change in the political situation of the country of the Borrower) or any measure which is likely, according to the Lender's opinion, to have a Material Adverse Effect occurs or is likely to occur.

(h) Withdrawal or suspension of the Project

Any of the following occurs:

(i) the implementation of the Project is suspended or postponed for a period exceeding six (6) months; or

(ii) the Project has not been completed in full by the Technical Completion Date; or

(iii) the Borrower or the Final Beneficiary or the Implementing Agency withdraws from, or ceases to participate in, the Project.

(i) Authorisations

Any Authorisation required for the Borrower in order to perform or comply with its obligations under the Financing Documents or its other material obligations under any Project Documents or required in the ordinary course of the Project is not obtained within the required timeframe or is cancelled or becomes invalid or otherwise ceases to be in full force and effect.

(j) Judgments, rulings or decisions having a Material Adverse Effect

Any judgment or arbitral award or any judicial or administrative decision affecting the Borrower has or is reasonably likely, according to the opinion of the Lender, to have a Material Adverse Effect, occurs or is likely to occur.

(k) Default by the Final Beneficiary or the Implementing Agency

The Final Beneficiary or the Implementing Agency (i) does not comply with any term of the On-lending Agreement or the Project Management Agreement, as applicable, including without limitation, any of the undertakings pursuant to Clauses 11 (*Undertakings*) and 12

(*Information Undertakings*); (ii) does not comply with any term of a Project Document or of any other agreement or deed entered into in relation to the Project.

Save for the undertakings given pursuant to Clauses 11.6 (*Environmental and social responsibility*), 11.13 (*Financial Sanctions Lists and Embargo*) and 11.14 (*Licit Origin, absence of Prohibited Practices*) in respect of which no grace period shall be granted by the Borrower to the Final Beneficiary or the Implementing Agency, no Event of Default will occur under this clause 13.1 (k) if the breach is capable of remedy and is remedied within five (5) Business Days of the earlier of (A) the Lender giving notice of breach to the Borrower and (B) the Borrower becoming aware of the breach, or within the time limit specified by the Lender in the case of breach referred to in subparagraph 11.14 (f) of Clause 11.14 (*Licit Origin, absence of Prohibited Practices*).

(l) Suspension of free convertibility and free transfer

Free convertibility and free transfer of any of the amounts due by the Borrower under this Agreement, or any other facility provided by the Lender to the Borrower or any other borrower of the jurisdiction of the Borrower, is challenged.

13.2 Acceleration

On and at any time after the occurrence of an Event of Default, the Lender may, without providing any formal demand or commencing any judicial or extra-judicial proceedings, by written notice to the Borrower:

(a) cancel the Available Facility; and/or

(b) declare that all or part of the Facility, together with any accrued or outstanding interest and all other amounts outstanding under this Agreement, are immediately due and payable.

Without prejudice to the above, in the event that an Event of Default occurs as set out in Clause 13.1 (*Events of Default*), the Lender reserves the right to, upon written notice to the Borrower, (i) suspend or postpone any Drawdowns under the Facility; and/or (ii) suspend the finalisation of any agreements relating to other possible financial offers which have been notified by the Lender to the Borrower; and/or (iii) suspend or postpone any drawdown under any loan agreement entered into between the Borrower and the Lender.

13.3 Notification of an Event of Default

In accordance with Clause 12.3 (*Information - miscellaneous*), the Borrower shall promptly notify the Lender upon becoming aware of any event which is or is likely to be an Event of Default and inform the Lender of all the measures contemplated by the Borrower to remedy it.

14 ADMINISTRATION OF THE FACILITY

14.1 Payments

All payments received by the Lender under this Agreement shall be applied towards the payment of expenses, fees, interest, principal amounts or any other sum due under this Agreement in the following order:

(a) incidental costs and expenses;

(b) fees;

(c) late-payment interest and default interest;

(d) accrued interest;

(e) principal repayments.

Any payments received from the Borrower shall be applied first in or towards payment of any sums due and payable under the Facility or under other loans extended by the Lender to the Borrower, should it be in the Lender's interest to apply these sums to such other loans, in the order set out above.

14.2 Set-off

Without prior approval of the Borrower, the Lender may, at any time, by submitting a declaration to the Borrower, set-off due and payable obligations owed by the Borrower against any amounts held by the Lender on behalf of the Borrower or any due and payable obligations owed by the Lender to the Borrower. If the obligations are in different currencies, the Lender may convert either obligation at the prevailing currency exchange rate for the purpose of the set-off.

All payments made by the Borrower under the Financing Documents shall be calculated and made without set-off. The Borrower is prohibited from making any set-off.

14.3 Business Days

Without prejudice to the calculation of the Interest Period which remains unchanged, if a payment is due on a day which is not a Business Day, the due date for that payment shall be the next Business Day if the next Business Day is in the same calendar month, or the preceding Business Day if the next Business Day is not in the same calendar month.

14.4 Currency of payment

The currency of each amount payable under this Agreement is Euros, except as provided in Clause 14.6 (*Place of payment*).

14.5 Day count convention

Any interest, fee or expense accruing under this Agreement will be calculated on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days in accordance with European interbank market practice.

14.6 Place of payment

(a) Any funds to be transferred by the Lender to the Borrower under the Facility will be paid to the bank account specifically designated for such purpose by the Borrower, provided that the Lender has given its prior consent on the selected bank.

The Borrower may request that the funds are transferred in: (i) Euros to a bank account denominated in Euros; or (ii) the currency of legal tender in the jurisdiction of the Borrower, in the equivalent amount of the Drawdown at a market exchange rate on the day of the Drawdown and to a bank account denominated in that currency provided such currency is convertible and transferable; or (iii) any other convertible and transferable currency, in an equivalent amount of the Drawdown on the day of the Drawdown and to a bank account denominated in such currency.

(b) Any payment to be made by the Borrower to the Lender shall be paid on the due date by no later than 11:00 am (Paris time) to the following bank account:

MV

RIB Code: 30001 00064 00000040235 03

IBAN Code: FR76 3000 1000 6400 0000 4023 503

Banque de France SWIFT code (BIC): BDFEFRPPCCT

opened by the Lender at the Banque de France (head office/main branch) in Paris or any other account notified by the Lender to the Borrower.

(c) The Borrower shall request from the bank responsible for transferring any amounts to the Lender that it provides the following information in any wire transfer messages in a comprehensive manner and in the order set out below:

- Principal: name, address, bank account number
- Principal's bank: name and address
- Reference: name of the Borrower, name of the Project, reference number of the Agreement

(d) Applicable exchange rates will be the exchange rates obtained by the Lender through a Reference Financial Institution on the date of the Drawdown.

(e) All payments made by the Borrower shall comply with this Clause 14.6 (*Place of payment*) in order for the relevant payment obligation to be deemed discharged in full.

14.7 Payment Systems Disruption

If the Lender determines (in its discretion) that a Payment Systems Disruption Event has occurred or the Borrower notifies the Lender that a Payment Systems Disruption Event has occurred, the Lender:

(a) may, and shall if requested by the Borrower, enter into discussions with the Borrower with a view to agreeing any changes to the operation and administration of the Facility as the Lender may deem necessary in the circumstances;

(b) shall not be obliged to enter into discussions with the Borrower in relation to any of the changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, it has no obligation to agree to such changes; and

(c) shall not be liable for any cost, loss or liability arising as a result of its taking, or failing to take, any actions pursuant to this Clause 14.7 (*Payment Systems Disruption*).

15 MISCELLANEOUS

15.1 Language

The language of this Agreement is English. If this Agreement is translated into another language, the English version shall prevail in the event of any conflicting interpretation or in the event of a dispute between the Parties.

All notices given or documents provided under, or in connection with, this Agreement shall be in English.

The Lender may request that a notice or document provided under, or in connection with, this Agreement which is not in English is accompanied by a certified English translation, in which

case, the English translation shall prevail unless the document is a statutory document of a company, legal text or other official document.

15.2 Certifications and determinations

In any litigation or arbitration arising out of or in connection with any Financing Document, entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

Any certification or determination by the Lender of a rate or amount under this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

15.3 Partial invalidity

If, at any time, a term of this Agreement is or becomes illegal, invalid or unenforceable, neither the validity, legality or enforceability of the remaining provisions of this Agreement will in any way be affected or impaired.

15.4 No Waiver

Failure to exercise, or a delay in exercising, on the part of the Lender of any right under the Agreement shall not operate as a waiver of that right.

Partial exercise of any right shall not prevent any further exercise of such right or the exercise of any other right or remedy under the applicable law.

The rights and remedies of the Lender under this Agreement are cumulative and not exclusive of any rights and remedies under the applicable law.

15.5 Assignment

The Borrower may not assign or transfer, in any manner whatsoever, all or any of its rights and obligations under this Agreement without the prior written consent of the Lender.

The Borrower hereby expressly agrees for the Lender to assign or transfer any of its rights or obligations under this Agreement to any other third party and to enter into any sub-participation agreement relating thereto.

15.6 Legal effect

The Schedules annexed hereto, the Procurement Guidelines and the recitals hereof form part of this Agreement and have the same legal effect.

15.7 Entire agreement

As of the Effective Date, this Agreement represents the entire agreement between the Parties in relation to the matters set out herein, and supersedes and replaces all previous documents, agreements or understandings which may have been exchanged or communicated as part of the negotiations in connection with this Agreement.

15.8 Amendments

(a) No amendment may be made to this Agreement unless expressly agreed in writing between the Parties.

(b) By way of derogation from Clause 15.8 (a), and subject in each case to the Lender's prior written approval, the Borrower, acting through the Ministry of Agriculture and Food Industry, may propose:

i. adjustments to Schedule 3 (*Financing Plan*) consisting of transfers within or between budget headings, including the cancellation or introduction of items, provided that:

- such adjustments do not affect the main purpose of the Facility ;
- qualify as Eligible Expenses under this Agreement; and
- their financial impact is limited to: (i) a transfer within a single budget heading, including cancellation or introduction of an item, or (ii) a transfer between budget headings involving a variation (on a cumulative basis) of twenty-five percent (25 %) or less of the amount originally allocated (or as amended by an amendment concluded by the Parties) in relation to each concerned heading.

ii. modifications to the scope of the Project to include the rehabilitation of additional area connected to the two centralized irrigation systems described in Schedule 2, provided that such Project scope modifications:

- remain consistent with the original objectives and nature of the Project; and
- qualify as Eligible Expenses under this Agreement.

iii. adjustments to the outputs, indicators and their related targets, baselines and sources of verification described in Schedule 7 and the logical framework provided that

- such adjustments do not affect the main outcome of the Project ; and
- do not materially reduce the level of ambition or measurability of the Project.

15.9 Confidentiality - Disclosure of information

(c) The Borrower shall not disclose the content of any Financing Document to any third party without the prior consent of the Lender, except to:

(i) any person to whom the Borrower has a disclosure obligation under any applicable law, regulation or judicial ruling; or

(ii) the Final Beneficiary and the Implementing Agency for the purposes of the Project.

Notwithstanding with these provisions, the Borrower may publish this Agreement on the governmental and parliament websites and Monitor Official without any prior consent of the Lender.

(d) The Lender shall not disclose the content of this Agreement to any third party without the prior consent of the Borrower, except to: : (i) its auditors, experts, rating agencies, legal advisers or supervisory bodies such as the European Anti-fraud Office (OLAF); (ii) any person or entity to whom the Lender may assign or transfer all or part of its rights or obligations under the Financing Documents; (iii) the French State, and in particular the

ministries to which the Lender reports, for the purposes of the Lender's activity; and (iv) any person or entity for the purpose of taking any protective measures or preserving the rights of the Lender under the Financing Documents.

(e) Furthermore, the Borrower hereby expressly authorizes the Lender:

(i) to exchange with the French Republic for publication on the French government website pursuant to any request from International Aid Transparency Initiative; and

(ii) to publish on the Lender's Website

information relating to the Project and its financing as listed in Schedule 8 (*Information That The Lender Is Authorized Expressly To Disclose On The Lender's Website (In Particular On Its Open Data Platform)*).

The Lender expressly authorizes the Borrower to publish on the Borrower's Website and the Borrower's Aid Management Platform basic information regarding the Facility.

15.10 Limitation

The statute of limitations of any claims under this this Agreement shall be ten (10) years, except for any claim of interest due under this Agreement.

15.11 Hardship

Each Party hereby acknowledges that the provisions of article 1195 of the French Code civil shall not apply to it with respect to its obligations under the Agreement and it shall be not entitled to make any claim under article 1195 of the French Code civil.

16 NOTICES

16.1 In writing and addresses

Any notice, request or other communication to be given or made under or in connection with this Agreement shall be given or made in writing and, unless otherwise stated, may be given or made by fax or by letter sent to the address and number of the relevant Party set out below:

For the Borrower:

REPUBLIC OF MOLDOVA

MINISTRY OF FINANCE

Address: 7, Constantin Tanase Street, MD-2005 Chisinau

Email: cancelaria@mf.gov.md

Attention: Minister of Finance

MINISTRY OF AGRICULTURE AND FOOD INDUSTRY

Address: 162, Bd. Stefan Cel Mare Si Sfant, MD-2005 Chisinau

Email: cancelaria@maia.gov.md

Attention: Minister of Agriculture and Food Industry

For the Lender:

AFD – MOLDOVA OFFICE

Address: Office 805, 115/1, Bd. Stefan Cel Mare Si Sfant, MD-2004 Chisinau

Email: afdchisinau@afd.fr

Attention: Director

With a copy to:

AFD – PARIS HEAD OFFICE

Address: 5, rue Roland Barthes – 75598 Paris Cedex 12, France

Telephone: + 33 1 53 44 31 31

Attention: Director for Europe, Middle East and Asia (*Orients*)

or such other address, fax number, department or officer as one Party notifies to the other Party.

16.2 Delivery

Any notice, request or communication made or any document sent by a Party to the other Party in connection with this Agreement will only be effective:

(a) if by fax, when received in a legible form; and

(b) if by letter, when delivered to the correct address,

and, where a particular person or a department is specified as part of the address details provided under Clause 16.1 (*In writing and addresses*), if such notice, request or communication has been addressed to that person or department.

16.3 Electronic communications

(a) Any communication made by one person to another under or in connection with this Agreement may be made by electronic mail or other electronic means if the Parties:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) (notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Parties will be effective only when actually received in a readable form.

17 GOVERNING LAW, ENFORCEMENT AND CHOICE OF DOMICILE

17.1 Governing Law

This Agreement is governed by French law.

17.2 Arbitration

Any dispute arising out of or in connection with this Agreement shall be referred to and finally settled by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce applicable on the date of commencement of arbitration proceedings, by one or more arbitrators to be appointed in accordance with such Rules.

The seat of arbitration shall be Paris and the language of arbitration shall be English.

This arbitration clause shall remain in full force and effect if this Agreement is declared void or is terminated or cancelled and following expiry of this Agreement. The Parties' contractual obligations under this Agreement are not suspended if a Party initiates legal proceedings against the other Party.

The Parties expressly agree that, by signing this Agreement, the Borrower irrevocably waives all rights of immunity in respect of jurisdiction or execution on which it could otherwise rely.

17.3 Service of process

Without prejudice to any applicable law, for the purposes of serving judicial and extrajudicial documents in connection with any action or proceedings referred to above, the Borrower irrevocably chooses its registered office as at the date of this Agreement at the address set out in Clause 16 (*Notices*) for service of process, and the Lender chooses the address "AFD SIEGE" set out in Clause 16 (*Notices*) for service of process.

18 ENTRY INTO FORCE AND DURATION

The Borrower, acting through the Ministry of Agriculture and Food Industry, shall conduct all applicable procedures required under Moldovan laws for the entry into force of this Agreement, and in particular the adoption of a law ratifying this Agreement by the Moldovan Parliament, which shall occur in best delays after the Signing Date.

The Borrower, acting through the Ministry of Agriculture and Food Industry, will deliver to the Lender a Legal Opinion issued on behalf of the Borrower and signed by the Minister of Justice confirming that all applicable procedures required under Moldovan laws for the entry into force of this Agreement have been accomplished. This Agreement shall enter into force on the date of issuance of the Legal Opinion, which shall be the Effective Date.

This Agreement will remain in full force and effect for as long as any amount is outstanding under this Agreement. Notwithstanding the above, the obligations under Clauses 12.3 (*Information - miscellaneous*) and 15.9 (*Confidentiality - Disclosure of information*) shall survive and remain in full force and effect for a period of five (5) years after the last Payment Date; the provisions of Clause 11.6.2 (*Environmental and social (ES) complaints-management*) shall continue to have effect whilst any grievance lodged under the ES Complaints-Management Mechanism's Rules of Procedure is still being processed or monitored.

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Executed in two (2) originals, in Chisinau (Republic of Moldova), on May 14, 2026.

BORROWER

THE REPUBLIC OF MOLDOVA

Represented by:

Name: Mrs Ludmila Catlabuga

Capacity: Minister of Agriculture and Food Industry

LENDER

AGENCE FRANÇAISE DE DÉVELOPPEMENT

Represented by:

Name: Mr. Mathieu Vasseur

Capacity: Regional Director European Neighborhood and Enlargement

Co-signatory, Mr. Benjamin Haddad, Minister Delegate for European Affairs of the French Republic

SCHEDULE 1A DEFINITIONS

Acceptable Bank	means any bank servicing the Republic of Moldova's treasury system and acceptable to the Lender.
ADMA Account Bank	has the meaning given to it in Clause 3.4.3 (*Opening of the Project Accounts*).
ADMA Project Account	has the meaning given to that term in Clause 3.4.3 (*Opening of the Project Accounts*).
ANIF Account Bank	has the meaning given to that term in Clause 3.4.3 (*Opening of the Project Accounts*).
ANIF Project Account	has the meaning given to it in Clause 3.4.3 (*Opening of the Project Accounts*).
Act of Corruption	means any of the following: (a) the act of promising, offering or giving, directly or indirectly, to a Public Official or to any person who directs or works, in any capacity, for a private sector entity, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity; or (b) the act of a Public Official or any person who directs or works, in any capacity, for a private sector entity, soliciting or accepting, directly or indirectly, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity.
Act(s) of Terrorism	means: (i) any act prohibited by the United Nations Conventions and Protocols related to the fight against terrorism (which may be consulted on the following website: https://legal.un.org/ola/Default.aspx); (ii) any of the offences referred to in articles 3 to 10 of Directive (EU) 2017/541 of the European Parliament of 15 March 2017 on combating terrorism; or (iii) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organisation to do or abstain from doing any act.
Advance(s)	has the meaning given to it in Clause 3.4 (*Payment mechanics*)
Agreement	means this credit facility agreement, including its recitals, Schedules and, if applicable, any amendments made in writing thereto.

Anti-Competitive Practices	means: (a) any concerted or implicit action having as its object and/or as its effects to impede, restrict or distort fair competition in a market, including without limitation when it tends to: (i) limit market access or the free exercise of competition by other companies; (ii) prevent price setting by the free play of markets by artificially favouring the increase or decrease of such prices; (iii) limit or control any production, markets, investment or technical progress; or (iv) share out markets or sources of supply; (b) any abuse by a company or group of companies of a dominant position within a domestic market or in a substantial part thereof; or (c) any bid or predatory pricing having as its object and/or its effect to eliminate from a market, or to prevent a company or one of its products from accessing the market.
Authorisation(s)	means any authorisation, consent, approval, resolution, permit, licence, exemption, filing, notarisation or registration, or any exemptions in respect thereof, obtained from or provided by an Authority, whether granted by means of an act, or deemed granted if no answer is received within a defined time limit, as well as any approval and consent given by the Borrower's creditors.
Authority(ies)	means any government or statutory entity, department or commission exercising a public prerogative, or any administration, court, agency or State or any governmental, administrative, tax or judicial entity.
Availability Period	means the period from and including the Signing Date up to the Deadline for Drawdown of Funds.
Available Facility	means, at any given time, the maximum principal amount specified in Clause 2.1 (*Facility*) less: (i) the aggregate amount of any Drawdowns drawn by the Borrower; (ii) the amount of any Drawdown to be made pursuant to any pending Drawdown Request; and (iii) any portion of the Facility which has been cancelled pursuant to Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*).
Business Day	means a day (other than Saturday or Sunday) on which banks are open for the entire day for general business in Paris, and which is a TARGET Day in the event that a Drawdown has to be done on such day.
Certified	means for any copy, photocopy or other duplicate of an original document, the certification by any duly authorised person, as to the conformity of the copy, photocopy or duplicate with the original document.
Co-Financier(s)	means the following co-financier of the Project: • the European Union ("**EU**"), providing funds to the Lender under a delegation agreement, for an amount of fifteen million euros **(EUR 15,000,000)**;
Deadline for Drawdown of Funds	means May 15, 2032, date after which no further Drawdown may occur.
Deadline for the First Drawdown	means February 10, 2027.

Deadline for Use of Funds	means the date of expiration of a six (6) month period starting on the payment date of the last Advance.
Drawdown	means a drawdown of all or part of the Facility made, or to be made, available by the Lender to the Borrower pursuant to the terms and conditions set out in Clause 3 (*Drawdown Of Funds*) or the principal amount outstanding of such Drawdown which remains due and payable at a given time including any Advance.
Drawdown Date	means the date on which a Drawdown is made available by the Lender.
Drawdown Period	means the period starting on the first Drawdown Date up to and including the first of the following date: (i) the date on which the Available Facility is equal to zero; (ii) the Deadline for Drawdown of Funds.
Drawdown Request	means a request substantially in the form set out in Schedule 5A (*Form of drawdown request*).
Effective Date	means the date of entry into force of this Agreement, as further described in Clause 18 (*Entry into Force and Duration*)
Eligible Expense(s)	means the expense(s) relating to the five components of the Project as set out in Schedule 3 (*Financing Plan*).
Embargo	means any sanction of a commercial nature aiming at prohibiting any import and/or export (supply, sale or transfer) of one or several goods, products or services going to and/or coming from a country for a given period as published and amended from time to time by the United Nations, the European Union or France.
ES Complaints-Management Mechanism's Rules of Procedure	means the contractual terms contained in the Environmental and Social Complaints-Management Mechanism's Rules of Procedure, which is available on the Website, as amended from time to time.
ESCP	means the environmental and social commitment plan attached hereafter as Schedule 6, setting out the Borrower's commitment to avoid, mitigate or compensate negative consequences of the Project, on human and natural environment and any planned monitoring, as well as the formal steps required in order to carry out such actions.
EURIBOR	means the inter-bank rate applicable to Euro for any deposits denominated in Euro for a period comparable to the relevant period, as determined by the European Money Markets Institute (EMMI), or any successor administrator, at 11:00 am Brussels time, two (2) Business Days before the first day of the Interest Period.
Euro(s) or EUR	means the single currency of the member states of the European Economic and Monetary Union, including France, and having legal tender in such Member States.
Event of Default	means any event or circumstance set out in Clause 13.1 (*Events of Default*).
Facility	means the credit facility made available by the Lender to the Borrower in accordance with this Agreement up to the maximum principal amount set out in Clause 2.1 (*Facility*).
Final Beneficiary	means Agency for the Development and Modernization of Agriculture (ADMA), in charge of implementing Component 2 of the Project as set out in Schedule 2 (*Project Description*) and 0 (*Financing Plan*), under an On-lending Agreement with the Borrower.

Financial Indebtedness	means any financial indebtedness for and in respect of: (a) any monies borrowed on a short, medium or long-term basis; (b) any amounts raised pursuant to the issue of bonds, notes, debentures, loan stock or any similar instruments; (c) any funds raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (d) any potential payment obligation that results from a guarantee, bond, or any other instrument.
Financial Sanctions List	means the list(s) of persons, groups or entities which are subject to financial sanctions by the United Nations, the European Union and/or France. For information purposes only and for the convenience of the Borrower, who may rely on, the following references or website addresses: **For the list maintained by the United Nations, the European Union and France**, the following website may be consulted: https://gels-avoirs.dgtresor.gouv.fr/List.
Financing Documents	means this Agreement, the On-lending Agreement, and any other document in relation thereto.
Financing Plan	means the financing plan of the Project set out in Schedule 3 (*Financing Plan*).
Fixed Reference Rate	means four point thirteen per cent (4.13 %) per annum.
Fraud	means any unfair practice (acts or omissions) deliberately intended to mislead others, to intentionally conceal elements there from, or to betray or vitiate his/her consent, to circumvent any legal or regulatory requirements and/or to violate internal rules and procedures of the Borrower or a third party in order to obtain an illegitimate benefit.
Fraud against the Financial Interests of the European Union	means any intentional act or omission intended to damage the European Union budget and involving (i) the use or presentation of false, inaccurate or incomplete statements or documents, which has as effect the misappropriation or wrongful retention of funds or any illegal reduction in resources of the general budget of the European Union; (ii) the non-disclosure of information with the same effect; and (iii) misappropriation of such funds for purposes other than those for which such funds were originally granted.
Grace Period	means the period from the Signing Date up to and including the date falling seventy-two (72) months after such date, during which no principal repayment under the Facility is due and payable.
Illicit Origin	means funds obtained through: (a) the commission of any predicate offence as designated in the FATF 40 recommendations Glossary under "*Designated categories of offences*" (https://www.fatf-gafi.org/en/pages/fatf-glossary.html#accordion-a13085a728-item-121a8a2b0f); (b) any Act of Corruption; or (c) any Fraud against the Financial Interests of the European Community, if or when applicable.
Implementing Agency	means Agency for Land Improvement ("**ANIF**"), in charge of implementing components 1, 3, 4 and 5 of the Project set out in Schedule 2 (*Project Description*) and Schedule 3 (*Financing Plan*)

	and to report on the entire Project progress, on behalf of the Borrower and duly appointed for such purpose.
Index Rate	means the TEC 10 daily index, the ten-year constant maturity rate displayed on a daily basis on the relevant quotation page of the Reference Financial Institution or any other index which may replace the TEC 10 daily index. On the Signing Rate Setting Date, the Index Rate is three point seventy-nine per cent (3.79 %) per annum.
Insurance Policies	means, as the case may be, the insurance policies that the Borrower, the Final Beneficiary, the Implementing Agency or the Providers are required to subscribe and maintain under applicable laws and regulations in connection with the implementation of the Project.
Interest Period(s)	means each period from a Payment Date (exclusive) up to the next Payment Date (inclusive). For each Drawdown under the Facility, the first interest period shall start on the Drawdown Date (exclusive) and end on the next successive Payment Date (inclusive).
Interest Rate	means the interest rate expressed as a percentage and determined in accordance with Clause 4.1 (*Interest Rate*).
MAFI Project Account	has the meaning given to it in Clause 3.4.3 (*Opening of the Project Accounts*).
Margin	means one per cent (1.00 %) per annum.
Market Disruption Event	means the occurrence of one of the following events: (i) EURIBOR is not determined by the European Money Markets Institute (EMMI), or any successor administrator, at 11:00am Brussels time, two (2) Business Days before the first day of the relevant Interest Period or on the Rate Setting Date; or (ii) before close of business of the European interbank market, two (2) Business Days prior to the first day of the relevant Interest Period or on the Rate Setting Date, the Borrower receives notification from the Lender that (i) the cost to the Lender of obtaining matching resources in the relevant interbank market would be in excess of EURIBOR for the relevant Interest Period; or (ii) it cannot or will not be able to obtain matching resources on the relevant interbank market in the ordinary course of business to fund the relevant Drawdown for the relevant time period.
Material Adverse Effect	means a material and adverse effect on: (a) the Project, insofar as it would jeopardise the implementation and operation of the Project in accordance with the Financing Documents and the Project Documents; (b) the business, assets, financial condition of the Borrower or its ability to perform its obligations under the Financing Documents and the Project Documents; (c) the validity or enforceability of any Financing Document and any Project Documents; or (d) any right or remedy of the Lender under any Financing Document.
Misuse of AFD's Funds or Assets	means the non-compliant, inappropriate and/or abusive use of the resources, property or assets belonging to the Lender, made knowingly, recklessly or negligently.

Money Laundering	means: (i) the act of facilitating by any means, the false justification of the origin of the assets or proceeds of the perpetrator of a felony or a misdemeanour which brought him a direct or indirect benefit; or (ii) the act of assisting in investing, concealing or converting the direct or indirect proceeds of a felony or a misdemeanour.
Non-Cooperative Practices	means: (i) the act of destroying, falsifying, altering, concealing or unreasonably withholding evidence or any other information, documents or records sought to be disclosed in connection with an investigation by the Lender of an allegation of Prohibited Practices to materially obstruct the investigation; or the act of making false statements to materially obstruct the investigation of an allegation of Prohibited Practices; or (ii) the act of threatening, harassing or intimidating any party in order to prevent it from disclosing information relating to an investigation conducted by the Lender, or the continuation of the investigation; or (iii) any acts carried out in order to materially obstruct the Lender in exercising its contractual rights to audit, inspect or access to information in the context of an investigation based on an allegation of Prohibited Practices.
Outstanding Principal	means, in respect of any Drawdown, the outstanding principal amount due in respect of such Drawdown, corresponding to the amount of the Drawdown paid by the Lender to the Borrower less the aggregate of instalments of principal repaid by the Borrower to the Lender in respect of such Drawdown.
Payment Dates	means February 20 and August 20 of each year.
Payment Systems Disruption Event	means either or both of: (a) a material disruption to the payment or communication systems or to the financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Financing Documents to be carried out), provided that the disruption is not caused by, and is beyond the control of, any of the Parties; or (b) the occurrence of any other event which results in a disruption (of a technical or system-related nature) to the treasury or payment operations of a Party preventing that, or any other Party: (i) from performing its payment obligations under the Financing Documents; or (ii) from communicating with the other Parties in accordance with the terms of the Financing Documents, and which (in either case) is not caused by, and is beyond the control of, either Party.

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Prepayment Compensatory Indemnity	means the indemnity calculated by applying the following percentage to the amount of the Facility which is repaid in advance: – if the repayment occurs between the Signing Date and the 5th anniversary (exclusive) of the Signing Date: three per cent (3 %); – if the repayment occurs between the 5th anniversary (inclusive) and the 9th anniversary (exclusive) of the Signing Date: two point five per cent (2.5%); – if the repayment occurs after the 9th anniversary (inclusive) of the Signing Date: one point five per cent (1.5%).
Procurement Guidelines	means the contractual provisions contained in the document entitled "Procurement Guidelines for AFD-Financed Contracts in Foreign Countries" in effect on the Signing Date, which is available on the Website and a copy of which has been delivered to the Borrower.
Prohibited Practice(s)	means Anti-Competitive Practices, Acts of Corruption, Fraud, Fraud against the Financial Interests of the European Union, Non-Cooperative Practices, Misuse of AFD's Funds or Assets, as well as any breach of any applicable anti-Money Laundering and counter-Terrorist Financing laws.
Project	means the project as described in Schedule 2 (*Project Description*).
Project Authorisations	means the Authorisations necessary in order for (i) the Borrower or the Final Beneficiary or the Implementing Agency to implement the Project and execute all Project Documents to which it is a party, and to exercise its rights and perform its obligations under the Project Documents to which it is a party; and (ii) the Project Documents to which the Borrower or the Implementing Agency Final Beneficiary is a party, to be admissible as evidence before courts in the jurisdiction of the Borrower or before a competent arbitral tribunal.
Project Documents	means all documents, and in particular agreements, delivered or executed by the Borrower, acting through the Ministry of Agriculture and Food Industry, in relation to the implementation of the Project, i.e.: • the Project Management Agreement between the Borrower and the Implementing Agency. • The Manual of Procedures for the Project, which means the document setting out the operational, financial, and administrative procedures applicable to the implementation of the Project, as approved by the Lender and as may be amended from time to time with its prior consent. • The Operational Manual for Component 2 means the document setting out the operational, financial, and administrative procedures applicable to the implementation of the Component 2 of the Project, as approved by the Lender and as may be amended from time to time with its prior consent.
Project Management Agreement	means the agreement entered into between the Borrower, acting through the Ministry of Agriculture and Food Industry, and the Implementing Agency, which mandates the Implementing Agency to implement part of the Project on behalf of the Borrower as set out in set out in Schedule 2 (*Project Description*) and Schedule 3 (*Financing Plan*).

Provider's Guarantee(s)	means any guarantee provided to the Borrower or the Final Beneficiary or the Implementing Agency directly or indirectly by any of its Providers in charge of the performance of contracts entered into for the purposes of implementing the Project or any part thereof, such as, for example, a performance security or an advance payment security.
Provider(s)	means a natural or legal person that has signed a contract with the Borrower or the Final Beneficiary or the Implementing Agency, which may include a supplier, a works company or a contractor, a consultant or a service provider.
Public Official	means any holder of legislative, executive, administrative or judicial office whether appointed or elected, serving on permanent basis or otherwise, paid or unpaid, regardless of rank, or any other person defined as a public official under the domestic law of the Borrower's jurisdiction, and any other person exercising a public function, including for a public agency or organisation, or providing a public service.
Rate Conversion	means the conversion of the floating rate applicable to all or part of the Facility into a fixed rate pursuant to Clause 4.1 (*Interest Rate*).
Rate Conversion Request	means a request substantially in the form attached as Schedule 5C (*Form of rate conversion request*)
Rate Setting Date	means, for each fixed rate Drawdown or Rate Conversion, the Tuesday or Thursday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request or Rate Conversion Request, provided that this request is received by the Lender at least two (2) full Business Days prior to said Tuesday or Thursday.
Reference Financial Institution	means a financial institution chosen as a suitable reference financial institution by the Lender and which regularly publishes quotations of financial instruments on one of the international financial information networks according to the practices recognised by the banking industry.
Restructuring	means any debt restructuring, and more generally any debt treatment operation, initiated by and/or organised, adopted within a formal or informal framework such as the Paris Club.
On-lending Agreement	means the agreement setting out the terms and conditions under which the Borrower shall on-lent the funds of the Facility, in whole or in part, to the Final Beneficiary.
Schedule(s)	means any schedule or schedules to this Agreement.
Signing Date	means the date of execution of this Agreement by all the Parties.
Signing Rate Setting Date	means May 12, 2026.
TARGET Day	means a day on which the Trans European Automated Real Time Gross Settlement Express Transfer 2 (TARGET2) system, or any successor thereto, is open for payment settlement in Euros.
Tax(es)	means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with a failure to pay or any delay in the payment of any such amounts).
Technical Completion Date	means the date for the technical completion of the Project which is expected to be May 15, 2032.
Terrorist Financing	means providing or collecting, directly or indirectly, funds or managing funds with the intention that they should be used, or in

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	the knowledge that they are to be used, for the purpose of committing an Act of Terrorism.
Visibility and Communication Guide	means all contractual provisions binding on the Borrower relating to the communication and visibility of projects financed by AFD and contained in the document entitled "Visibility guide for projects supported by AFD - Level 1" or "Communication guide for projects supported by AFD - Level 2" as the case may be, a copy of which has been given to the Borrower before the signing.
Website	means the website of AFD (http://www.afd.fr/) or any other such replacement website.
Withholding Tax	means any deduction or retention in respect of a Tax on any payment made under or in connection with the Financing Documents.

SCHEDULE 1B CONSTRUCTION

(a) "**assets**" includes present and future properties, revenues and rights of every description;

(b) any reference to the "**Borrower**", a "**Party**" or a "**Lender**" includes its successors in title, permitted assigns and permitted transferees;

(c) any reference to a Financing Document or other document is a reference to this Agreement or to such other document as amended, restated or supplemented and includes, if applicable, any document which replaces it through novation, in accordance with the Financing Documents;

(d) a "**guarantee**" includes any cautionnement, aval and any garantie which is independent from the debt to which it relates;

(e) "**indebtedness**" means any obligation of any person whatsoever (whether incurred as principal or as surety) for the payment or repayment of money, whether present, future, actual or contingent;

(f) a "**person**" includes any person, company, corporation, partnership, trust, government, state or state agency or any association, or group of two or more of the foregoing (whether or not having separate legal personality);

(g) a "**regulation**" includes any legislation, regulation, rule, decree, official directive, instruction, request, advice, recommendation, decision or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, supervisory authority, regulatory authority, independent administrative authority, agency, department or any division of any other authority or organisation (including any regulation issued by an industrial or commercial public entity) having an effect on this Agreement [OR any of the Financing Documents] or on the rights and obligations of a Party;

(h) a provision of law is a reference to that provision as amended;

(i) unless otherwise provided, a time of day is a reference to Paris time;

(j) The Section, Clause and Schedule headings are for ease of reference only and do not affect the interpretation of this Agreement;

(k) unless otherwise provided, words and expressions used in any other document relating to this Agreement or in any notice given in connection with this Agreement have the same meaning in that document or notice as in this Agreement;

(l) an Event of Default is "continuing" if it has not been remedied or if the Lender has not waived any of its rights relating thereto;

(m) a reference to a Clause or Schedule shall be a reference to a Clause or Schedule of this Agreement; and

(n) words importing the plural shall include the singular and vice-versa.

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SCHEDULE 2 PROJECT DESCRIPTION

LIST OF ABBREVIATIONS AND ACRONYMS

ADMA	Agency for the Development and Modernization of Agriculture
AFD	Agence Française de Développement
AIPA	Agency for Intervention and Payment in Agriculture
AM	Public Institution National Administration "Apele Moldovei"
ANIF	Agency for Land Improvement
ARAC	Agricultural and Rural Advisory Center
CIS	Centralized Irrigation System
DCFTA	Deep and Comprehensive Free Trade Agreement
E&S	Environmental and Social
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
EU	European Union
FAO	Food and Agriculture Organization
FFS	Farmer Field Schools
GAP	Gender Action Plan
GBV	Gender-based violence
GhG	Greenhouse Gas
GIS	Geographic Information System
GoM	Government of Moldova
GRM	Grievance Redress Mechanism
IFAD	International Fund for Agricultural Development
ISF	Irrigation Service Fee
MAFI	Ministry of Agriculture and Food Industry
MoE/MoEnv	Ministry of Environment
MoF	Ministry of Finance
M&E	Monitoring and Evaluation
NDC	Nationally Determined Contributions
O&M	Operation and Maintenance
PSC	Project Steering Committee
PT	Project Team
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SEP	Stakeholder Engagement Plan
SMEs	Small and Medium Enterprises
SOP	Standard Operating Procedure
TA	Technical Assistance
THVA	Transition to High Value Agriculture Project
ToR	Terms of Reference
ToT	Training of Trainers
UNDP	United Nations Development Program
WB	World Bank
WUA	Water User Association

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Rationale (background & context)

Agricultural production in the Republic of Moldova is characterized by a large number of small and medium farm holdings, constrained by low level of technology and limited innovation, limited availability of public and private professional technical advisory services, limited access to finance, low level of farmer organization, limited market integration and value addition (e.g. certification, grading and processing) and increasing vulnerability to climate change. Since 2020, four out of five growing seasons and their agriculture harvests were affected by droughts and other extreme weather events as late frosts or extreme heat. Out of the 88 centralized irrigation systems once operational during the Soviet period, only about 22-24 are currently functional, reducing the area under irrigation to about 1% of the agriculture land in Moldova. This has resulted in unpredictable crop yields, especially for maize and sunflower, which dominate the national acreage, making farming a precarious venture.

Therefore, AFD and the Government of Moldova have agreed on a holistic and integrated approach to simultaneously rehabilitate irrigation systems and develop capacity at all levels: farmers, Water Users' Associations (WUAs), and national institutions.

The proposed action is thus articulated into four essential and interrelated technical components:

1. Rehabilitation of two Centralized Irrigation systems (CIS): Calinesti (along the Prut River) and Criulenii de Sus (along the Nistru river);
2. Rehabilitation of decentralized rain-fed water harvesting irrigation infrastructure and construction of small-scale rain-fed irrigation systems (in areas without access to perennial waterways);
3. Provision of multi-disciplinary technical assistance and advisory services to farmers, WUAs, and other stakeholders in key value chains (taking into account the specific needs and expectations of youth and women);
4. Capacity development for national institutions tasked with, among other things, water resources management; oversight of public irrigation infrastructure, and advisory and extension services.

The intervention is fully aligned with Moldova's National Strategy for Agriculture and Rural Development 2023-2030, with a strong contribution to Special objective number 1 'Enhancing the potential of the agricultural sector and promoting smart, sustainable and climate-resilient farming practices'.

In addition, this intervention participates in the implementation of National Climate Change Adaptation Program until 2030 approved through Government Decision 624/2023. For instance, by developing climate smart agricultural practices with farmers and building the capacities of ARAC, ANIF and MAFI on that matter, along with bringing together the MoE and the MAFI around developing windbreaks and hedgerows, the project participates in the Specific Objective 1:" *Development of climate change adaptation capacities and cross-sectoral cooperation* ". The project is as well particularly responding to Specific Objective 5 for the agricultural sector ("*reducing vulnerability to climate aridisation, modernizing centralized irrigation and rainwater collection systems* [...]). In this way, adaptation to climate change is embedded in every aspect of iDRIP project.

Intervention logic: objectives and outputs

The iDRIP project addresses key market failures in Moldova's agricultural sector, particularly in Călinești and Criulenii de Sus, where farmers face climate risks, obsolete or underperforming irrigation infrastructure, limited financial access, and poor market integration. The intervention follows a sequential approach, ensuring that short-term outputs lead to long-term structural improvements.

At the output level, the project, through its four aforementioned components, focuses on strengthening agricultural practices, rehabilitating irrigation infrastructure, developing value chains, expanding financial access (Component 2), and building institutional capacity. Farmers will be trained in climate-

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smart agriculture, WUAs will gain technical and financial sustainability, and irrigation systems will be modernized. A hire-purchase revolving fund managed by ADMA will support sustainable investments, with preferential conditions for women, young farmers, and organic producers. Advisory services for farmers, led by ARAC, will be reinforced to ensure long-term technical support and knowledge dissemination. Institutional actors such as ANIF, AM, MAFI, and ADMA will receive targeted training and technical assistance to improve governance, monitoring, and sector coordination. These outputs provide the foundation for systemic change in the agricultural sector.

These outputs will lead to medium-term outcomes, including increased agricultural productivity, enhanced access to irrigation services, new employment opportunities, and better natural resource management. Drought-related losses will be significantly reduced, making farming more predictable and sustainable. As irrigation becomes more reliable and financial barriers decrease, farmers will invest more in higher-value crops, reducing economic vulnerability and increasing incomes. Access to financial services and strengthened value chains will enable small farmers to professionalize and improve market access. Stronger value chains and advisory services will improve market access and farm profitability, making agriculture more attractive to youth and women. The number of farmers benefiting from irrigation services will grow, ensuring more climate-resilient agricultural production, while WUAs will become financially sustainable and capable of independently managing irrigation systems without requiring major external support. The project will also contribute to rural economic growth by creating new jobs along the agricultural value chain.

Over the long term, these outcomes will contribute to systemic transformation, reinforcing the resilience of rural communities to climate shocks and market fluctuations. By improving water resource management and promoting sustainable land use, the project will help ensure the long-term sustainability of Moldova's agricultural sector.

The success of this intervention depends on the coordinated involvement of multiple stakeholders. Farmers in Călinești and Criulenii de Sus, including smallholders, organic producers, and young farmers, are the primary beneficiaries. Women entrepreneurs will also gain access to tailored financial and technical support. Institutional stakeholders, including the MAFI, ANIF, AM, ADMA, and ARAC, will play key roles in implementing and sustaining the project's interventions. WUAs, as the primary managers of irrigation infrastructure, will receive training and capacity-building support to ensure the long-term viability of the rehabilitated irrigation schemes. The private sector, including input suppliers, processors, and financial institutions, will benefit from a more structured, resilient, and market-oriented agricultural sector.

Indicative activities

Component 1 Rehabilitation of Centralized Irrigation Systems (CIS)

The MAFI will delegate the implementation of Component 1 to the ANIF, which will benefit from the international technical assistance (TA) budgeted in Component 4 and 5. ANIF will be responsible to manage tenders for works and works supervision and liaise with the WUAs that will take over management of the infrastructure. The detailed design will be prepared by BRLi and its partner Protoby under a separate contract with AFD. Detailed ESIAs and ESMPs are already prepared for Calinesti and Criulenii de Sus. These analyses did not flag specific risks that cannot be addressed through recommended mitigation measures, including for the protection of fish and aquatic life. All mitigation measures are budgeted within the project budget (including under Component 5.1), as detailed in each ESMP; most of them to be incorporated into the contractors' scope of work. Mitigation measures include complimentary biophysical surveys, ecological inventory, financial compensations for crops losses during works.

Rehabilitation works Calinesti CIS

The Calinesti CIS rehabilitation will allow the secure on-demand access to irrigation water from the Prut river to serve up to 1,262 ha of land with water and energy-efficient technical options. Removing the barriers to reliable access to water will increase the resilience of the area to the impacts of climate change and support the diversification of farming systems. The system will serve about 100 farms[1], providing benefits for approximately 2,500 to 3,000 people. Activities in Calinesti CIS might include the revision of the management plan of the Padurea Domneasca Reserve near Calinesti or investments in the Reserve, with a potential to generate co-benefits for the environment.

Rehabilitation works Criulenii de Sus CIS

Rehabilitation of the Criulenii de Sus CIS will serve around 75 farms, totaling between 1,600 and 1,800 ha of land irrigated from the Nistru river. The number of indirect beneficiaries is expected to reach several thousands, considering the size of the town of Criuleni with 8,000 inhabitants, located in the immediate proximity of the CIS.

Schedule 11 is providing maps and main projected infrastructure features for each CIS.

Component 2 Rehabilitation/Construction of Small-Scale Rain-Fed Irrigation Systems

Hire-purchase programme for small-scale irrigation based on water harvesting investments

Component 2 features the development of a hire-purchase programme for farmers (individually or collectively) to facilitate investment in in small-scale irrigation based on water harvesting infrastructure (small basins for collecting water and associated facilities) and to clean/rehabilitate small reservoirs, in areas without functional CIS or where CIS are under rehabilitation. The hire-purchase programme will be administered by the Agency for the Development and Modernization of Agriculture (ADMA) through a retrocession agreement.

This initiative will pay special attention to measures that generate co-benefits for the environment. This component aims to enable the development of at least 750 ha of small-scale irrigation in areas where the surface water resources are not as reliable as those of the Nistru and Prut rivers.

The iDRIP Steering Committee will ensure oversight of Component 2; while the Project Team at ANIF will liaise with ADMA to prepare progress reports on this component.

The process of selection, evaluation and approval for financing will be undertaken by ADMA with the support of the Project's Environmental and Social Experts, based on an Operational Manual approved by the iDRIP Steering Committee. While detailed mechanisms will be developed through project inception, it is planned that eligible entities would be individual farmers (including Individual Enterprises or Household Farms, duly registered in accordance with the legislation of the Republic of Moldova) and legally-established groups of farmers. Eligible activities would include creation of small ponds and related on-farm irrigation equipment; cleaning of accumulation lakes; soil conservation measures (windbreaks for example). Priority and/or preferential conditions would be given to areas vulnerable to climate changes, organic farming, projects of women and young farmers.

ADMA will be in charge of the implementation of the dedicated ESMF. ADMA's staff will be trained on the ESMF process by the Project's Environmental and Social Experts. Monitoring and evaluation of activities will be carried out by ADMA, supported by the M&E specialists of the project. Training of

[1] The share of owner farmers vs tenant farmers will be provided through Detailed Design and confirmed with the Baseline Survey.

beneficiaries will be organized in coordination with the National Agricultural and Rural Advisory Center (ARAC). A joint data management by ADMA and AIPA will be explored so as to facilitate the procedures for the applicants who would like to apply for subsidies from AIPA.

Component 3 Capacity building and Extension Services for Farmers and Water Users' Associations (WUA)

As for Component 1, MAFI will delegate the implementation of Component 3 to the ANIF.

Dissemination of Climate-Smart Agricultural Practices

The objective of this activity is to support the adoption of climate smart practices by component 1 beneficiaries and farmers from neighbouring areas, such as crop rotation; mulching; tillage practices; weed control; cover crops; improved pastures; anti hail nets; and anti-frosts systems. This will be achieved through, *inter alia*:

- The establishment of Farmer Field Schools (FFS) in Calinesti and Criulenii de Sus, peer-to-peer exchanges and counselling by climate-smart agriculture experts on the Project Team;
- Financing the rehabilitation or establishment of multi-purpose windbreaks, following baseline inventory and mapping.
- Promote nature-based solution (including soil fertility management, agro-ecology, integrated management), sustainable use of pesticides, waste reduction and water efficiency measures, precision agriculture; to the extent possible and considering the level of farmers buy-in yet to be evaluated on this topic.

Strengthening of Extension Services

This activity aims to build relevant, accessible and sustainable extension services in the CIS project areas. This will be implemented in close collaboration with the Agricultural and Rural Advisory Center (ARAC) through, *inter alia*:

- Designing and roll-outing of e-extension services to mitigate the lack of human resources and increase accessibility to services;
- Training of extension services providers (training of trainers) and exchanges with European extension services providers, including study tours and internships;
- Organization of workshops, training sessions and establishment of demonstration plots;
- Supporting the Technical University of Moldova in development of its Agricultural Research and Extension Station in Criuleni to enhance the capacity building of the targeted farmers and retain young people in rural areas.

Professionalization of Key Value Chains

This activity aims to provide project beneficiaries with access to a more stable market, facilitated by buyer commitments and price stability, to motivate smallholder producers and SMEs to invest in improving production capacity and quality. This will be achieved through, *inter alia*:

- Establishing networks and developing partnerships among value chains actors active in Calinesti and Criulenii de Sus CIS;
- Connecting Criulenii de Sus and Calinesti farmers to the national Market Information System under development;
- Providing training and support to farmer certification (e.g. GLOBALG.A.P., organic production);

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- Developing financial and non-financial services for the production of quality and certified seeds and the local development of post-harvest activities (e.g. storage, refrigeration, processing, packaging).

Capacity-Development of WUAs

The objective of this activity is to enable WUAs to become autonomous and financially self-sufficient, meaning that they have the technical know-how and can collect fees to operate and maintain the infrastructure received from ANIF under their responsibility. This will be achieved through, *inter alia*:

- Establishing a WUA support team in ANIF;
- Developing training materials for outreach to WUAs;
- Providing Training of Trainers (ToT) to the ANIF WUA support team;
- Assessing the specific needs of WUAs (in priority those of Calinesti and Criulenii de Sus) and deliver training as well as continuous supervision, mentoring and coaching.

Component 4 Capacity Development of ANIF, MAFI and AM for Sustainable Land and Water Management

Training, Equipment and Development of Tools & SOPs for ANIF & MAFI

In the Republic of Moldova, CIS are state-owned and managed by ANIF, which plays a crucial role in the irrigation sector, particularly in supervising hydraulic infrastructure and supporting WUAs. Before the 2023 reform, they were managed by the Public Institution National Administration "Apele Moldovei", the public entity responsible for water resource management.

This activity is therefore designed to ensure that ANIF, a structure created in 2023 within MAFI, develops adequate capacity to fulfill its mandate, which includes oversight of Government owned irrigation infrastructure (i.e. all CIS in Moldova). Through international technical assistance, and with ANIF ensuring adequate operational capacity for the effective implementation of iDRIP in accordance with applicable national regulations and institutional procedures, this activity will build the ANIF and MAFI capacity to sustainably oversee the management and development of the network of CIS in Moldova. It includes the provision of materials, training and regional study tours to share experiences and learn from best practices. The objective is to ensure that ANIF can fully play its full role in the development and supervision of the irrigation sector. Training activities will also include the hydro-amelioration department at the MAFI.

Development of water resources studies to support the preparation of an irrigation development strategic plan and investment framework

Moldovan public and private sector stakeholders recognize that there is a need for an irrigation development strategic plan and investment framework, informed by river basin management plans, regional and rural development plans, while further climate-proofing a proposed priority program of investments. The strategy would encompass both irrigation development in larger centralised irrigation systems, as well as small-scale private sector development and would address critical bottlenecks affecting the irrigation sector.

Currently UNDP provides support to the Public Institution National Administration "Apele Moldovei" for the design and roll-out of a watershed modelling tool, allowing for the assessment of the impacts of development scenarios on water resources. This should enhance understanding of the cumulative effects of irrigation projects on water resources and contribute to a better understanding of the sector in the context of climate change.

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The project will facilitate a meeting of sector stakeholders to review the progress with the watershed modelling and will finance additional activities and studies leading toward the development of an irrigation development strategic plan and investment framework. In consultation with AFD and EU Delegation, the Government of Moldova may seek co-financing from other development partners and/or sources.

Component 5 – Project Management

In addition to the capacity development of key Government partners, national agencies and Water Users' Associations described above (through Component 3 and 4), the iDRIP Project Team will be supported throughout implementation with international assistance to ensure compliance with all due diligence and reporting responsibilities as required by AFD, which includes:

- Project administrative and financial management, procurement, vetting of staff and suppliers, etc;
- Implementation of the M&E system;
- Implementation of environmental and social management plans;
- Implementation of the Gender Action Plan;
- Implementation of the Communication and Visibility Plan;
- Project technical and financial reporting, preparation of the Steering and Technical Committees meetings.

Implementation arrangements

The various components of the project have distinct geographical scope:

- Component 1 will be entirely executed in the Centralized Irrigation Systems of Calinesti and Criulenii de Sus;
- Component 2 will be nation-wide but exclude areas served by existing functional or under rehabilitation Centralized Irrigation Systems;
- Component 3 will be focused (but not exclusively) on the Centralized Irrigation Systems of Calinesti and Criulenii de Sus;
- Component 4 is a capacity development component without a specific geographical scope.

Description of entities involved

The main entities involved in project implementation are the following:

- The Ministry of Finance (MoF)

The Ministry of Finance is the specialised central public administration body to develop and promote the state's public finance policy. As the main public finance supervisor, the Ministry of Finance ensures the regulation and implementation of Public Finance Management policies.

- Ministry of Agriculture and Food Industry (MAFI)

The Ministry of Agriculture and Food Industry (MAFI) is the central government authority responsible for the development and promotion of policies for sustainable development of the agri-food sector and rural areas.

- National Agency for Land Improvement (ANIF)

ANIF is a public agency established by Government Decision 390/2023. It is placed under the authority of the MAFI and financed on state budget. Its mission is to ensure the implementation of state policy in

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the field of land improvement, hydroamelioration (irrigation and drainage), land relations, land use cadastre and land monitoring (conservation, improvement and enhancement of soil fertility, hydro-amelioration). Centralized irrigation systems fall under the responsibility of ANIF.

- Agency for the Development and Modernization of Agriculture (ADMA)

ADMA is a self-financing public institution under the Ministry of Agriculture and Food Industry. Its objectives are to facilitate farmers' access to modern agricultural machinery and equipment through purchase and sale contracts, including via instalment trade, to ensure the growth of competitive agri-food production and development of an alternative offer/solutions for the agriculture modernization by consultancy and expertise, training, assistance in business planning in the agri-food sector.

- Agricultural and Rural Advisory Center (ARAC)

ARAC is public institution under the Authority of the Ministry of Agriculture and Food Industry which aims to consolidate and improve the provision of agricultural advisory services.

- Ministry of Environment (MoE)

The MoE is responsible for the development and promotion of the State policy in the field of environment. MoE initiates draft environmental laws and regulations and issues relevant instructions and decisions, ensures coordination and control over the implementation of environmental laws and policies, elaborates environmental standards and normative documents. MoE is also responsible for environmental monitoring and oversees national environmental institutions.

- Public Institution National Administration "Apele Moldovei" (AM)

The Public Institution National Administration "Apele Moldovei" is an entity directly subordinated to the Ministry of Environment. According to its recently approved new regulations (Government Decision 849/2024), AM is the central technical and administrative organization dealing with surface and underground water resources, including development of long-term programs concerning river basins and water administration works throughout the country, protection against floods or other damage, coordinating of construction, design, and operation activities in the field of water.

- Water Users Associations – General description

The COMPACT program (2010-2015) initiated a process of irrigation management transfer to WUAs and created the appropriate legal and regulatory framework (Law on Water Users Associations of 2010 no.171/2010 and three years later, by Decision no.198/2013, the Government approved the Regulation on irrigation system transferring in gratuitous use to the WUAs). 10 associations were established by Compact and, with the support of the Sustainable Development Fund (SDA), 25 additional associations were created during the post-Compact period (2015-2022). In the meantime, the WUA Law 171/2010 was modified several times to resolve issues arising from the implementation of the initial text and adapt the framework to institutional developments. There are currently 88 CIS, including 38 managed by ANIF (all transferred to WUAs) and 50 – by the Public Property Agency (to be progressively transferred to ANIF) and 50 WUAs. These non-commercial associations are in charge of the management of the infrastructures and have costs covered on the basis of irrigation fees and annual membership fees.

- Water Users Associations of Calinesti[2]

In 2021, the WUA *Asociația Utilizatorilor de Apă pentru Irigații, Pădurea Domnească"* was formally established by 5 farmers to take on the management, operation and maintenance of the Calinesti CIS.

[2] For more details, please refer to Feasibility Study, Deliverable #3.

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To ensure that the system was kept as one piece and to have a responsible entity (legal person) for it, a commodate contract was made with the system owner at that time (AM), that was later transferred to the newly established ANIF. The WUA has currently 7 members, covering about 600-700 ha (mainly field crops), but there is no irrigation due to the condition of the irrigation infrastructure.

- Water Users Associations of Criulenii de Sus

In 2019, the WUA *Asociația utilizatorilor de apă pentru irigații "Criulenii de Sus"* was established to take over the management, operation and maintenance of the Criulenii de Sus CIS. The Criulenii de Sus WUA has 8 members covering approximately 255 ha but indicated a potential membership of around 75.

Organisational set-up

Project owner: Ministry of Agriculture and Food Industry (MAFI). The MAFI will be responsible, through ANIF and ADMA, for the overall project implementation and coordination of the different stakeholders involved in the four main components of the Project.

Implementing Agency ANIF: MAFI will delegate Project implementation activities related to Components 1, 3, 4 and 5 (including all procurements) to ANIF. ANIF will also be the owner of the two rehabilitated CIS at the end of the Project. Therefore, ANIF will be in charge of initiating the calls for tenders and select the construction contractors and works supervisors for the two CIS. ANIF will actively involve and consult with the Water User Associations of the two CIS.

Project operator for the small-scale irrigation development support with water harvesting infrastructures (Component 2): ADMA. The Ministry of Finance will on-lend part of AFD loan to ADMA, which will manage the hire-purchase programme, adapting its existing business model to the requirements of AFD, under the overall guidance of the Project Steering Committee.

Technical Assistance: The project will encompass two major Technical Assistance contracts. The first contract (TA contract #1), to be directly managed by AFD, includes the tasks mentioned in Component 5 above and will be key for a successful inception phase of the Project. This TA will also provide specific assistance to ANIF for its institutional strengthening and for implementing activities related to the rehabilitation of the irrigation system (budget line 4.1). The second major TA contract (TA contract#2) will focus on implementing Dissemination of Climate-Smart Agricultural Practices, Strengthening of Extension Services, Implementation of specific support for small farms, and Capacity building for the efficient use of water at plot's level sub-activities of Component 3, and will be tendered and awarded by ANIF potentially to ARAC, if compliance with AFD Procurement Guidelines, Section 2.4 — Direct Contracting is confirmed.

Ministry of Environment and Public Institution National Administration "Apele Moldovei": As part of their regular activities, they will oversee environmental and water control and monitoring.

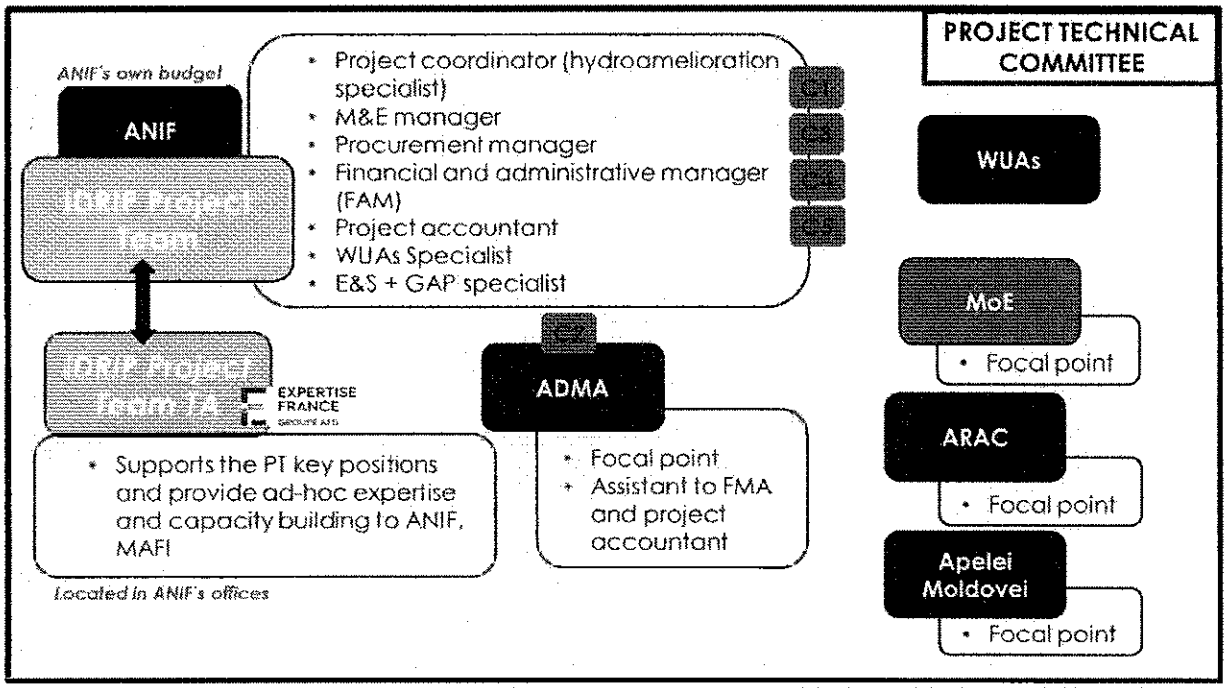
Project Steering Committee (PSC) will comprise (i) The State Chancellery, (ii) the Ministry of Finance, (iii) the MAFI, (iv) the ANIF, (v) the Ministry of Environment. Representatives from AFD and EU Delegation will be invited. The PSC embodies the holistic approach of the iDRIP project by gathering all Moldovan stakeholders involved in ensuring a sustainable development of the agricultural sector of the country. The committee will be responsible for strategic monitoring and decision making and will meet annually. As the Project Owner, the MAFI will act as head of the PSC. The PSC may call on the WUAs, Public Institution National Administration "Apele Moldovei" and ADMA to brief the Committee as non-voting resource persons.

Project Technical Committee (PTC): Comprising: (i) ANIF, (ii) the Ministry of Environment, (iii) Public Institution National Administration "Apele Moldovei", (iv) ADMA, (v) WUAs, (vi) ARAC. Led by ANIF, the PTC gathers all stakeholders directly or indirectly involved in project activities as partners in the design and/or monitoring of one or several procurements. To this end, all members of the PTC will

designate one dedicated Focal Point to iDRIP project. In addition to bilateral relations between ANIF and every other member of the PTC, the PTC will meet at least once every two months, which will help ANIF to coordinate all project activities and prepare the technical and financial progress reports. The iDRIP Project Operations Manual will detail the organization of the PSC and the PTC and will therefore be the cornerstone document of the project implementation phase.

The project implementation is led by the iDRIP Project Team (PT), composed of regular staff from ANIF. This team will be formally given allocated time by ANIF Management to ensure their involvement in project implementation. This Project Team will be supported by a TA (Technical Assistance) Team specialized in similar projects management, based on the needs for support of each of the PT positions. This TA team will also include additional experts to be hired through short term contracts, depending on the needs of the Project.

Description of the Project Team and the Project Technical Committee:



Sustainability/exit strategy

The project includes hard components (investment in infrastructure) and soft components (capacity building of farmers and WUAs, policy advice, development of capacities of public bodies). This combination is a key ingredient for the sustainability of the project.

Sustainability will be built at three levels:

- Institutional level: The project emphasizes policy support and capacity-building for Moldovan institutions involved in water systems management and integrated rural development. Strengthening the capacities of local and national entities, such as WUAs, ANIF, ARAC and AM, will support efficient water governance and long-term sustainability in the irrigation sector.
- Infrastructural level: A major focus is on rehabilitating and modernizing the two-irrigation systems in Calinesti and Criulenii de Sus and the small-scale irrigation. By putting these systems back on track, the project will enable better water efficiency and reliability, ensuring that scarce water resources are utilized optimally. Modern infrastructure will also serve as a foundation for more resilient agricultural production, adapting to climate variability.
- Farmers' level: The project aims to strengthen value chains from the plot to the markets, enabling farmers to produce more efficiently and sell at better prices while using fewer

resources. Enhanced profitability will empower farmers to gradually contribute a greater share of the costs for water usage, fostering financial sustainability for the WUAs. Improved productivity and access to markets will reverse the cycle of underinvestment and unattractiveness. Strengthening extension services at national and local levels will pave the way for the exit of the project.

The components financed by the European Union, focusing on capacity building for farmers, associations, and institutions, play a crucial role in ensuring the sustainability of the project and infrastructure-related investments. This capacity building strengthens local expertise, guarantees effective resource management, and ensures the continuity of activities after the EU grant is fully utilized.

Monitoring & evaluation

The project will be monitored through:

- Annual supervision missions (including field visits) by the AFD HQ-based Task Team Leader, of which the EU Delegation will be informed. AFD shall also invite the EU Delegation to participate in field visits and attend briefing and debriefing meetings, providing an opportunity to discuss the project implementation and challenges faced. A copy of supervision mission aide-memoires will be shared with EU Delegation for information.
- Continuous progress monitoring by the AFD office in Moldova, which includes regular meetings with project stakeholders as well as field visits.
- Technical and financial progress reports, prepared by ANIF with support of TA.
- Annual progress reports from AFD to the EU Delegation.
- AFD and EU Delegation's participation in the meetings of the Project Steering Committee (PSC).
- Regular meetings between the EU Delegation and AFD.
- Annual audits of project accounts (covering AFD and EU contributions), to be conducted by an external auditor.

The project's internal M&E system will be based on results-based management principles and is designed to ensure accountability in the use of project funds. It shall provide for the collection of data required to assess project implementation against expected results. Therefore, baseline and endline surveys will be implemented. An M&E framework, to be integrated in the Project's Operations Manual will outline the flow of data and information between project stakeholders. The Project Team's M&E framework operates at three levels:

1. General project monitoring (procurements, requests for disbursements, activities implementation, stakeholder engagement, ESMPs and GAP implementation…) is overseen by ANIF with support from MAFI and an M&E specialists from the TA.
2. Component-specific monitoring:
    - ANIF – with an appointed M&E officer for the project, supported by the Technical Assistance team – will be responsible for monitoring the rehabilitation and operation of Calinesti and Criulenii de Sus CIS (Component 1); and the rest of the activities except the ones related to Component 2;
    - ADMA – with an appointed M&E officer for the project – will be responsible for monitoring the hire-purchase programme for the development of small-scale irrigation based on water harvesting (Component 2).
3. Day-to-day monitoring of water consumption and crop production will be conducted by the WUAs of Calinesti and Criulenii de Sus.

The opportunity of undertaking a mid-term review and/or a final evaluation will be discussed in the course of the implementation.

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SCHEDULE 3 FINANCING PLAN

PART I - FINANCING PLAN

	TOTAL	EU grant	AFD
Component 1* : Rehabilitation of Centralized Irrigation Systems (CIS)	**44 100 000**	**5 000 000**	**39 100 000**
1.1 Rehabilitation works Calinesti	*24 900 000*	*2 800 000*	*22 100 000*
1.2 Rehabilitation works Criulenii de Sus	*19 200 000*	*2 200 000*	*17 000 000*
Component 2* : Rehabilitation/construction of Small-Scale Rain-Fed Irrigation	**5 500 000**	**0**	**5 500 000**
2.1 Hire-Purchase programme (ADMA)	*5 500 000*	*0*	*5 500 000*
Component 3* : Capacity building and Extension Services for Farmers and Water User's Associations (WUA)	**5 700 000**	**5 700 000**	**0**
3.1 Dissemination of Climate-Smart Agricultural Practices	*1 400 000*	*1 400 000*	*0*
3.2 Strengthening of Extension Services	*1 200 000*	*1 200 000*	*0*
3.3 Professionalisation of Key Value Chains	*1 800 000*	*1 800 000*	*0*
3.4 Capacity-Development of WUAs	*1 300 000*	*1 300 000*	*0*
Component 4* : Capacity Development of ANIF, MAFI and AM for Sustainable Water Management	**2 000 000**	**2 000 000**	**0**
4.1 Training, Equipment and Development of Tools and SOPs for ANIF & MAFI	*1 700 000*	*1 700 000*	*0*
4.2 Development of Water resources studies	*300 000*	*300 000*	*0*
Component 5* : Project Management	**2 700 000**	**2 300 000**	**400 000**
5.1 Specific ESMP measures (related to CIS rehabilitation)	*125 000*	*0*	*125 000*
5.2 Mid term and final evaluation	*150 000*	*0*	*150 000*
5.3 Project coordination support (technical oversight, M&E, reporting etc.)	*2 425 000*	*2 300 000*	*125 000*
TOTAL	***60 000 000***	***15 000 000***	***45 000 000***

**budget heading.*

The Government of the Republic of Moldova will contribute to the financing of the Program by:

- Covering the cost of any taxes and duties, including value-added tax, excepting Component 2 (EUR 7.9 million);
- Covering the cost of annual audits (EUR 0.2 million);
- Covering the costs of the iDRIP Project Team (EUR 0.25 million);
- Investment for creation of adequate and functional office premises at ANIF for the iDRIP Project Team and TA Team and covering the costs of associated operational expenses for the duration of the project (EUR 0.075 million).

Any amendment to this financing plan requires the Lender's prior no objection notice.

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PART II - ELIGIBLE EXPENSES

All budget lines financed by AFD as per the Financing Plan above in accordance with the activities described in Schedule 2 – Project Description.

PART III - NON-ELIGIBLE EXPENSES

Budget lines that are not financed by AFD in the Financing Plan above; any expenses not related to this Project as described in the Schedule 2 – Project Description.

SCHEDULE 4 CONDITIONS PRECEDENT

The following applies to all documents delivered by the Borrower as a condition precedent:

- if the document which is delivered is not an original but a photocopy, the original Certified photocopy shall be delivered to the Lender;
- the final version of a document which draft was previously sent to, and agreed upon by the Lender, shall not materially differ from the agreed draft;
- documents not previously sent and agreed upon, shall be satisfactory to the Lender.

A – CONDITIONS PRECEDENT TO THE SIGNING AND DRAWDOWNS

PART I – CONDITIONS PRECEDENT TO THE SIGNING

(a) Delivery by the Borrower to the Lender of the following documents:

(i) a copy of the Government decision authorizing the initiation of the negotiation;

(ii) a copy of the relevant decision(s) issued by the Government of the Republic of Moldova in compliance with the legislation of the jurisdiction of the Borrower;

- authorising the Borrower to enter into this Agreement;
- approving the content of this Agreement; and
- authorising one specified person to execute the Agreement on its behalf;

(iii) a certificate issued by a duly authorised representative of the Borrower listing the person(s) authorised to sign, on behalf of the Borrower, the Drawdown Requests and any certificate in connection with this Agreement and to take all other measures and/or sign all other necessary documents on behalf of the Borrower under this Agreement;

(iv) a specimen of the signature of each person listed in the last bullet point of paragraph (ii) and in the certificate mentioned in paragraph (iii); and

(v) evidence that the Facility is included in the Borrower's Budget Law, and that the drawdown of the Facility will not breach any borrowing limit, or any other similar limit binding on the Borrower.

(b) Delivery to the Lender of a legal opinion, in form and substance satisfactory to the Lender, issued by the Minister of Justice of the Borrower;

PART II - CONDITIONS PRECEDENT TO THE FIRST DRAWDOWN

(a) Receipt by AFD of a copy of the Law on Ratification of this Agreement by the Parliament of the Republic of Moldova, published in the Official Gazette of the Republic of Moldova and in force as of the date of Drawdown;

(b) Payment by the Borrower to the Lender of all fees and expenses due and payable under this Agreement;

(c) In the event there has been a change regarding the person(s) authorised to execute the Drawdown Request and any certificate in connection with this Agreement on behalf of the Borrower, the Borrower shall provide to the Lender with updated evidence of the person(s) authorised to execute the Drawdown Request on behalf of the Borrower, together with the specimen of the signature(s) of such person(s);

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(d) Delivery by the Borrower, acting through the Ministry of Agriculture and Food Industry, to the Lender of the following documents:

(i) Evidence of any filing or registration, ratification, deposit or publication requirements of this Agreement and payment of any stamp duty, registration fees or similar duties in connection with this Agreement, as applicable.

(ii) The following Project Documents, in a version having received the Lender's no-objection:

- The Manual of Procedures for the Project
- The Operational Manual for Component 2

(iii) A Procurement Plan covering all Project Components except Component 2, as defined in the Procurement Guidelines, having received the Lender's no-objection

(iv) A Certified copy of the On-lending Agreement having received the Lender's no-objection, duly executed by the Borrower, acting through the Ministry of Finance, and the Final Beneficiary and, where applicable, accompanied by evidence that the all formalities required for the entry into, performance and enforceability against third parties of such have been satisfied.

(v) A Certified copy of the Project Management Agreement having received the Lender's no-objection, duly executed by the Borrower and the Implementing Agency and, where applicable, accompanied by evidence that the all formalities required for the entry into, performance and enforceability against third parties of such have been satisfied.

(vi) A certificate of the ANIF Account Bank certifying that the ANIF Project Account has been opened in the name of the Project and providing account details for such Project Account.

(vii) A certificate of the MAFI Account Bank certifying that the MAFI Project Account has been opened in the name of the Project and providing account details for such Project Account.

(viii) A certificate of the ADMA Account Bank certifying that the ADMA Project Account has been opened in the name of the Project and providing account details for such Project Account.

(ix) A provisional forecast of expenditure for the duration of the Project.

(e) Delivery to the Lender of a duly executed legal opinion as referred to in Clause 18 (*Entry into Force and Duration*), in form and substance satisfactory to the Lender, issued by the Minister of Justice of the Borrower;

PART III - CONDITIONS PRECEDENT TO THE SECOND DRAWDOWN

(f) Evidence satisfactory and conclusive to the Lender, that the Implementing Agency has or will have adequate and functional office premises and sufficient qualified human resources to implement the Project and host the Technical Assistance team managed by Expertise France.

B – ADDITIONAL CONDITIONS PRECEDENT FOR ALL DRAWDOWNS

(a) In the event of a refinancing:

Delivery by the Borrower, acting through the Ministry of Agriculture and Food Industry, to the Lender of the following documents:

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(i) all contracts and orders together with any plans and quotes (if applicable) previously provided to the Lender in accordance with, and as defined in, the Procurement Guidelines, in connection with the requested Drawdown; and

(ii) evidence, in form and substance satisfactory to the Lender, that all relevant expenses have been paid.

(b) In the event of an Advance other than the first Advance

Delivery by the Borrower, acting through the Ministry of Agriculture and Food Industry, to the Lender of the following documents:

(i) a certificate signed by a duly authorised representative of the Borrower certifying that at least eighty per cent. (80%) of the Advance immediately preceding the Advance requested in the Drawdown Request and one hundred per cent. (100%) of the penultimate Advance have been utilised, including a detailed breakdown of the payment with respect to Eligible Expenses during the relevant period;

(ii) all contracts and order forms together with any plans and quotes (if applicable) previously provided to the Lender in accordance with, and as defined in, the Procurement Guidelines, in connection with the utilisation of the amounts of the Advance made available prior to the Drawdown Request;

(iii) evidence, in form and substance satisfactory to the Lender, that all relevant Eligible Expenses have been paid.

(iv) the provisional forecast of expenses for the duration of the Project, updated on the date of the relevant Drawdown Request;

(v) a revised estimate of the Project costs as well as the Eligible Expenses;

(vi) the latest annual audit report prepared in accordance with Clause 3.4.10 (*Control – Audit*).

MV

SCHEDULE 5A FORM OF DRAWDOWN REQUEST

[on the Borrower's letterhead]

To: AGENCE FRANÇAISE DE DÉVELOPPEMENT

On: [*date*]

Borrower's Name – Credit Facility Agreement n° CMD1011 01 B dated [•]

Drawdown Request n°[•]

Dear Sirs,

1. We refer to the Credit Facility Agreement n° [•] entered into between the Borrower and the Lender dated [•] (the "**Agreement**"). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.

2. This letter is a Drawdown Request.

3. We irrevocably request that the Lender makes a Drawdown available on the following terms:

Amount: EUR [•] or, if less, the Available Facility.

Interest Rate: [*fixed / floating*]

4. The Interest Rate will be determined in accordance with the provisions of Clause 4 (*Interest*) and Clause 5 (*Change To The Calculation Of Interest*) of the Agreement. The Interest Rate applicable to the requested Drawdown will be provided to us in writing and we accept this Interest Rate [(subject to the paragraph below, if applicable)], including when the Interest Rate is determined by reference to a Replacement Benchmark plus any Adjustment Margin as notified by the Lender following the occurrence of a Screen Rate Replacement Event.

[For fixed Interest Rate only:] If the Interest Rate applicable to the requested Drawdown is greater than [•*percentage in words*] per cent ([•]%), we request that you cancel this Drawdown Request.

5. We confirm that each condition specified in Clause 2.4 (*conditions precedent*) is satisfied on the date of this Drawdown Request and that no Event of Default is continuing or is likely to occur. We agree to notify the Lender immediately if any of the conditions referred to above is not satisfied on or before the Drawdown Date.

6. The proceeds of this Drawdown should be credited to the following bank account(s):

   (a) Name of the Borrower: [•]

   (b) Address of the Borrower: [•]

   (c) IBAN Account Number: [•]

   (d) SWIFT Number: [•]

   (e) Bank and bank's address of the Borrower: [•]

   (f) [if currency other than Euro] correspondent bank and account number of the Borrower's bank: [•]]

MV

7. This Drawdown Request is irrevocable.

8. We have attached to this Drawdown Request all relevant supporting documents specified in Clause 2.4 (*Conditions precedent*) of the Agreement:

[List of supporting documents]

Yours sincerely,

.....

Authorised signatory of Borrower

IC

MV

SCHEDULE 5B FORM OF CONFIRMATION OF DRAWDOWN AND RATE

[on Agence Française de Développement letterhead]

To: [*the Borrower*]

Date: [•]

Ref: Drawdown Request n° [•] dated [•]

Borrower's Name – Credit Facility Agreement n° CMD1011 01 B dated [•]

Drawdown Confirmation n°[•]

Dear Sirs,

1. We refer to the Credit Facility Agreement n°[•] entered into between the Borrower and the Lender dated [•] (the "**Agreement**"). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.

2. By a Drawdown Request Letter dated [•], the Borrower has requested that the Lender makes available a Drawdown in the amount of EUR [•], pursuant to the terms and conditions of the Agreement.

3. The Drawdown which has been made available according to your Drawdown Request is as follows:

   - Amount: [•*amount in words*] ([•])

   [Option: floating Interest Rate Drawdowns :

   - Applicable interest rate: equal to the aggregate of the six-month EURIBOR[3] and the Margin][4]

   [Option: fixed Interest Rate Drawdowns:

   - Applicable interest rate: [•*percentage in words*]

   For information purposes only

   - Rate Setting Date: [•]
   - Fixed Reference Rate: [•*percentage in words*] ([•]%) per annum
   - Index Rate on the Signing Rate Setting Date: [•*percentage in words*] ([•]%)
   - Index Rate on the Rate Setting Date: [•].
   - Effective global rate (for a 6 month period): [•*percentage in words*] ([•]%)
   - Effective global rate (per annum)[5]: [•*percentage in words*] ([•]%)]

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[3] If the six-month EURIBOR is not available on the date of confirmation of drawdown due to the occurrence of a Screen Rate Replacement Event, the Replacement Benchmark, the precise terms and conditions of replacement of such Screen Rate with a Replacement Benchmark and the related total effective rates will be communicated to the Borrower in a separate letter.

[4] To be deleted in case of fixed Interest Rate.

[5] Periodic global effective rate to be provided also.

MU

[It being specified that the above Interest Rate may vary in accordance with the provisions of clauses 4.1.1(a) (*Floating Interest Rate*) and 5.2 (*Replacement of Screen Rate*) of the Agreement.][6]

Yours sincerely,

.....

Authorised signatory of *Agence Française de Développement*

[6] To be deleted in case of fixed Interest Rate.

SCHEDULE 5C FORM OF RATE CONVERSION REQUEST

[on the Borrower's letterhead]

To: AGENCE FRANÇAISE DE DÉVELOPPEMENT

On: [*date*]

Borrower's Name – Credit Facility Agreement n° CMD1011 01 B dated [•]

Rate Conversion Request n°[•]

Dear Sirs,

1. We refer to the Credit Facility Agreement n°[•] entered into between the Borrower and the Lender dated [•] (the "**Agreement**"). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.

2. Pursuant to Clause 4.1.3(a) (*Conversion from a floating Interest Rate to a fixed Interest Rate*) of the Agreement, we hereby request that you convert the floating Interest Rate of the following Drawdowns:

   - [***list the relevant Drawdowns***],

into a fixed Interest Rate in accordance with the terms of the Agreement.

2. This rate conversion request will be deemed null and void if the applicable fixed Interest Rate exceeds [•*percentage in words*] [•%].

Yours sincerely,

.....

Authorised signatory of Borrower

MV

SCHEDULE 5D FORM OF RATE CONVERSION CONFIRMATION

[on Agence Française de Développement letterhead]

To: [*the Borrower*]

Date: [●]

Re: Rate Conversion Request n° [●] dated [●]

Borrower's Name – Credit Facility Agreement n°[●] dated [●]

Rate Conversion Confirmation n°[●]

Dear Sirs,

SUBJECT: Conversion from a floating Interest Rate to a fixed Interest Rate

1. We refer to the Credit Facility Agreement n°[●] entered into between the Borrower and the Lender dated [●] (the "**Agreement**"). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.

2. We refer also to your Rate Conversion Request dated [●]. We confirm that the fixed Interest Rate applicable to the Drawdown(s) referred to in your Rate Conversion Request delivered in accordance with Clause 4.1.3(a) (*Conversion from a floating Interest Rate to a fixed Interest Rate*) of the Agreement is:

   - [●]% per annum.

3. This fixed Interest Rate, calculated in accordance with Clause 4.1.1 (*Selection of Interest Rate*) will apply to the Drawdown(s) referred in your Rate Conversion Request from [●] (effective date).

4. Further, we notify you that the effective global rate per annum of the Facility is [●]%.;

Yours sincerely,

.....

Authorised representative of Agence Française de Développement

MV

SCHEDULE 6 ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Borrower plans to implement the Project according to this Credit Facility Agreement and its Schedule 2.
2. AFD has agreed to provide funding for the Project. This Environmental and Social Commitment Plan (ESCP) is a summary document that sets out the commitments made by the Borrower to avoid, minimize, reduce or compensate for the risks and negative impacts of the Project on the human and natural environment. It serves as a support for monitoring the E&S performance of the Project.
3. The Borrower will implement the concrete measures and actions that are necessary to ensure that the Project is carried out in compliance with the applicable regulations and AFD requirements listed below:
    - AFD's policy of controlling environmental and social risks https://www.afd.fr/fr/politique-de-maitrise-des-risques-environnementaux-et-sociaux-lies-aux-operations-financees-par-lafd
    - World Bank Environmental and Social Standards (ESSS) http://pubdocs.worldbank.org/en/936531525368193913/Environmental-Social-Framework-French2.pdf
4. The ESCP requires compliance with all provisions of documents already in place or to be completed. In particular, the ESCP requires compliance with the provisions set out in the ESIA-ESMP, RPF, RAP, CESMP, etc. referred to in the table below.
5. The following table summarizes the concrete actions and actions required, with the corresponding timeline. The Borrower is required to enforce all requirements of the ESCP.
6. The implementation of the concrete measures and actions defined in this ESCP will be monitored by the Borrower and reported to AFD in accordance with the commitments of the ESCP and the conditions of the agreement.
7. This ESCP may be revised during the implementation of the Project in a manner that reflects adaptive management of changes or unforeseen situations that may occur as part of the Project, or in response to a Project performance assessment conducted under the ESCP itself. In such situations, the Borrower will agree to these changes with AFD and revise the ESCP accordingly. The agreement on the amendments to the ESCP will be attested either by the exchange of letters signed between AFD and the Borrower or by means of the supervisory mission's written aids.
8. Where the performance of the Project itself or unforeseen situations or changes in the context of the Project result in a change in E&S risks and effects during the implementation of the Project, the Borrower shall make available additional funds, where appropriate, for the implementation of actions and measures to address these risks and effects.

N° (ESS Standards)	Theme	Action	Responsibilities	Funding	Chronogram and deadlines	Achievement Indicator
1. Assessment and Management of E&S risks and Impacts						
1.1	ESCP Follow-up	Regular reporting: prepare and communicate regular monitoring reports on the implementation of ESCP (including follow-up of commitments made in E&S documents ESIA-ESMP, RPF, RAP, SEP, GRM, etc.). This report will describe in particular the implementation of the ESCP on each of the irrigation areas according to the progress of the project, including the Technical Assistance implementation.	ANIF	Project	Bi-annual reports during construction, and annual report during operationalizati on of the irrigation schemes. Up to the Technical Achievement Date of the CFA.	Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
1.2	Reporting of incidents and accidents	Notify immediately any incident or accident related to or affecting the Project that has or is likely to have a serious impact on the environment, affected communities, the public or staff. Provide sufficient details of the incident or accident, indicating the immediate actions taken to address it and including information made available by any supplier or service provider and the supervisory entity, as appropriate.	ANIF	Project	Must inform of the incident or accident within 7 days maximum.	Written notification to AFD
1.3	Request for Proposals and contracts work	The measures of the two ESMPs for which responsibility lies with the construction contractors will be transcribed in the tender documents and in the works contracts, so as to have contractual force. For this, the ANIF will ensure that the specifications of the RFP Type works of the AFD – section 7, adjusted according to the instructions in the RFP manual, are applied to take into account the specific commitments of the ESMPs (including appointing one Environmental and social manager (ESM) and a Health and Safety specialist (HSS) for each Construction contract).	ANIF	Project	Before launch of construction request for tender.	Works Contracts in line with Project ESMPs Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
1.4	Organizationa l capacity and engagement	Signing of the Tripartite Agreement regarding the Technical Assistance to Project Management, which includes the E&S specialist position	ANIF	Project	First trimester after signing the CFA	Signed Tripartite Agreement

N° (ESS Standards)	Theme	Action	Responsibilities	Funding	Chronogram and deadlines	Achievement Indicator
2. Labor and Working conditions						
2.1	Construction environmental and social management plan (CESMP)	Develop and implement Construction environmental and social management plan (CESMP), focusing on Site specific Environmental Management Plan, Social Management Plan, Occupation Safety and Health, and a Circulation Management Plan. CESMP must be site specific.	Construction contractor, ANIF	Project	Before start of associated construction work, and implementation during construction.	AFD No Objection on CESMP. Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
3. Resources Efficiency and Pollution Prevention and Management						
3.1	Prevention of pollution: asbestos soil & water	Complementary survey, to be included in contractors' bid: Asbestos, soil & water. Develop, implement and monitor adapted measures according to the survey's results.	Construction contractor, ANIF	Project	Before works of the related sites start.	AFD No Objection on complementary survey and associated measures report. Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
3.2	Prevention of pollution: contaminated land	For Calinesti, conduct a survey to delimitate the contaminated land, and qualify pollution. Set up a protective perimeter around the area.	ANIF Construction contractor	Project	Prior to construction for Calinesti.	Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
3.3	Sustainable water management	Monitoring of water quantity (WUA) and quality by WUA	ANIF with WUA	Project	During the first irrigation seasons under project implementation	Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
4. Community Health and Safety						

N° (ESS Standards)	Theme	Action	Responsibilities	Funding	Chronogram and deadlines	Achievement Indicator
4.1	Community Health and Safety	Develop, implement and monitor (i) a circulation action plan, (ii) security measures; according to ESIA-ESMP.	Construction contractors, including sub-contractors, Works supervision contractors, ANIF	Project	During construction.	Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
5. Land Acquisition and Involuntary Resettlement						
5.1	Resettlement Action Plan	Implement and monitor the Resettlement Action Plans (RAP) for each site (Criulenii de Sus and Calinesti).	ANIF with TA	Project	Before works of the related sites start.	AFD No Objection on the RAPs. RAPs are satisfactory implemented before related construction start: AFD No Objection on RAP's completion report before construction start.
6. Biodiversity conservation and sustainable management of living resources						
6.1	Ecological inventory (terrestrial and aquatic) Calinesti	Conduct an ecological inventory (terrestrial and aquatic) around the water intake in the PDRN.	ANIF with TA	Project	Prior to construction start for Calinesti.	AFD no objection on the ToR of the inventory Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)

N° (ESS Standards)	Theme	Action	Responsibilities	Funding	Chronogram and deadlines	Achievement Indicator
6.2	Ecological inventory (terrestrial) Criulenii de Sus	Conduct an ecological inventory (terrestrial)	ANIF with TA	Project	Prior to construction start for Criulenii de Sus	AFD no objection on the ToR of the inventory Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
6.3	Padurea Domneasca Natural Reserve Management Plan	Preparation of the Padurea Domneasca Natural Reserve Management Plan	ANIF with TA, or the Ministry of Environment	Project or the Ministry of Environment	To the extent possible, in 2027.	PDRN Management Plan approved according to Moldovan legal norms Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
8. Cultural Heritage						
8.1	Cultural heritage	Integrate Heritage issues in the Request for Proposals and contracts work Develop and implement a Chance find procedure (with an archeological expert to train the works enterprise staff before works starting)	ANIF with TA ANIF and Construction contractor.	Project	During preparation of RFP and contracts for works During C-ESCMP elaboration and construction/excavation works.	Chance find procedures developed and expert recruited. Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
10. Information dissemination and Stakeholders involvement						

N° (ESS Standards)	Theme	Action	Responsibilities	Funding	Chronogram and deadlines	Achievement Indicator
10.1	Stakeholder Engagement and Information Disclosure Plan	Develop, implement, update and monitor a Stakeholder Engagement and Information Disclosure Plan according to the related ESMP (validated by AFD & MAFI (December 2024)).	ANIF	Project	Before 1st disbursement	AFD No objection on SEP. Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
10.2	Grievance Redress Mechanism	Develop, implement and monitor a Grievance Redress Mechanism (GRM) dedicated to the Project.	ANIF	Project	Before works of the related construction site start.	AFD No Objection on GRM. Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)
10.3	Gender Action Plan	Implement and monitor the Project Gender Action Plan, with a special focus on Gender Based Violence (GBV) & Sexual Exploitation Abuse and Harassment (SEAH) activities mentioned therein.	ANIF	Project	During project implementation	Receipt of the E&S progress report by AFD (included in the overall semestrial tech&fi progress reports)

N.B: In addition, the semestrial review of this ESCP will be the occasion to discuss any matter related to transboundary water issues related to the Prut and Nistru.

SCHEDULE 7 FORM OF FOLLOW-UP REPORT OF THE PROJECT'S INDICATORS

This is the indicative logical framework of the Project. It may evolve during the inception phase of the Project. Any new version shall obtain no-objection from the Lender.

Objectives & outputs	Results chain	Indicator	Unit of measure	Baseline (value & year)	Target (value & year)[7]	Comment and/or methodology	Source of data
Impact **(Overall objective)** Rural households, with a focus on Calinesti and Criulenii de Sus, are more resilient to climate change impacts and market fluctuations. The agricultural sector is more attractive to youth and women, while promoting sustainable natural resource management.	*Impact 1* Smart (digital), sustainable and inclusive economic and social development and growth	*SDG 2 – Indicator 2.3.2 – Average income of small scale food producers by sex*		NOT for impact	NOT for impact		
	Impact 2 Effective climate resilient low-carbon economy and society	*SDG 2 – Indicator 2.4.1 – Proportion of agricultural area under productive and sustainable agriculture*		NOT for impact	NOT for impact		
		SDG 6 – Indicator 6.4.1 Change in water use efficiency over time		NOT for impact	NOT for impact		
Outcome(s) **(Specific objectives)** Increased resilience of rural communities, including vulnerable populations (youth and women), to climate change	*Outcome 1* Improved performance of supported farmers	1.1 – Agricultural production added value going to farmers instead of other value chain actors, by sex	EUR (constant value per year)	*Calinesti : To be determined (2025) Criulenii de Sus: To be*	*Calinesti : To be determined (2031) Criulenii de Sus: To be*		Establishment of a sample of farmers in the project areas and in another similar area

[7] Baseline and target values are subject to change (i) through the consultations that will take place with the EU and other stakeholders during the final stages of the project's design and approval, (ii) after project inception phase, thanks to the results of the baseline survey.

Objectives & outputs	Results chain	Indicator	Unit of measure	Baseline (value & year)	Target (value & year)[7]	Comment and/or methodology	Source of data
impacts and markets fluctuations				*determined (2025)*	*determined (2031)*		Annual survey with the samples
Fixation of rural communities & young generation for renewing generations and practices in agriculture Sustainable use and management of natural resources	*Outcome 2* Increased access to irrigation services	*2.1* – Number of farmers with access to irrigation through project support, by sex	Number	*Calinesti : 0 (2025) Criulenii de Sus: 0 (2025)*	*Calinesti: 100 (2031) Criulenii de Sus: 50 (2031) Small scale irrigation : 50 (2031), including 20% of women*		Annual WUAs and ADMA activity reports
		2.2 – There is at least one woman and one young person in the management committee of each WUA supported by the project	Yes/No	*Calinesti : No (2025) Criulenii de Sus: No (2025)*	*Calinesti : Yes (2031) Criulenii de Sus: Yes (2031)*		
		2.3 Both CIS's WUA are functional and autonomous by the end of the project	Yes/No	*0*	*2 (2031)*	*This indicator Will be achieved if the related indicators under output 3 are satisfactorily achieved*	*Endline survey, Final Project report*
	Outcome 3 Employment indirectly supported	*3.1* – Number of indirect FTE jobs supported by the project	Number	*0 (2025)*	*560 (2031)*	Coefficient based on the literature review : 1,4*400	*Final project activity report*

Objectives & outputs	Results chain	Indicator	Unit of measure	Baseline (value & year)	Target (value & year)[7]	Comment and/or methodology	Source of data
	Outcome 4 More efficient and rational use of resources	4.1 Water use efficiency	m3/ha or m3/ton of agricultural product	*To be determined : need to take from a similar irrigated area, since baseline in both CIS is 0 (no or minor irrigation)*	*To be determined (2031)*		Annual WUAs and ANIF activity reports
	Outcome 5 Reduced local pollution and greenhouse gas emissions	5.1 Amount of greenhouse gas emissions avoided per year	CO2eq tons/year	*0 (2024)*	*165 tons CO2e (2031)*		Annual GhG emission estimates by the project team (MAFI)
Outputs *(Delivered by the intervention. They will influence the achievement of the stated Specific Objective(s)/Outcome(s))* Dissemination and adoption of climate-smart practices Capacity-building activities for farmers to increase their productivity Increased participation and equitable involvement of	*Output 1* Increased sustainable agricultural capacity	*New area of land under irrigation*	Ha	*Calinesti: 0 (2025)* *Criulenii de Sus: 0 (2025)*	*Calinesti: 900 ha (2031)* *Criulenii de Sus: 1300 ha (2031)*	*Assumption: 70% of the irrigable areas will be effectively irrigated.*	Annual WUAs and ANIF activity reports
		Average agricultural yield in the project areas	Ton/ha	*Calinesti: To be determined* *Criulenii de Sus: To be determined*	*Calinesti: 20% more than control area* *Criulenii de Sus: 20% more than control area*		Compared with another similar area Annual farmers survey made by MAFI or ARAC
		Percentage reduction in crop yield losses during	%	*Calinesti: To be determined*	*Calinesti: < 10% (2031)* *Criulenii de Sus:*		Annual farmers survey conducted by

Objectives & outputs	Results chain	Indicator	Unit of measure	Baseline (value & year)	Target (value & year)[7]	Comment and/or methodology	Source of data
women in local economic development, particularly in the agricultural sector		*drought events in the project areas*		*Criulenii de Sus: To be determined*	*< 10 (2031)*		ANIF through its TA
Develop cooperation and professionalization along the value chains Secure farmers with water, weather, and soil data to enable diversification & adaptation to climate change	*Output 2* Improved deforestation-free and climate-smart ecosystem-based agricultural practices	*Ha of agricultural ecosystems where sustainable land & water management practices are introduced with investment support*	Ha	*0 (2024)*	*2,500 ha (2031)*		Annual farmers survey conducted by MAFI
	Output 3 Strengthened capacities of agricultural and irrigation sector institutions and public/private operators to enable / undertake / manage sustainable agriculture and irrigation projects	*Number of actors supported by the project, disaggregated as possible and relevant by type of organisation*	Number	*0 (2024)*	*All 7 stakeholders by 2031:* • *MAFI* • *2 WUAs* • *ANIF* • *ARAC* • *AM* • *ADMA*		Annual project activity reports
		Irrigation fee collection rate in Calinesti and Criulenii de Sus	%	*0(2024)*	*90% (2031) in each CIS*	*This indicator captures the fact that WUA must have by-laws and contracts with farmers defining fee payment rules etc.*	*Endline survey, Final Project report*

Objectives & outputs	Results chain	Indicator	Unit of measure	Baseline (value & year)	Target (value & year)[7]	Comment and/or methodology	Source of data
		Satisfaction of water users in Calinesti and Criulenii de Sus CIS	%	*0(2024)*	*85%(2031) in each CIS*		*Endline survey, Final Project report*
		Number of smallholders reached (with EU supported interventions) aimed to increase their sustainable production, access to markets and/or security of land, disaggregated by sex and age	Number		*550*		Annual project activity reports
		Number of people receiving rural advisory services through the investment, disaggregated by sex, age, service type	Number		*70 in farmers field schools* *350 through exchange workshops* *30 farmers trained in the EU (3 months training)* *25 junior extensionists trained in the EU (3 months training)* *100 benefited from activities from the demonstration farm*		Annual project activity reports

Objectives & outputs	Results chain	Indicator	Unit of measure	Baseline (value & year)	Target (value & year)[7]	Comment and/or methodology	Source of data
	Output 4 Increased access to financial services and products for innovative and sustainable investments by public actors and private actors	*Percentage of women and youth directly benefiting from technical/financial services provided by the project*	%	*0*	*30%*		*WUAs and ADMA activity reports*
		Number and value of hire-purchase contracts served by the project among relevant target groups, disaggregated by target groups (organic farmers, small farms, women, youth) and by served area (vulnerable to climate change)	Number EUR	*0 (2024)* *0 (2024)*	*50 (2031)* *4.6 M (2031)*		ADMA activity reports
	Output 5 Employment directly supported	*Number of direct FTE jobs supported and/or sustained by the project, disaggregated by sex, age.*	Number	*0 (2024)*	*400 (2031), including 30% of women and young people*	*The target includes 200 farmers and 200 agricultural workers.*	*Final project activity report*

AFD's aggregated indicators :

Indicator	Baseline	Target (end of project)	Correspondence with project logical framework

Number of family farms recording improved economic performance	0	200	Indicator #2
Number of local residents benefiting from an activity to conserve or restore biodiversity (gender disaggregated)	0	2450 with 50% of women)	Not in the logical framework. This indicator is linked to the funding of the Padurea Domneasca Reserve Management plan
Areas benefiting from biodiversity conservation or restoration programmes (hectares)	6,000	6,000	Not in the logical framework. This indicator is linked to the funding of the Padurea Domneasca Reserve Management plan
Number of individuals with improved capacities thanks to better access to agricultural sector services	0	575	Indicator #13

SCHEDULE 8 INFORMATION THAT THE LENDER IS AUTHORIZED EXPRESSLY TO DISCLOSE ON THE LENDER'S WEBSITE (IN PARTICULAR ON ITS OPEN DATA PLATFORM)

1. Information relating to the Project

   - Number and name in AFD's book;
   - Description;
   - Operating sector;
   - Place of implementation;
   - Expected project starting date;
   - Expected Technical Completion Date; and
   - Status of implementation updated on a semi-annual basis.

2. Information relating to the financing of the Project

   - Kind of financing (loan, grant, co-financing, delegated funds);
   - Principal amount of the Facility;
   - Total amount drawn on annual basis;
   - Drawdown amounts planning on a three year basis; and
   - Amount of the Facility which has been drawn down (updated as the implementation of the Project goes).

3. Other information

   - Transaction information notice attached to this Schedule; and
   - The report of the Project evaluation, the content of which is defined in Article 11.12 (*Project evaluation*).

MV

SCHEDULE 8-1 TRANSACTION INFORMATION NOTICE

The iDRIP project aims to increase the resilience of the Moldovan agricultural sector to climate change and to revitalize targeted rural areas (Criulenii de Sus and Calinesti), through the rehabilitation of two centralized irrigation systems managed by user associations and the development of small stormwater storage structures for irrigation. Capacity-building actions for irrigators and institutions in the agricultural sector will support infrastructure works to ultimately enable better use of water and soil, and more diversified and resilient agricultural systems. The number of direct beneficiaries is estimated at 2200. However, the project will have a substantial indirect impact on the entire population of the targeted rural areas - at least 10,500 people. The AFD loan of 45 million euros is complemented by a grant from the European Union (15 million euros) intended for investment and training activities for farmers and user associations, institutional strengthening and support for project coordination.

Context and strategic issues of the project

Agricultural production in the Republic of Moldova is characterized by a large number of small and medium farm holdings, constrained by low level of technology and limited innovation, limited availability of public and private professional technical advisory services, limited access to finance, low level of farmer organization, limited market integration and value addition (e.g. certification, grading and processing) and increasing vulnerability to climate change. Since 2020, four out of five growing seasons and their agriculture harvests were affected by droughts and other extreme weather events as late frosts or extreme heat. Out of the 88 centralized irrigation systems once operational during the Soviet period, only about 22-24 are currently functional, reducing the area under irrigation to about 1% of the agriculture land in Moldova. This has resulted in unpredictable crop yields, especially for maize and sunflower, which dominate the national acreage, making farming a precarious venture.

Therefore, AFD and the Government of Moldova have agreed on a holistic and integrated approach to simultaneously rehabilitate irrigation systems and develop capacity at all levels: farmers, Water Users' Associations (WUAs), and national institutions.

Project objectives and content

The project aims to increase the resilience of the Moldovan agricultural sector to climate change and revitalize rural areas targeted by better use of water and soil and more diverse and resilient agricultural systems.

The project is organized into 4 components:

1. Rehabilitation of the infrastructure of two public irrigation systems, Calinesti and Criulenii de Sus, fed by the Prut river and the Nistru river respectively.

2. Establishment of a hire-pruchase programme to private farmers for the development and rehabilitation of small-scale rainwater storage and irrigation facilities.

3. Development of farmers' capacities to adopt climate-smart practices (including the rehabilitation or creation of windbreaks), diversification of production systems towards higher value-added crops, the packaging and marketing of products. Support is also planned to assist the water user associations of Calinesti and Criulenii de Sus in setting up a reliable water service adapted to the needs of irrigators.

4. Institutional strengthening and project management assistance aimed at: the Ministry of Agriculture and Agro-Industry (MAFI) and the National Agency for Land Improvement (ANIF)

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Stakeholders and operating procedure

The project will be led by ANIF, with support and under the auspices of the MAFI. The various technical components will be implemented by ANIF (components 1, 3, 4, and 5). Component 2 will be implemented by the Agency for the Development and Modernization of Agriculture (ADMA). Farmers, water user associations, and project partners will be supported by international technical assistance providers recruited and supervised by the ANIF through components 3 and 4. The ANIF will benefit from a technical assistance team to support it in the project management. This team will be recruited by Expertise France as part of a service provision contract between the AFD and Expertise France, under EU funds.

Cost and financing

The total budget of the project is 60 million euros, financed by a sovereign loan from AFD of 45 million euros and a delegated grant of 15 million euros from the EU.

Main expected effects

The project will strengthen farmers' resilience to climate change impacts and market fluctuations, as well as more sustainable use and management of natural resources and revitalization of targeted rural areas. It will thus enable producers to maintain and develop more diversified, more profitable and market-integrated production systems, boost several agricultural sectors and help create the conditions for generational renewal in agriculture.

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SCHEDULE 9 NON-EXHAUSTIVE LIST OF ENVIRONMENTAL AND SOCIAL DOCUMENTS WHICH THE BORROWER PERMITS TO BE DISCLOSED IN CONNECTION WITH ES COMPLAINTS-MANAGEMENT MECHANISM'S RULES OF PROCEDURE

- Environmental and Social Impact Assessment (ESIA)
- Environmental and Social Management Plan (ESMP)
- Environmental and Social Management Framework (ESMF)
- Resettlement Action Plan (RAP)
- Resettlement Policy Framework (RPF)
- Stakeholder Engagement Plan (SEP)

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SCHEDULE 10 BIODIVERSITY DATA SHARING

Nature of the data

The biodiversity data covered by the Biodiversity Data Sharing clause of this Agreement are the flora and fauna observation data collected as part of naturalist field inventories dedicated to the Project. These data may result from visual sightings, auditory observations, recordings or even specimen collections.

Each published item of data shall, at the least, include information pertaining to: the type of observation, the taxon's scientific name, the date and location of observation.

Unless the data may be deemed sensitive, observations shall be published using the same location accuracy as that collected in the field.

Data that may be deemed sensitive are, in particular, observations of native fauna and flora whose survival within the local population is threatened due to the intentional removal or destruction of specimens. The data provider shall deliberately downgrade the accuracy of location details for so-called sensitive species. The extent of the downgrading of location details shall be adapted to the species' sensitivity so as to prevent any risk of further pressure on the populations of those species concerned.

Procedures for data sharing

The Project's biodiversity data shall be published using the GBIF's framework www.gbif.org.

Information about the Project in relation with which the data was collected shall be provided in addition to the mandatory metadata required by the GBIF. A short description of the Project followed by the names of the contractors and funders, including the AFD, shall be included.

As to the conditions regarding data use, the data provider must opt for one of the two least restrictive rights levels, that is: the Public Domain (CC0) Licence or the Creative Commons Attribution (CC-BY) Licence.

In addition to this appendix, the Provider and its co-contractors may rely on the Practical Recommendations Guide for the Publication of Biodiversity Data published by the AFD, which can be downloaded at: https://www.afd.fr/en/ressources/data4nature-practical-recommendations-guide-publishing-primary-biodiversity-data

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