THE WORLD BANK
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H.E. Mr. Dumitru Budianschi
Minister
Ministry of Finance
Constantin Tanase Street, 7
MD-2005 Chisinau
Republic of Moldova

Re: Grant No. TF0B7739
Moldova Water Security and Sanitation Project
Letter Agreement

Dear Sir:

In response to the request for financial assistance made on behalf of the Government of the Republic of Moldova ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("Bank"), acting as administrator of the Single Donor Trust Fund in Support of the Moldova Water Security and Sanitation Project, proposes to extend to the Recipient a grant in an amount not to exceed one million five hundred and fifty thousand Euro (EUR 1,550,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement, and returning one duly executed copy to the Bank.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By_____
Inguna Dobraja
Country Manager
Moldova
Europe and Central Asia

AGREED:

REPUBLIC OF MOLDOVA

By D. Budianschi
Authorized Representative

Name Dumitru Budianschi

Title Minister of Finance

Date April 21, 2022

Enclosures:

(1) "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds" dated February 25, 2019.

(2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017.

Grant No. TF0B7739
ANNEX

Article I
Standard Conditions; Definitions

1.01. ***Standard Conditions.*** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. ***Definitions.*** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Section:

(a) "ANRE" means the Recipient's National Agency of Electricity Regulation, responsible for the regulation of water supply and wastewater services, established pursuant to the Recipient's Government Decision No. 767, dated August 11, 1997 and operating according to the Recipient's Law on Public Service of Water Supply and Sewage No. 303 of 2013, or any successor thereto acceptable to the Bank.

(b) "Anti-Corruption Guidelines" means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006, and revised in January, 2011, and as of July 1, 2016.

(c) "Category" means a category set forth in the table in Section 3.01 of this Agreement.

(d) "Delegation Agreement" means any of the agreements, acceptable to the Bank, between an LPA and a WSS Operator, for purposes of delegating the management and operation of a given WSS System.

(e) "DRDP" means the Directorate of Regional Development Policy under MIRD, or any other successor thereto acceptable to the Bank.

(f) "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated December 21,2021, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments[1] to be prepared thereunder.

(g) "Environmental and Social Standards" or "ESSs" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities"; (viii) "Environmental and Social Standard

8: Cultural Heritage"; (ix) "Environmental and Social Standard 9: Financial Intermediaries"; (x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Bank.

(h) "Financing Agreement" means the financing agreement (Credit Number 7027-MD), entered into between the Recipient and the International Development Association for the purpose of providing a financing in the amount of forty-four million one hundred thousand Euro (€44,100,000) to assist in financing the Project.

(i) "LPA" means local public authority.

(j) "LPA Cooperation Agreement" means any of the agreements referred to in Section I.D.1 of Schedule 2 to this Agreement.

(k) "MIRD" means the Recipient's Ministry of Infrastructure and Regional Development or any successor thereto, acceptable to the Bank.

(l) "MER" means the Recipient's Ministry of Education and Research or any successor thereto, acceptable to the Bank.

(m) "MIS" means the Recipient's National Water Supply and Sanitation Management Information System managed by ANRE, which includes key performance indicators for the water and wastewater sector. The MIS has multiple users, including MIRD and WSS Operators.

(n) "MOH" means the Recipient's Ministry of Health, or any successor thereto, acceptable to the Bank.

(o) "MSIF" means the Recipient's public institution, "Moldova Social Investment Fund", established pursuant to the PIU Legislation, or any successor thereto acceptable to the Bank.

(p) "NWSSDP" or "National Water Supply and Sanitation Sector Development Plan" means the Recipient's National Water supply and Sanitation Sector Development Plan to be developed and implement under Part 2(a) of the Project.

(q) "Operating Costs" means the reasonable incremental expenses incurred by the Recipient on account of Project implementation, including costs related to office equipment and supplies, vehicle operation and maintenance, shipping costs, office rentals, communication and insurance costs, office administration costs, bank charges, utilities, transport costs, travel, per diem and supervision costs.

(r) "OSS Participant" means a household legal owner who has requested on-site sanitation support through the pilot implemented under in Part 1.1(c) of the Project, and who complies with the eligibility criteria set forth in the Project Operations Manual.

(s) "Personal Data" means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification

number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.

(t) "PIU" or "Project Implementing Unit" means the MSIF established under MIRD, pursuant to the PIU Legislation, and responsible for the day-to-day activities of the Project under the supervision of MIRD.

(u) "PIU Legislation" means the Government Decision No. 1188 of November 28, 2018 which reorganized the PIU as a public institution, and Government Decision No. 142 of August 25, 2021 that placed the PIU under MIRD.

(v) "Procurement Regulations" means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the "World Bank Procurement Regulations for IPF Recipients", dated November 2020.

(w) "Project Operations Manual" and "POM" means the manual prepared by the Recipient for Project implementation, referred to in the Annex to this Agreement.

(x) "PCG" or "Project Coordination Group" means the unit mentioned in Section 2.03.2 of this Agreement, to be established in accordance with the terms and conditions set forth in the Project Operations Manual.

(y) "Relevant Entities" means WSS Operators, LPAs, ANRE, MIRD and its subordinate entities, and any other entity as agreed by the Bank.

(z) "Selected Rural and Peri-Urban Villages" means the rural and peri-urban villages prioritized by MIRD in accordance with the criteria set forth in the Project Operations Manual, as agreed by the Bank.

(aa) "Standard Conditions" means the "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds", dated February 25, 2019.

(bb) "Training" means the reasonable costs associated with training under the Project, as agreed between the Recipient and the Bank, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers' contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers' fees, and other training related miscellaneous costs.

(cc) "VAT means value added tax.

(dd) "WSS" means water supply and sanitation.

(ee) "WASH Facility" means any of the facilities referred to in Part 1.2. of the Project, consistent of safely managed drinking water supply (available on premises and free of contamination), at least basic sanitation services and basic hygiene services.

Article II
Project Execution

2.01. ***Project Objectives and Description.*** The objectives of the Project are: (i) to increase access to safely managed water supply and sanitation services in selected rural areas and towns, and to strengthen national and local institutional capacity for water supply and sanitation service delivery; and (ii) in case of an Eligible Crisis or Emergency, respond promptly and effectively to it. The Project consists of the following parts:

Part 1: Increasing access to safely managed water supply and sanitation services in selected Rural Areas and Towns.

1. Supporting the expansion of the access and quality of water supply and sanitation (WSS) through, *inter alia*:

a. Water supply investments, including the expansion and rehabilitation of regional water systems for water supply production and distribution, and service connections for LPAs in Selected Districts (including the preparation of relevant technical studies and management documents; technical supervision; and citizen engagement activities).

b. Wastewater investments, including the expansion and rehabilitation of wastewater systems in Selected Towns, including the construction and rehabilitation of sewer networks and service connections, and the construction of new wastewater treatment plants (including the preparation of relevant technical studies and management documents; technical supervision; and citizen engagement activities); and

c. The implementation of a pilot in Selected Rural or Peri-Urban Villages, for the improvement of on-site household sanitation, on a demand-led approach through, *inter alia*: (i) the provision of technical assistance, (ii) the implementation of information campaigns, and (iii) the carrying out of civil works.

2. Improving WASH Facilities in Selected Health Care Facilities and Selected Education Institutions including, *inter alia*: (i) the construction of water supply connections to centralized networks or existing sources; connections to sewer systems; on-site sanitation facilities; and, indoor toilet facilities with adequate hygiene and handwash facilities incorporated; (ii) capacity building of relevant staff for proper operation and maintenance of the facilities; and (iii) the implementation of a Communications Program.

Part 2: Strengthening institutional capacity at national and local levels for WSS service delivery.

1. Strengthening the Recipient's institutional capacity for planning, financing, economic regulation, performance monitoring, professional development and the revision and development of new policies and normative documents for WSS service delivery, including, inter alia:

a. The preparation and implementation of a National Water Supply and Sanitation Sector Development Plan (NWSSDP), including its investment program and financing

strategy; and the capacity building of DPRD under MIRD designated to lead the preparation and implementation of said plan referred to in Section 2.03.3;

b. The provision of technical assistance to local public authorities and WSS operators to support the aggregation process into licensed regional operators, in accordance with the NWSSDP;

c. The preparation of identified policies, amendments, legislation, regulations, and norms or codes of practice on WSS; and the provision of capacity building to the Relevant Entities;

d. The development and implementation of a Management Information System (MIS) for monitoring and evaluating the performance of WSS operators; and

e. The implementation of a professional development program for technical skills in WSS management.

2. Development and implementation of a Performance Improvement Plan of Selected WSS Operators.

Part 3: Project Management and Coordination

Supporting MIRD in carrying out project management activities including, *inter alia*: (a) the carrying out of financial management (including audits), procurement, environmental and social requirements of the Project; (b) capacity building on the items set forth in (a) above; (c) monitoring and evaluating the Project; (d) implementing communications and citizen consultations; and (e) Training and Operating Costs under the Project.

Part 4: Contingent Emergency Response Component

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

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient, through MIRD, shall carry out the Project with the support of the PIU in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. ***Institutional Arrangements***. To facilitate the implementation of the Project, the Recipient, through MIRD, shall:

1. Operate and maintain, throughout Project implementation, the PIU, with structure, functions and responsibilities (including Project financial management and fiduciary compliance; Project management and reporting; procurement, and compliance with ESS requirements) acceptable to the Bank, as further set forth in the Project Operations Manual.

2. No later than three (3) months after the Effective Date, establish and thereafter, operate and maintain throughout Project implementation the PCG, with structure and functions acceptable to the Bank, as further set forth in the Project Operations Manual.

3. No later than six (6) months after the Effective Date, and for purposes of implementing Part 2.1.a. of the Project, the Recipient, through MIRD, shall provide

evidence satisfactory to the Bank that DRDP under MIRD's structure, has been trained and has the capacity to lead the development and implementation of the NWSSDP.

2.04 ***Implementation Arrangements.***

A. Project Implementation Agreement.

1. To facilitate carrying out the Project, the Recipient, through MIRD, shall enter into a Project Implementation Agreement with the PIU, in terms and conditions acceptable to the Bank, and thereafter maintain said Project Implementation Agreement throughout Project implementation.

2. The Recipient shall ensure that the Project Implementation Agreement includes, *inter alia*: (i) the responsibilities of each institution in the implementation of the Project, (ii) the PIU's commitment to implement its relevant part of the Project in accordance with this Agreement; the ESS and the ESCP; the Anti-Corruption Guidelines; the Procurement Regulations; and the Project Operations Manual, as applicable.

3. The Recipient, through MIRD, shall exercise its rights under the Project Implementation Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant.

4. Except as the Association shall otherwise agree, the Recipient, through MIRD, shall not assign, amend, abrogate, waive, terminate or fail to enforce any Project Implementation Agreement or any of its provisions.

5. In case of any conflict between the terms of Project Implementation Agreement and those of this Agreement, the terms of this Agreement shall prevail.

B. LPA Cooperation Agreements

1. For purposes of carrying out Part 1.1 of the Project, and prior to implementing any of the investments detailed therein, the Recipient, through MIRD, shall cause the PIU to enter into LPA Coordination Agreements with the LPA (or LPAs) of the district, commune or town where the investment will be implemented, in terms and conditions acceptable to the Bank, and thereafter maintain said LPA Coordination Agreement throughout the implementation of Part 1.1. of the Project.

2. The Recipient shall ensure that LPA Coordination Agreements are entered into in accordance with the model form included in the Project Operations Manual, which shall include, *inter alia:*

(i) the responsibilities of the LPA to operate and maintain the investment implemented under Part 1.1(a), and its commitment to delegate such responsibility to a WSS Operator through a Delegation Agreement;
(ii) the responsibility of the LPA to carry out technical and administrative activities, including the approval of design documents, the issuance of construction authorizations, and the acceptance of works;
(iii) the obligation of the LPA to facilitate citizen engagement activities and consultations at the local level;

(iv) the obligation of the LPA to provide a contribution to the financing of works for the respective investment under Part 1.1(a) of the Project; and

(v) the commitment of the LPA to carry out its obligations under the LPA Coordination Agreement in accordance with this Agreement, the ESS and the ESCP, the Anti-Corruption Guidelines and the Project Operations Manual, as applicable.

3. The Recipient, through MIRD, shall cause the PIU to exercise its rights under the LPA Coordination Agreements in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant.

4. Except as the Bank shall otherwise agree, the Recipient, through MIRD, shall cause the PIU to not assign, amend, abrogate, waive, terminate or fail to enforce any LPA Coordination Agreements or any of their provisions.

5. In case of any conflict between the terms of any of the LPA Coordination Agreements and those of this Agreement, the terms of this Agreement shall prevail.

C. On-Site Sanitation Household Agreements

1. For purposes of implementing Part 1.1(c) of the Project, and prior to carrying out any on-site sanitation support activity, the Recipient, through MIRD, shall cause the PIU to enter into an On-Site Sanitation Household Agreement with the respective LPA and the OSS Participant, with terms and conditions acceptable to the Bank, and thereafter maintain said On-Site Sanitation Household Agreement throughout the implementation of Part 1.1.(c) of the Project.

2. The Recipient shall ensure that On-Site Sanitation Household Agreements are entered into in accordance with the model form included in the Project Operations Manual, which shall include, *inter alia*:

(i) the obligation of PIU to provide on-site sanitation support to the OSS Participant;

(ii) the OSS Participant's consent to the provision of on-site sanitation support, including its commitment to provide access to the premises where the on-site sanitation support activities will be implemented;

(iii) the OSS Participant's obligation to contribute to the financing of works under the on-site sanitation support activities, the amount of said contribution, and the mechanism on how said contribution will be made available; and

(iv) the obligation of the OSS Participant to consent to the on-site sanitation works design prior to carrying out the on-site sanitation works.

3. The Recipient, through MIRD, shall cause the PIU to exercise its rights under On-Site Sanitation Household Agreements in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant.

4. Except as the Bank shall otherwise agree, the Recipient, through MIRD, shall cause the PIU to not assign, amend, abrogate, waive, terminate or fail to enforce any On-Site Sanitation Household Agreement or any of their provisions.

5. In case of any conflict between the terms of any of the On-Site Sanitation Agreements and those of this Agreement, the terms of this Agreement shall prevail.

D. Inter-Institutional Agreements

1. To facilitate the carrying out of the Project, and prior to the participation of a Project Entity in the implementation of any given Project activity, the Recipient, through MIRD, shall cause the PIU to: (a) sign with said Project Entity an Inter-Institutional Agreement with terms and conditions acceptable to the Bank; and (b) thereafter maintain said Inter-Institutional Agreement throughout the implementation of the Project.

2. The Recipient, through MIRD, shall cause the PIU to exercise its rights under each Inter-Institutional Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant.

3. Except as the Bank shall otherwise agree, the Recipient, through MIRD, shall cause the PIU not to assign, amend, abrogate, waive, terminate or fail to enforce any Inter-Institutional Agreement or any of their provisions.

4. In case of any conflict between the terms of any of the Inter-Institutional Agreements and those of this Agreement, the terms of this Agreement shall prevail.

E. Project Operations Manual

1. The Recipient, through MIRD shall, and shall cause the PIU to adopt and thereafter carry out the Project in accordance with the provisions of a manual (the "Project Operations Manual") satisfactory to the Bank, containing, *inter alia*: (i) a detailed description of Project activities and institutional arrangements for the Project; (ii) the Project administrative, budgeting, accounting, auditing, reporting, financial, procurement, disbursement and ESS procedures and/or requirements; (iii) the monitoring indicators for the Project; (iv) the detailed procedures for coordination and collaboration among the relevant institutions and stakeholders in the carrying out of the Project; (v) the detail on staffing functions and qualifications of the PIU; (vi) the model form for the LPA Cooperation Agreements; (vii) the model form for the On-Site Sanitation Household Agreements; (viii) the model form for the Inter-Institutional Agreements: (x) Personal Data collection and processing requirements in accordance with good international practices and (xi) the Anti-Corruption Guidelines.

2. The Recipient, through MIRD, shall, and shall cause the PIU not to, amend, suspend, repeal or waive any provision of the Project Operations Manual without the Bank's prior written approval.

3. In case of any conflict between the terms of the Project Operations Manual and those of this Agreement, the terms of this Agreement shall prevail.

2.04. **Environmental and Social Standards**.

(a) The Recipient through MIRD with the support of the PIU, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

(b) Without limitation upon paragraph (a) above, the Recipient through MIRD with the support of the PIU shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Recipient through the PIU shall ensure that:

(i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;

(ii) sufficient funds are available to cover the costs of implementing the ESCP;

(iii) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and

(iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

(c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(d) The Recipient, through MIRD, with the support of the PIU, shall ensure that:

(i) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and

(ii) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

(e) The Recipient, through MIRD, with the support of the PIU shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

(f) The Recipient, through MIRD, with the support of the PIU shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors and supervising entities to: (i) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (ii) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks

of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

2.05. ***Project Monitoring, Reporting and Evaluation.*** The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after each calendar semester, covering the calendar semester.

Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in this Agreement, the Recipient, through MIRD, shall ensure that such information, report or document does not include Personal Data.

Article III
Withdrawal of Grant Proceeds

3.01. ***Eligible Expenditures.*** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in EURO)	Percentage of Expenditures to be Financed (inclusive of Taxes except for VAT and custom duties)
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Parts 1.1.c and Part 2.1.a of the Project as referred to in Article 2.01	1,550,000	100%
TOTAL AMOUNT	**1,550,000**	

3.02. ***Withdrawal Conditions.*** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made prior to the date of this Agreement.

3.03. ***Withdrawal Period.*** The Closing Date referred to in Section 3.06(c) of the Standard Conditions is January 31, 2027.

Article IV
Additional Remedies

4.01. ***Additional Event of Suspension.*** The Additional Events of Suspension referred to in Section 4.02(k) of the Standard Conditions consist of the following:

(a) that the PIU Legislation pursuant to which the PIU has been established and is operating has been amended, suspended, abrogated, repealed or waived so as to affect

materially and adversely the ability of the PIU to perform any of its obligations under the Project.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank, confirming that: (i) the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized by all necessary governmental actions, through a legal opinion issued by the Ministry of Justice, acceptable to the World Bank and (ii) the Financing Agreement has been executed, and all conditions precedent to its effectiveness, except for the effectiveness of this agreement, have been fulfilled.

5.02. Except as the Recipient and the World Bank shall otherwise agree, the date on which this Agreement shall enter into effect shall be the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of this Annex. If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred and twenty (120) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

6.01. ***Recipient's Representative***. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

6.02. ***Recipient's Address***. For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient's Address is:

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

(b) the Recipient's Electronic Address is:

E-mail:
cancelaria@mf.gov.md

6.03. ***Bank's Address***. For purposes of Section 7.01 of the Standard Conditions: (a) the Bank's address is:

International Bank for Reconstruction and Development and
International Development Association
1818 H Street, N.W.

Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex: 248423 (MCI) or 64145 Facsimile 1-202-477-6391