Swedfund

Grant Agreement

REGARDING COOPERATION IN THE FIELD OF WASTE TO ENERGY

This grant agreement (the "**Grant Agreement**") is entered into between:

Swedfund International AB (the Development Financial Institution of the Kingdom of Sweden), Reg. No. 556436-2084, a company incorporated and registered under the laws of the Kingdom of Sweden and having its registered office at Box 3286, SE-103 65, Stockholm, Sweden ("**Swedfund**");

and

The Ministry of Energy, an institution established and registered in accordance with the laws of the Republic of Moldova, with its registered office at 134 Ștefan cel Mare și Sfînt Blvd., Chișinău 2012, Republic of Moldova (the "**Grantee**").

Swedfund and the Grantee are collectively referred to as the "**Parties**" and individually as a "**Party**".

1. Background and Objective

Under the terms of this Grant Agreement, Swedfund agrees to provide a grant of a maximum of 9,000,000 Swedish Krona (SEK) ("**Swedfund Grant**") to fund the cost of consultancy services to perform studies related to a feasibility study of Waste to Energy facility in two locations (the "**Project**") in the Republic of Moldova (the "**Host Country**").

2. Swedfund Grant

Subject to the terms and conditions set out herein, Swedfund will fund the cost of the Project, which will include analytical studies and technical assistance up to a maximum amount of the Swedfund Grant.

The Swedfund Grant to be provided under this Grant Agreement shall be used solely to finance the Project.

3. Consultancy Contract

The consultants awarded the assignment relating to the Project (the "**Consultant(s)**") shall be selected in a competitive sourcing process and approved by both Swedfund and the Grantee.

A consultancy agreement shall be entered into between the Grantee and the Consultant and shall be approved by Swedfund (the "**Consultancy Agreement**"). The Consultancy Agreement must be signed by the Grantee and the Consultant before the Consultant commences any work in relation to the Project. A soft copy of the signed

version of the Consultancy Agreement shall be sent to Swedfund. No changes shall be made to such Consultancy Agreement without Swedfund's prior written approval.

Payment to the Consultant will be made directly by Swedfund on behalf of the Grantee with the Swedfund Grant pursuant to this Grant Agreement.

4. Terms of Reference

The high-level scope attached as Annex 1 form a starting point for developing the terms of reference that will be produced for the Project ("**Terms of Reference**"). The Terms of Reference will be drafted and agreed in due course between the [Grantee] and Swedfund.

The Consultant's performance of the assignment must fully comply with the Terms of Reference, and any modification of, or deviation from, the Terms of Reference must be approved in writing by Swedfund. The Terms of Reference shall be incorporated in the Consultancy Agreement.

Swedfund's obligations under this Grant Agreement are conditional upon the Parties having agreed upon the Terms of Reference, and not until such Terms of Reference have been agreed upon shall Swedfund have any obligation to pay any part of the Swedfund Grant.

5. Taxes

The Swedfund Grant provided under this Grant Agreement shall, unless otherwise agreed between the Parties, not be used to pay any taxes, tariffs, duties, fees or other levies ("**Tax**") imposed under laws in effect in the Host Country, except for taxes of a *de minimis* nature imposed on local lodging, food, transportation or airport arrivals or departures. Should any Tax be imposed in relation to the Project, the Grantee shall procure that such Tax is paid directly by the Grantee or the Consultant (as applicable) to the relevant authority.

For the avoidance of doubt, the Grantee may not seek reimbursement from Swedfund for any Tax. Should any Host Country Tax claim be made against Swedfund in relation to the Project, by or on behalf of any authority in the Host Country or otherwise because of the Project, the Grantee shall upon Swedfund's request immediately compensate Swedfund for the cost of such Tax and the administration thereof. This shall apply regardless of whether Swedfund is regarded as the final tax subject for such Tax.

6. Time plan

Should the Project not have been initiated, i.e. that the Consultant has not been awarded the assignment, by 31 October 2025 then this Grant Agreement shall cease to be valid and no provisions hereof shall continue to be in force, unless otherwise agreed by Swedfund in writing.

7. Project Operations and Payment

The Grantee shall provide Swedfund and the Consultant with the necessary support to carry out the Project, e.g. access to key staff, facilities and workspace (as applicable).

Swedfund shall have the right (but not the obligation) to have a representative in a reference group (or the equivalent thereof) of the Project if such a group is established.

The Grantee shall, and shall procure and ensure that the Consultant and its sub-consultants will, upon request by Swedfund, co-operate with and assist Swedfund free of charge to perform audits and follow-ups as well as independent evaluations of the Project.

The Grantee shall notify Swedfund of its approval or non-approval (as applicable) of any invoices to be partly or fully paid by Swedfund within seven (7) business days from receipt of such invoice, by e-mail to victoria.jonsson@swedfund.se with copy to PA@swedfund.se.

The notification to Swedfund shall include the following information:

(i) reference number on the invoice from the Consultant;
(ii) report of work carried out (e.g. Inception report);
(iii) amount on the invoice to be paid; and
(iv) a statement whether the invoice from the Consultant is approved, or not.

Any payment by Swedfund shall be made directly to the Consultant. Swedfund shall have at least thirty (30) days to approve and pay the invoice or reject and request additional supporting documents or information relating to the report of work carried out and/or the invoiced amount. The Grantee shall have seven (7) days in which to submit such additional information.

Swedfund shall have the right not to pay an invoice, even if the invoice has been approved by the Grantee, should Swedfund consider that the Consultancy Agreement does not cover the items on the invoice or if the Grantee or the Consultant otherwise has not fulfilled any of its respective obligations envisaged by Swedfund when entering into this Grant Agreement.

8. Confidentiality

All information exchanged between the Parties regarding the Project is considered to be strictly confidential and may not be disclosed to any third party without the prior written consent of the other Party, provided that this confidentiality undertaking shall not apply to information which:

(i) is in or comes into the public domain (otherwise than through a breach of this confidentiality undertaking by the receiving Party);

(ii) is already known to the receiving Party at the date of disclosure;

(iii) is developed by the receiving Party entirely independently of any confidential information supplied hereunder;

(iv) is disclosed to the receiving Party by a third party (otherwise than in a breach known to the receiving Party of any obligation owed by such third party to the other Party); and/or

(v) the receiving Party is required to disclose by law, by any court, or by any stock exchange or pursuant to any enquiry or investigation by any governmental, official or regulatory body which is lawfully entitled to require any such disclosure.

This duty of confidentiality shall continue to apply five (5) years after the termination of this Grant Agreement.

Notwithstanding the above, the Parties hereby agree and acknowledge that Swedfund at all times shall be entitled to disclose information which is requested by the Swedish Government and/or any subdivision thereof.

9. Use of Reports and publicity

Swedfund shall have the right to receive one soft copy (on a USB-memory stick or similar) of all of the Consultant's report(s) relating to the Project, as well as any other information and deliverables related to the Project as requested by Swedfund (collectively the "**Reports**").

The Grantee authorises Swedfund to publish the following information in any form and medium, including but not limited to LinkedIn and Twitter:

- the Grantee's name; and

the subject and purpose of the Swedfund Grant.Notwithstanding clause 8 above, the Grantee grants Swedfund the right to make free use of the Reports for which the Grantee has been provided funding under this Grant Agreement.

Upon a reasoned and duly substantiated request by the Grantee, Swedfund may agree to forgo such publicity if disclosure of the information indicated above would risk compromising national security aspects or commercial interests of the Grantee.

The Parties agree and acknowledge that the Consultancy Agreement shall incorporate appropriate provisions to ensure that Swedfund is entitled to use the Reports as set out in this clause 9.

10. Sustainable and Responsible Business Manners

The Grantee shall, and shall procure and ensure that the Consultant and any sub-consultants will, promptly notify Swedfund if any changes or other matters of importance occur which may affect the performance of the Project (regardless whether it would affect the Consultancy Agreement or not).

The Grantee undertakes to, and shall procure and ensure that the Consultant and any sub-consultants will:

(i) conduct its business in a sustainable and responsible manner with a long-term perspective and strive to adhere to international standards and internationally recognised human rights as well as internationally acknowledged standards for business integrity and corporate governance;

(ii) comply with legal and regulatory requirements in the jurisdictions where they operate;

(iii) comply with the Harmonized EDFI Exclusion List;

(iv) comply with applicable IFC Performance Standards; and

(v) comply with Swedfund's Business Integrity policy, including but not limited to prohibit all kind of corruption, such as bribery, extortion, facilitation payments, nepotism and cronyism, fraud, money laundering, financing of terrorism and political contributions and other unethical behaviour.

11. Term and Termination

This Grant Agreement does not constitute an international treaty, in accordance with the Vienna convention on the law of treaties, 1969.

This Grant Agreement shall become valid on the date when both Parties have duly signed this Grant Agreement. Notwithstanding the foregoing, Swedfund's undertaking to provide the Swedfund Grant to finance the Project is subject to Swedfund's final internal approval to the funding of the Project.

Swedfund may terminate its financing commitment under this Grant Agreement with immediate effect should any of the parties involved in the Project have fraudulently misled Swedfund, made misrepresentations or been engaged in corruption. The Grantee undertakes to procure and ensure that Swedfund may request immediate repayment from such party having contributed in the fraud, misrepresentation or corruption together with interest.

Swedfund may terminate its on-going financing commitment with two (2) weeks prior notice should the requisite for financing no longer be fulfilled (as determined by Swedfund). Reasons to terminate an on-going initiative could include, but is not limited to:

(i) insufficient commitment from the Grantee;

(ii) insufficient transparency towards Swedfund and/or its professional advisors;

(iii) change of conditions that are likely to affect the implementation or benefit of the Project; and/or

(iv) a breach of the Consultancy Agreement and/or the terms and conditions set out herein.

Unless terminated earlier in accordance with this Agreement, this Agreement shall automatically terminate when Swedfund has approved and paid the last invoice issued by the Consultant relating to the Project. For the avoidance of doubt, clauses 8, 9, 12 and 13 shall survive any termination of this Agreement.

12. Miscellaneous

All modifications of or amendments to this Grant Agreement must be in writing and duly signed on behalf of both Parties.

Neither Party may transfer any of its rights or obligations under this Grant Agreement to any third party without the prior written consent from the other Party.

13. Governing Law

These terms and conditions shall be governed by the substantive laws of Sweden. Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered by the Arbitration Institute of the Stockholm Chamber of Commerce (the "**SCC**").

The Rules for Expedited Arbitrations shall apply, unless the SCC in its discretion determines, taking into account the complexity of the case, the amount in dispute and other circumstances, that the Arbitration Rules shall apply. In the latter case, the SCC shall also decide whether the Arbitral Tribunal shall be composed of one or three arbitrators. The seat of arbitration shall be Stockholm. The language to be used in the arbitral proceedings shall be English.

IN WITNESS WHEREOF, by signing below, each of the signatories hereby certifies that it is a duly authorized representative of the applicable Party, and the Parties, each acting through its duly authorized representative, have caused this Grant Agreement to be signed in their names and delivered as of the date written below.

For	For
MINISTRY OF ENERGY OF THE REPUBLIC OF MOLDOVA	SWEDFUND INTERNATIONAL AB
_____	_____
Name:	Name:
Date: _____	Date: _____

Annex 1: High level scope

Swedfund's obligations under this Grant Agreement are conditional upon the Parties having agreed upon the Terms of Reference, and not until such Terms of Reference have been agreed upon shall Swedfund have any obligation to pay any part of the Swedfund Grant.

1. Main objective

The main purpose of the study is to assess the technical, economic and environmental feasibility of implementing waste-to-energy solutions in the Republic of Moldova, using the data and information already collected in the waste characterization study. It will provide a clear framework for identifying and developing Waste-to-Energy (WTE) projects that contribute to efficient waste management and renewable energy production.

The feasibility study to be developed (the project) will build on the results and recommendations from the USAID Waste Characterization Study. The resulting feasibility report should potentially serve as a basis for seeking finance for the full investment in a next step of the process. Below are themes with bullets stipulating content of the final feasibility study. This list is non-exhaustive and aspects may be retracted or added.

2. Analysis of the context and the current state of waste

Given that a USAID Waste Characterization Study already exists, this study will build on these results to:

- Review of waste characterisation data, including quantities and types of waste available for processing, as well as waste streams at national and regional level.
- Identify the main sources of waste (municipal, industrial, agricultural waste, etc.) and analyse the possibility of collecting, transporting and processing it for energy purposes.
- Assessment of the diversity of waste (organic, recyclable, hazardous) and its potential for energy recovery.

3. Evaluation of Waste Energy Recovery Technologies

The study will analyse the WTE technologies available and applicable in the context of Moldova, taking into account the typology of waste characterized in the previous study. Issues analysed will include:

- Identification of viable technologies (incineration, gasification, pyrolysis, anaerobic digestion, etc.), depending on the type of waste and its processing capacity.

- Assessment of the costs and efficiency of each technology in the economic context of Moldova, including initial investments, operational costs and long-term profitability.
- Establish an energy recovery model, including the type of energy produced (electricity, heat) and the potential for integration into the national energy grid.

4. Environmental and Social Impact Assessment

The feasibility study will include a detailed assessment of the environmental and social impacts of implementing a WTE system:

- Environmental impact: Reducing landfill waste, emissions of CO2 and other pollutants, resource savings and environmental protection.
- Benefits for communities: Job creation, education and awareness raising in relation to waste management and its by-products.
- Local community and social acceptance: Identify possible community concerns about the implementation of WTE projects and how to address them.

5. Economic Impact Analysis

The study will assess the economic viability of implementing WTE projects, including:

- Total implementation costs and sources of funding (including options for public-private partnerships, European funds, international loans, etc.).
- Estimation of operational costs and cost savings from reducing waste from landfills and increasing energy efficiency.
- Assessment of return on investment based on financial analysis and economic projections.
- Indirect economic benefits: Creating jobs, reducing waste management costs, increasing renewable energy sources.

6. Assessment of the Legal and Regulatory Framework

The study will analyse the existing legislative and regulatory framework and identify any necessary changes or improvements:

- Revise existing legislation on waste management and renewable energy generation to facilitate the deployment of WTE solutions.
- Alignment with EU directives and international environmental regulations.
- Recommendations to improve the legal framework to support the development of a waste energy sector in Moldova, including tax incentives and favourable regulations.

7. Necessary Infrastructure and Logistics

The study will analyse the infrastructure needs for the implementation of WTE projects:

- Waste collection and transport infrastructure: Identify needs to modernise existing waste collection systems and transport them to WTE processing centres.
- Energy infrastructure: Assessment of the capacity to integrate energy produced from waste into existing distribution networks, including the need for new connections or storage facilities.
- The role of local authorities and economic actors in infrastructure management and project implementation.

8. Recommendations for Implementation

The study will include a detailed implementation plan that will include:

- The necessary steps for the development and operation of an efficient WTE system in Moldova.
- Recommendations for public-private partnerships and attracting international investment.
- Short-, medium- and long-term implementation strategies, including key stages of development and monitoring.

9. the Study Deliverables

The study will provide the following deliverables:

- Detailed feasibility report including all technical, economic and environmental analyses.
- Implementation recommendations for each WTE technology assessed.
- Financial evaluation and implementation plan, with cost estimates and lead times.
- Social and environmental impact assessment with proposals to mitigate possible risks.

10. Timeline and Key Steps

The study will be conducted over a period of 6-12 months.