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CREDIT NUMBER 7538-MD

# **Financing Agreement**

**(Moldova Rural Connectivity Project)**

**between**

**REPUBLIC OF MOLDOVA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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## **FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF MOLDOVA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS the International Bank for Reconstruction and Development has entered into a loan agreement (“Loan Agreement”) dated as of the Signature Date for the purpose of providing a loan in the amount of ninety-two million four hundred thousand Euros (€ 92,400,000) to assist in financing of the Project, on terms and conditions set forth in the Loan Agreement.

The Recipient and the Association hereby agree as follows:

### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

### **ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of five million six hundred thousand Euro (€5,600,000), as such amount may be converted from time to time through a Currency Conversion (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance, or such rate as may apply following a Currency Conversion.

- 2.05. The Interest Charge is the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum, or such rate as may apply following a Currency Conversion; on the Withdrawn Credit Balance.
- 2.07. The Payment Dates are February 15 and August 15 in each year.
- 2.08. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.09. The Payment Currency is Euro.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall:
  - (a) cause SRA to carry out Parts 1, 2.1.b, 2.3.a, 3.1, 3.2, 3.3 and 3.4.a of the Project;
  - (b) cause MCS, carry out Parts 2.1.a, 2.2, 2.3.b and 3.4.b of the Project; and
  - (c) carry out Part 4 of the Project,

all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Event of Suspension consists of the following:
  - (a) that the SRA Legislation has been amended or suspended in a way to, in opinion of the Association, materially affect its ability to implement SRA's respective parts of the Project; and
  - (b) that SRA shall have failed to comply with any of its obligations under the Subsidiary Agreement, so as to affect materially and adversely, in the opinion of the Association, the ability of the Recipient to carry out its obligations under this Agreement.

- 4.02. The Additional Event of Acceleration consists of the following, namely, that any event specified in Section 4.01 of this Agreement occurs.

#### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) That the Loan Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled;
  - (b) That the SRA PIU referred to in Section I.A.(a) of Schedule 2 to this Agreement has been established and staffed in a manner acceptable to the Association.
  - (c) That the MCS PIU referred to in Section I.A.(b) of Schedule 2 to this Agreement has been established and staffed in a manner acceptable to the Association.
  - (d) That the Technical Working Group referred to in Section I.A.(d) of Schedule 2 to this Agreement has been established in a manner acceptable to the Association.
  - (e) That the SRA Subsidiary Agreement referred to in Section I.B. of Schedule 2 of this Agreement has been entered into in a manner acceptable to the Association.
  - (f) That the Project Operations Manual referred to in Section I.D of Schedule 2 of this Agreement has been prepared and adopted in a manner acceptable to the Association.
  - (g) That the Coordination Agreement referred to in Section I.C of Schedule 2 to this Agreement has been entered into in a manner acceptable to the Association.
  - (h) That the preliminary ESIA for Part 2 of the Project is finalized in a manner acceptable to the Association.
  - (i) That the grievance mechanism for the Project, referred to in Section I.F.5 of Schedule 2 to this Agreement, has been established in a manner acceptable to the Association, and according to the ESCP.

- 5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is its Minister of Finance.

- 6.02. For purposes of Section 11.01 of the General 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:

Facsimile:	E-mail:
373-22262600	cancelaria@mf.gov.md

- 6.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

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

- (b) the Association's Electronic Address is:

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

AGREED as of the Signature Date.

**REPUBLIC OF MOLDOVA**

**By**

*H.E. Mr. Andrei Spinu*

**Authorized Representative**

**Name:** H.E. Mr. Andrei Spinu

**Title:** Minister of Infrastructure and Regional Development

**Date:** 19-Jun-2024

**INTERNATIONAL DEVELOPMENT  
ASSOCIATION**

**By**

*Dobraja*

**Authorized Representative**

**Name:** Inguna Dobraja

**Title:** Country Manager

**Date:** 19-Jun-2024

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is: (i) to improve climate resilient road connectivity in selected rural communities; (ii) to enhance road transit through selected border crossings with Romania, and (iii) in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

#### **Part 1: Linking local communities with economic opportunities**

1. Improving connectivity and climate resilience through the rehabilitation and upgrading of Selected Priority Local Roads, including Road Safety Investments.
2. Promoting community inclusion and accessibility through: (a) Complementary Interventions and (b) the construction of Non-Motorized Transport Infrastructure adjacently to Selected Priority Local Roads.
3. Promoting road safety through: (a) the remediation of Black Spots in Priority Locations and (b) the implementation of road safety educational and informational campaigns.
4. Providing technical assistance for the supervision of the activities under this Part of the Project.

#### **Part 2: Facilitating trade and expanding Solidarity Lanes**

1. Upgrading Leuseni BCP through:
  - (a) Upgrading and modernizing the Leuseni BCP, including: the refurbishment of the existing freight entry facility and the passenger car exit facility; the construction of a new freight exit facility; the acquisition of Customs Equipment; the carrying out of feasibility studies; and supervision and monitoring activities.
  - (b) Upgrading the access road to the Leuseni BCP by widening it to a four-lane road, including the carrying out of feasibility studies, and supervision and monitoring activities.
2. Facilitating Solidarity Lane customs and upgrading Giurgiulesti BCP through:
  - (a) Carrying out a feasibility study for traffic management.

- (b) Expanding the capacity of the existing parking/waiting facility in Giurgiulesti town, including the improvement of basic services such as restrooms and water supply points for drivers.
  - (c) Acquiring and installing Scanning Equipment and Software at the Giurgiulesti BCP facility.
  - (d) Providing technical assistance for the carrying out of supervision activities.
3. Constructing the Ungheni BCP, including:
- (a) The construction of its access road to the National Road Network, including customs processing weighing facilities and truck terminal as well as the required feasibility studies and the supervision and monitoring activities.
  - (b) The acquisition of Customs Equipment.

**Part 3: Building sustainability, delivery capacity and project management support**

- 1. Providing technical assistance and support for the carrying out of Project audits, monitoring and evaluation of the Project as well as civil works supervision.
- 2. Providing technical assistance for:
  - (a) The development of an Output and Performance Based Roads Contracting (OPBRC) System, including: (i) an assessment of the enabling environment for adopting OPBRC in the road sector, (ii) the development of a strategy and implementation plan to guide the adoption of OPBRC, (iii) the development of appropriate legal instruments for the implementation of OPBRC, and (iv) Training and capacity building on OPBRC matters.
  - (b) The enhancement of the operationalization of the Road Asset Management System (RAMS), to: (a) enhancing the functionalities of the climate change and road safety Modules, (b) rolling out the RAMS to Selected Rayons, and (c) Training and capacity building of SRA and Selected Rayons on RAMS operationalization.
- 3. Designing and implementing a Female Internship Program, including the provision of onboarding training to the Selected Interns, capacity building to the Mentors assigned to the Selected Interns, and the provision of an Internship Allowance to the Selected Interns.



4. Supporting: (a) SRA in carrying out the management, coordination and evaluation of its respective Parts of the Project, including Training and Operating Costs, and (b) MCS in carrying out the management, coordination and evaluation of its respective Parts of the Project, including Training and Operating Costs.

**Part 4: Contingent Emergency Response**

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

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

To facilitate the implementation of the Project, the Recipient, shall:

- (a) Cause SRA, establish, and thereafter, operate and maintain, throughout Project implementation, a Project implementation unit (“SRA PIU”) within SRA, with functions and resources acceptable to the Association, and adequate staff, including a financial management specialist, a procurement specialist, an environmental specialist, a social specialist, a resettlement specialist and a health & safety specialist, with qualifications acceptable to the Association, as further described in the Project Operations Manual.
- (b) Cause MCS to establish, and thereafter, operate and maintain, throughout Project implementation, a Project implementation unit (“MCS PIU”) within MCS, with functions and resources acceptable to the Association, and adequate staff, including financial management specialist, a procurement specialist, an environmental specialist, and a social specialist, with qualifications acceptable to the Association, as further described in the Project Operations Manual.
- (c) Assign representatives to be part of the Moldo-Romanian Joint Commission which shall be responsible for providing oversight to the overall implementation of the Project in accordance with this Agreement, as further described in the Project Operations Manual.
- (d) Operate and maintain, throughout Project implementation, a Technical Working Group acceptable to the Association, responsible for addressing technical challenges during implementation, with composition, functions and resources set forth in the Project Operations Manual.

##### B. SRA Subsidiary Agreement

1. To facilitate the carrying out of the Parts 1, 2.1.b., 2.3.a, 3.1, 3.2., 3.3 and 3.4.a of the Project, the Recipient shall make part of the proceeds of the Credit available to SRA under a subsidiary agreement, in terms and conditions acceptable to the Association (“SRA Subsidiary Agreement”), which shall include, *inter alia*:
  - (a) the roles and responsibilities of SRA with regard to the implementation of Parts 1, 2.1.b., 2.3.a, 3.1, 3.2., 3.3 and 3.4.a of the Project;

- (b) the obligation of SRA to comply with the technical, procurement, fiduciary, environmental and social requirements applicable to the Project, the Project Operations Manual and the Anti-Corruption Guidelines, in accordance with the provisions of this Agreement, including the General Conditions;
- (c) the obligation of SRA to ensure that any goods, works and/or services to be financed out of the Credit under Parts 1, 2.1.b., 2.3.a, 3.1, 3.2., 3.3 and 3.4 are procured in accordance with the Procurement Regulations;
- (d) the obligation of SRA to maintain a financial management system and prepare financial statements for its respective parts of the Project in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to its respective parts of the project, as further set forth in the Project Operations Manual;
- (e) SRA's obligation to retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under its parts of the Project until one (1) year after the Recipient and the Association have received the audited financial statements covering the period during which the last withdrawal from the Credit Account was made, and two (2) years after the Closing Date;
- (f) SRA's obligation to enable the Recipient and the Association to inspect its Part of the Project, its operation and any relevant records and documents;
- (g) SRA's obligation to prepare and furnish to the Recipient and the Association, Project Reports and all such information as the Recipient or the Association shall reasonably request relating to the foregoing;
- (h) SRA's obligation to enter into the Coordination Agreement with MCS, MoF, and MIRD for purposes of coordinating the implementation of Part 2 of the Project.
- (i) the Recipient shall have the right to suspend or terminate the right of the SRA to use the proceeds of the Credit, or obtain a refund of all or any part of the amount of the Credit then withdrawn, upon SRA's failure to perform any of its obligations under the SRA Subsidiary Agreement; and
- (j) a provision stipulating that, in case of conflict between any of the provisions of the SRA Subsidiary Agreement and this Agreement, the provisions of this Agreement shall prevail.

2. The Recipient shall exercise its rights under the SRA Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit.
3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the SRA Subsidiary Agreement or any of its provisions.
4. Notwithstanding the foregoing, in the event of a conflict among the provisions of the SRA Subsidiary Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Coordination Agreement**

1. To facilitate carrying out of the Project, the Recipient shall, through MoF and MIRDC, enter into a coordination agreement with MCS and SRA (“Coordination Agreement”), in terms and conditions acceptable to the Association, and thereafter maintain said Coordination Agreement throughout Project implementation.
2. The Recipient shall ensure that the Coordination Agreement includes, *inter alia*:
  - (a) the responsibilities of each institution in the implementation of Part 2 of the Project,
  - (b) the coordination mechanisms among the entities to implement Part 2 of the Project, including comply with environmental and social requirements, among others; and
  - (c) the coordination mechanisms to produce and furnish to the Association the Project Reports.
3. the Recipient, shall exercise its rights under the Coordination Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit.
4. Except as the Association shall otherwise agree, the Recipient, shall not assign, amend, abrogate, waive, terminate or fail to enforce any Coordination Agreement or any of its provisions.
5. In case of any conflict between the terms of the Coordination Agreement and those of this Agreement, the terms of this Agreement shall prevail.

**D. Project Operations Manual**

1. Without limitation upon the provisions of Article V of the General Conditions, the Recipient shall and shall cause SRA and MCS to carry out the Project in

accordance with the Project Operations Manual, which shall include, *inter alia*: (a) a detailed description of the activities and institutional arrangements for the Project, including the technical, administrative and fiduciary functions of the relevant agencies; (b) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (c) the monitoring indicators for the Project; (d) the grievance mechanism; (e) the Anti-Corruption Guidelines, (f) the detailed functions and composition of the Moldo-Romanian Joint Commission, (g) the detailed functions and composition of the Technical Working Group, (h) the detailed composition and functions of the SRA PIU and the MCS PIU, and (i) the details on the operation of the Female Internship Program, as well as the eligibility criteria to identify the Eligible Interns.

2. Except as the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Project Operations Manual or any provision thereof.
3. In case of any conflict between the terms of the Project Operations Manual and this Agreement, the provisions of this Agreement shall prevail.

**E. Female Internship Program**

1. For purposes of Carrying out Part 3.3. of the Project, the Recipient shall cause SRA to:
  - (a) enter into a collaboration agreement (“Collaboration Agreement”) with the University, including, the University’s obligation to, *inter alia*, identify Eligible Interns to be part of the Female Internship Program, and
  - (b) provide an Internship Allowance to each Selected Intern to participate under the Female Internship Program, of up to nine hundred and twenty four Euros (€924) a month, unless otherwise agreed by SRA and the Association and reflected in the Project Operations Manual, for up to six (6) months; all according to the terms, conditions, eligibility criteria and procedures set forth in the Project Operations Manual.

**F. Environmental and Social Standards.**

1. The Recipient shall, and shall cause SRA and MCS to ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall and shall cause SRA and MCS ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to

the Association. To this end, the Recipient shall and shall cause SRA and MCS to ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) 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
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient and shall cause SRA and MCS to ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, 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 Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association 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.
5. The Recipient shall and shall cause SRA and MCS to 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 Association.

6. The Recipient shall and shall cause SRA and MCS to ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) 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.

**G. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
  - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.

2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
  - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

**Section II. Project Monitoring, Reporting and Evaluation**

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

**Section III. Withdrawal of the Proceeds of the Financing**

**A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:



<b>Category</b>	<b>Amount of the Credit Allocated (expressed in €)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, and consulting services for Part 1.1 of the Project	5,600,000	53%
(2) Emergency Expenditures	0	100%
<b>TOTAL AMOUNT</b>	<b>5,600,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date.
  - (b) for Emergency Expenditures under Category (2), unless and until all of the following conditions have been met in respect of said expenditures:
    - (i) the Association has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Credit amounts under Category (2);
    - (ii) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
    - (iii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. The Closing Date is June 30, 2029.

**IV. Other Undertakings**

1. The Recipient shall, in accordance with Section 5.03 of the General Conditions, ensure that the financial and other resources required as counterpart funding for the Project are available and ready to disburse for implementation.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each February 15 and August 15:	
commencing August 15, 2029, to and including February 15, 2049	<b>1.65%</b>
commencing August 15, 2049, to and including February 15, 2054	<b>3.40%</b>

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

## APPENDIX

### Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General 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.
2. “Basis Adjustment to the Interest Charge” means the Association’s standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
3. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed as a percentage per annum.
4. “BCP” means Boarder Crossing Point.
5. “Black Spot” means a road section with a maximum length of 1 km, on which at least 5 road crashes with at least five victims were registered in a period of five (5) years.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “CERC Manual” means the manual referred to in Section I.G of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operations Manual.
8. “Collaboration Agreement” means the agreement acceptable to the Association, referred to in Section I.E of Schedule 2 to this Agreement, to be entered into between SRA and the University for purposes of the implementation of the Female Internship Program under Part 3.3 of the Project.
9. “Complementary Infrastructure” means sidewalks, parking facilities, access roads, drainage structures, and any other complementary infrastructure agreed by the Association, that increases the functionality of the Project roads and maximizes their benefit to the road users.

10. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
11. “Coordination Agreement” means the agreement acceptable to the Association, referred to in Section I.C of Schedule 2 to this Agreement, to be entered into between The Recipient, through MoF and SRA for purposes of the implementation of Part 2 of the Project.
12. “Corridor 5” means the road connecting the R14 road with the R.13 road, through the Ivanovca, Izvoare, Vantina and Ocolina villages.
13. “Corridor 8” means the road connecting the Cornesti, Boghenii Noi and Napadeni villages with the M5 Road.
14. “Corridor 24” means the road connecting R34 with R35, through the Ciobalaccia, Tartaul, Baimaclia and Enichioi villages.
15. “Customs Equipment” means weighing equipment, scanners, and any other customs equipment acceptable to the Association.
16. “Electronic Queuing System” means a digital system to enable trucks drivers to reserve time slots for passing through border checkpoints, thereby eliminating the need for physical queues.
17. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
18. “Eligible Interns” means female university students, identified by the University, that meet the eligibility criteria to participate in the Female Internship Program as set forth in the Project Operations Manual.
19. “Emergency Action Plan” means the plan referred to in Section I.G, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
20. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.G of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
21. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 22, 2024,, 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 to be prepared thereunder.

22. “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 African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
23. “Female Internship Program” means the Program to be developed and implemented by SRA under Part 3.3 of the Project, further described under Section I.E of Schedule 2 to this Agreement.
24. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
25. “Giurgiulesti BCP” means the BCP located in the Giurgiulesti region of Recipient’s territory, on the border with Romania.
26. “Internship Allowance” means “Internship Allowance” means the monthly allowance to be paid for up to six (6) months to the Selected Interns that will participate in the Female Internship Program under Part 3.3 of the Project.
27. “Leuseni BCP” means the BCP located in the Leuseni region of the Recipient’s territory, near the border with Romania.
28. “Loan Agreement” means the loan agreement for the Project between the Recipient and the International Bank for Reconstruction and Development, dated the same date as this Agreement, as such loan agreement may be amended from time to time. “Loan Agreement” includes all appendices, schedules and agreements supplemental to the Loan Agreement.

29. “Moldo-Romanian Joint Commission” means the commission referred to in Section I.A.(c) of Schedule 2 to this Agreement, established in relation to Part 2 of the Project as per Government Decision No. 111-d dated November 9, 2022, composed by representatives of the Borrower and Romania, as further set forth in the Project Operations Manual.
30. “M5” means the road connecting the Chisinau region with the Falesti, Singeri, Strazeni districts in the Recipient’s territory.
31. “MCS” or “Moldova Customs Service” means the Borrower’s Customs Service authority, subordinated to the MoF, with administrative authority and independent legal personality, as per MCS Legislation, or any successor thereto acceptable to the Bank.
32. “MCS Legislation” means the Recipient’s Law No.302, dated December 21, 2017 and published on the Official Gazette on March 2, 2018, which established the creation of MCS.
33. “Mentor” means the staff designated to oversee and mentor any given Selected Intern throughout the internship, according to the process established in the Project Operations Manual, under the Female Internship Program.
34. “Module” means a feature under the RAMS.
35. “MoF” means the Recipient’s Ministry of Finance.
36. “National Road Network” means road links of the Recipient’s road network designated as “national roads” under the Recipient’s Roads Law No. 509, dated June 22, 1995 and published in the Official Gazette on September 11, 1995.
37. “Non-Motorized Transport Infrastructure” means, bicycles, scooters, animal drawn carts, small-wheeled transport, wheelchair travel and any other as agreed by the Association.
38. “Operating Costos” means the reasonable incremental costs incurred by MCS and SRA on account of management of Project implementation for office maintenance, office supplies, printing, utilities, communications, insurance, transportation, advertisement, translation, and such other expenditures as may be agreed by the Association.
39. “OPBRC” or “Output and Performance Based Road Contracting” means a contract modality that ensures the sustainability of road maintenance.
40. “OPBRC System” is the output and performance-based road contracting system to be developed by SRA under Part 3.2.(a) of the Project.

41. “Priority Locations” means Black Spots prioritized based on the criteria set forth in the Project Operations Manual to be supported under Part 1.3 of the Project.
42. “Preliminary ESIA” means an assessment to provide an initial description of environmental and social conditions and work safety around the project location, identify the potential environmental and social impacts, recommend mitigation measures and to identifying required environmental and social instruments required for the identified project investments such as full environmental social assessment, partial environmental assessment and ESMPs (including all relevant social instruments) in accordance with relevant Recipient’s regulations and the ESF.
43. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
44. “Project Operations Manual” means the Project Operations Manual for the Project, acceptable to the Association, referred to in Section I.D of Schedule 2 to this Agreement.
45. “R13” means the road connecting the Balti and Floresti cities in the Borrower’s territory.
46. “R14” means the road connecting the Chisinau region with the Floresti and Soroca regions in the Recipient’s territory.
47. “R34” means the road connecting the Chisinau region and the Hincesti, Leova, Tartul and Cahul districts in the Borrower’s territory.
48. “R35” means the road connecting the Cantemir town with the Baimaclia an Tartaul de Salcie villages in the Borrower’s territory.
49. “RAMS” or “Road Asset Management System” means the management system set up in SRA to manage the road network under SRA’s purview by collecting, storing and processing roads and bridge inventory, condition, traffic and related data, and using it for road planning and programming purposes.
50. “Road Safety Investments” means civil works related to improving safety of the road infrastructure for driving and walking, such as line markings, delineation, roadside barriers, lane/curve widening, pavement works and blackspot treatment or any other as agreed by the Association.

51. “Scanning Equipment” “Scanning Equipment” means equipment and or technology that is deployed to inspect all types of cargo and conveyances at BCPs, in a non-intrusive manner.
52. “Selected Interns” means the Eligible Interns selected by SRA to participate in the Female Internship Program.
53. “Selected Priority Local Roads” means Corridor 8, Corridor 24 and Corridor 5 and any other priority regional or local road in the Recipient’s National Road Network in addition or in replacement to the above, as agreed by the Association, selected in accordance with the criteria set forth in the Project Operations Manual.
54. “Selected Rayons” means the central public authorities to be selected for the roll out of the RAMS, according to the eligibility criteria and procedures set forth in the Project Operations Manual.
55. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
56. “Software” means software solutions acceptable to the Association, to be acquired and installed at the BCPs to support customs operations.
57. “Solidarity Lanes” means part of the Recipient’s National Roads Network designated as such and used to transport goods originating from and destined to Ukraine via the Republic of Moldova.
58. “SRA” means the Recipient’s State Roads Administration, a state-owned enterprise, established pursuant to SRA Legislation, or any successor thereto acceptable to the Association.
59. “SRA Legislation” means the Recipient’s Law No.118, dated May 25, 2023 and published on the Official Gazette on June 21, 2023, which established the creation of SRA.
60. “Technical Working Group” means a working group composed by MIRD, MoF, SRA and MCS operational staff established to facilitate the coordination of the implementation of Part 2 and reporting and auditing activities under the Project, with composition and functions acceptable to the Association, as further described in the Project Operations Manual.
61. “Training” means reasonable expenditures acceptable to the Association, incurred by the Recipient, related to training activities, study tours, seminars/workshops for Project implementation, including travel costs (transport, per diem, accommodation and other travel related costs) for the trainees, trainers and



participants to the training, trainers fee, the rent of the rooms and the training equipment, materials used for the training, and consumables required for training purposes.

62. “Ungheni BCP” means the BCP located in the Ungheni region of Recipient’s territory, near the border with Romania.
63. “University” means the Technical University of Moldova.