

Public Disclosure Authorized

CONFIRMED COPY

CREDIT NUMBER 5001-MD

Financing Agreement

(Strengthening the Effectiveness of the Social Safety Net Project)

between

REPUBLIC OF MOLDOVA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 1, 2011

CREDIT NUMBER 5001-MD

FINANCING AGREEMENT

AGREEMENT dated July 1, 2011, entered into between REPUBLIC OF MOLDOVA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty two million nine hundred thousand Special Drawing Rights (SDR 22,900,000) (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 IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are April 15 and October 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is USD.

ARTICLE III - PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Labor, Social Protection and Family (MLSPF), in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV - REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely that the Recipient's Legislation on Social Assistance Programs has been amended, suspended, abrogated, repealed or waived, so as to affect materially and adversely the ability of the Recipient to carry out the Project or to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Association to the Recipient.

ARTICLE V - EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Recipient, through MLSPF, has adopted the POM satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date one hundred and twenty days (120) days after the date of this Agreement.

ARTICLE VI - REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Recipient's Minister of Finance.

6.02. The Recipient's Address is:

Ministry of Finance
Cosmonautilor Street, 7
277005 Chisinau
Republic of Moldova

Facsimile:

(37322) 221307

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Chisinau, Republic of Moldova, as of the day and year first above written.

REPUBLIC OF MOLDOVA

By /s/ Veaceslav Negruta

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Abdoulaye Seck

SCHEDULE 1**Project Description**

The objective of the Project is to improve the efficiency and equity of the Recipient's social safety net through a fiscally sustainable expansion and strengthening of the *Ajutor Social* Program.

The Project consists of the following parts:

Part A. Sustainable Expansion of *Ajutor Social* Program and targeted Heating Allowance Program

Provision of financing of Payments for the Eligible Expenditure Programs (EEPs) in support of the sustainable expansion of targeted social benefits of the Recipient's social safety net, in accordance with the provisions set forth in Section IV of Schedule 2 to this Agreement, specifically in the following three key areas:

- (i) improved equity by increasing the *Ajutor Social* Program coverage while keeping it well targeted;
- (ii) increased allocative efficiency to achieve fiscal consolidation and sustainability for Moldova's social safety net; and
- (iii) enhanced administrative efficiency, governance, and transparency of the social assistance system.

Part B. Institutional Strengthening for Benefits Administration

Provision of works, goods, non-consulting services, consultants' services and training to support strengthening of the institutional capacities of MLSPF to implement, measure and monitor the Social Assistance Programs performance, including through:

- (a) Strengthening institutions and improving information management through, *inter alia*: (i) consolidation of categorical benefits, simplification and improvement of eligibility criteria for social assistance benefits, and continuous development of the social assistance programs' operating system of the MLSPF; (ii) reorganization of the MLSPF based on the results of the Functional Review; (iii) training for local level social workers; and (iv) operate improvements and extensions of the Management Information System (MIS) functionalities, including necessary and adequate equipment.

- (b) Developing and implementing mechanisms to strengthen oversight and controls, through, *inter alia*: (i) assess the existing review and audit system of the social assistance programs; (ii) develop and pilot an improved mechanism for oversight and control; (iii) training of the staff in the Social Inspectorate; and (iv) provision for the Social Inspectorate of the necessary equipment.
- (c) Developing service delivery standards and a new business model for administering the Social Assistance Programs by local SADs, through provision of technical assistance to build elements of performance management and accountability of the SADs.
- (d) Developing and implementing communication, promotion, and outreach strategy through the development and implementation of a solid communications and outreach strategy for social assistance reform, including promotion of Social Assistance Programs and other reform measures, such as phase-out of certain categorical benefits.
- (e) Assessment of public services and development of options to support the beneficiaries graduation agenda, through development of activation measures, including: (i) studies to do profiling of the targeted groups of beneficiaries; (ii) review existing institutional capacities and support services to which beneficiaries of Social Assistance Programs could be linked; (iii) review and refine existing public works scheme; and (iv) design a set of possible policy responses for each of the target groups.
- (f) Provision of Project implementation support.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient, through MLSPF and other relevant governmental institutions in its subordination and/or coordination, shall carry out the agreed priority activities in order to achieve the agreed results of the Project. An inter-agency Project Working Group (PWG) shall be established and composed of representatives of MLSPF, NSIH, National Employment Agency, Ministry of Finance and other government agencies who are directly involved or contribute to development and implementation of social assistance policies. The role of PWG would be to provide a strategic link between the Project content and the evolving policy framework. The PWG shall be chaired by the Minister of Labor, Social Protection and Family and shall guide implementation of the reform and coordinate inputs from various agencies and donors active in this domain.

2. The Recipient shall ensure that MLSPF carries out the Project in accordance with the provisions of the POM and shall not amend, waive or abrogate any provisions of the POM without the Association's prior approval.

3. The Recipient, through MLSPF, shall ensure that the appropriate departments in the MLSPF, with the assistance of designated and qualified staff and consultants, oversee the overall implementation and day-to-day management of the Project. In particular, MLSPF shall be responsible, through its Department for Economy, Finance and Accounting, with the Project's fiduciary tasks, including financial management and procurement.

4. The Recipient shall ensure adequate involvement of local authorities, through the SADs in raions (second tier) and social assistants in towns and villages (third tier), in the Project implementation. The Recipient shall provide, in this respect: (i) improvement of the SADs network capacity; (ii) sufficient social assistants and other auxiliary staff to effectively deliver recently established benefits to vulnerable populations.

5. The Recipient, through NSIH, shall manage the payment of the benefits under the Social Assistance Programs. NSIH has selected *Banca de Economii* as its initial payment agent institution and shall, during the Project's implementation, select annually a payment agent institution to carry out the payments of the Social Assistance Programs benefits to the approved list of beneficiaries. The Recipient shall afford the Association the opportunity to assess, at any time during the Project implementation and based on the Association's prior notification, the institutional capacity, systems and control

framework, security (checks and reconciliation) of the selected payment institution agency.

6. During the Project implementation and based on the selected payment agent institution's regular monthly reports, the NSIH shall provide monthly reports on Social Assistance Programs benefits payments execution as described in the POM, in a manner acceptable to the Association, to MoF and MLSPF. MLSPF shall consolidate the above mentioned reports and furnish them to the Association as part of the interim unaudited financial reports described in Section II.B.2 of this Agreement.

7. The Recipient shall cause the Court of Accounts to carry out annual financial audit of the Social Assistance Programs included in the EEPs, in a manner satisfactory to the Association, and shall provide such audit financial reports to the Association, in accordance with Section II.B.3 of this Agreement.

8. During the Project implementation, the Recipient shall cause the Court of Accounts to carry out, in a manner satisfactory to the Association, three (3) performance audits covering *inter alia*: (i) an evaluation that eligibility criteria are correctly applied and determination of whether Social Assistance Programs benefits funding reaches the intended beneficiary population; (ii) assessment of the program administration, oversight and control, including the assessment of mechanisms for monitoring and evaluation, control, institutional responsibilities and capacity, including staffing, of internal controls in the social assistance system, including efficiency of error and fraud control function, adequacy of measuring and reporting on monitoring indicators and DLIs; and (iii) IT audit of the automated social assistance information system by determining whether the system is safeguarding assets, maintaining data integrity, and operating effectively to achieve the organizational goals and objectives.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient, through the MLSPF, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar year, and shall be furnished to the Association not later than three (3) months after the end of the period covered by such report.

- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
- (i) Improved Equity by increasing Coverage and maintaining Targeting Accuracy: expanding the *Ajutor Social* Program to cover at least 20 percent of population in the poorest quintile (up from a baseline of 14.3 percent in 2010), while ensuring that the targeting accuracy remains above 65 percent of the *Ajutor Social* benefits going to those in the poorest quintile;
 - (ii) Increased Allocative Efficiency: spending on categorical benefits reduced by 30% of the pre-reform 2010 level; and
 - (iii) Enhanced Administrative Efficiency, Governance and Transparency: turn-around time for processing *Ajutor Social* applications, including verification and eligibility decisions, reduced to 15 days; and losses from irregularities in the *Ajutor Social* benefits are reduced by 30%.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient, through the MLSPF, shall prepare and furnish to the Association interim unaudited financial reports for the Project covering the quarter, not later than forty-five (45) days after the quarter end, in form and substance satisfactory to the Association.
3. The Recipient, through the MLSPF, shall have its Financial Statements related to the EEPs audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be: (i) furnished to the Association not later than six (6) months after the end of such period; and (ii) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. Procurement

A. General

1. **Works, Goods and Non-consulting Services.** All works, goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Works, Goods and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, works, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Works, Goods and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting

Procurement under National Competitive Bidding is subject to the following additional procedures:

- (a) **Eligibility:** The eligibility of bidders shall be as defined under Section I of the Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Guidelines. Foreign bidders shall be eligible to participate in bidding under the same conditions as national bidders. In particular, no domestic preference over foreign

bidders shall be granted to national bidders in bid evaluation. The bidding shall not be limited to domestic goods or services. Government-owned enterprises are eligible to bid only if they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are independent from Borrower and its purchasing/contracting authority.

- (b) Registration: Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity of registering, without any hindrance. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.
- (c) Standard Bidding Documents: Bidding Documents, acceptable to the Association, shall be used.
- (d) Qualification Criteria: Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a pass or fail basis and merits points shall not be used. Such assessment shall only take into account the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction and manufacturing facilities, and financial capacity.
- (e) Bid Submission: A minimum of 30 days shall be given for preparation and submission of bids after the publication of invitation to bid or the availability of bidding documents whichever is later.
- (f) Bid Opening: Bids shall be opened in public, immediately after the deadline for submission of bids. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened. A copy of the minutes of the public bid opening shall be promptly provided to all bidders who submitted bids, and to the Association with respect to contracts subject to prior review.
- (g) Bid Evaluation: Evaluation of bids shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation. Contract shall be awarded to the technically responsive bid that offers the lowest evaluated price and no negotiations shall be permitted. A bidder shall not be required, as a condition for award, to undertake obligations not specified

in the bidding documents or otherwise to modify the bid as originally submitted. A bidder shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations. No bidder shall be rejected on the basis of a comparison with the employer’s estimate or budget allocation ceiling without the Association’s prior concurrence.

- (h) Rejection of All Bids and Re-bidding: All bids shall not be rejected or new bids solicited without the Association’s prior written concurrence.
- (i) Complaints by Bidders and Handling of Complaints: The Borrower shall implement an effective and independent protest mechanism allowing bidders to protest and to have their protests handled in a timely manner.
- (j) Fraud and Corruption: The Association shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Association, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the Association.
- (k) Right to Inspect/Audit: Each bidding document and contract financed from the proceeds of the Association funds shall include a provision requiring bidders, suppliers, contractors and subcontractors to permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Association. The deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

C. Particular Methods of Procurement of Consultants’ Services

- 1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
- 2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Selection Based on the Consultants’ Qualifications
(b) Selection under a Fixed Budget
(c) Individual Consultants

(d) Single/Sole – Source Selection

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed
(1) Payments under the EEPs under Part A of the Project	19,200,000	Amount up to withdrawal ceiling set forth in the table in paragraph B.2 (a) of this Section
(2) Works, Goods, non-consulting services, consultants' services, training and operating costs under Part B of the Project	3,700,000	100%
TOTAL AMOUNT	22,900,000	

3. For the purposes of this Schedule:
 - (i) the term “non-consulting services” means expenditures incurred by the Recipient for Internet Service Providers or other expenditures that may be agreed upon between the Recipient and the Association.
 - (ii) the term “operating costs” means expenditures incurred by the Recipient on account of Project implementation for travel, rent of premises, office supplies, communication costs, bank charges, printing and publications (electronic and/or paper), translation, consumables, and salaries, including the relevant social charges, but excluding salaries for civil servants, and other expenditures to be agreed upon between the Recipient and the Association.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments under Category (1) with respect to each tranche, as set forth in the table in paragraph B.2 (a) of this Section, for which withdrawal request has been submitted, unless the Recipient, through MLSPF, has submitted evidence satisfactory to the Association that Payments under the EEPs have been made to eligible beneficiaries by the Recipient in accordance and in compliance with the procedures set forth in the Recipient’s applicable laws and regulations; and
 - (b) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed four million five hundred thousand SDR (SDR 4,500,000) equivalent may be made for payments made prior to this date but on or after July 8, 2010, for Eligible Expenditures under Category (1).
2. Notwithstanding the provisions of Part A of this Section and without limitation to the provision set forth in paragraph 1 above, withdrawals under Category (1) above may be made by the Recipient as follows:
 - (a) Withdrawals shall be made in one (1) to seventeen (17) tranches and in amounts not exceeding the total of the ceilings per each respective DLI provided in the table below, subject to submission to the Association of evidences satisfactory to the Association and as defined in the POM that the following DLIs have been achieved:

Disbursement-linked indicator (DLI)	Withdrawal ceiling (expressed in SDR)
1. Number of <i>Ajutor Social</i> Program beneficiary households reaches 35,000 and is maintained for, at least, 3 consecutive months	3,700,000
2. Number of <i>Ajutor Social</i> Program beneficiary households reaches 40,000 and is maintained for, at least, 3 consecutive months	1,900,000
3. Number of <i>Ajutor Social</i> Program beneficiary households reaches 50,000 and is maintained for, at least, 3 consecutive months	1,300,000
4. Number of <i>Ajutor Social</i> Program beneficiary households reaches 55,000 and is maintained for, at least, 3 consecutive months	600,000
5. Number of <i>Ajutor Social</i> Program beneficiary households reaches 60,000 and is maintained for, at least, 3 consecutive months	600,000
6. Heating Allowance Program, as the top up to the <i>Ajutor Social</i> Program, is in place	1,900,000
7. Reduction of spending on Nominative Compensation benefits by 50% relative to pre-reform level	1,900,000
8. Reduction of spending on Nominative Compensation benefits by 60% relative to pre-reform level	1,900,000
9. The number of disability benefits decreased in order to reduce their fragmentation	600,000
10. Consolidated child benefits, through unified eligibility criteria and rules, in place	600,000
11. Service delivery standards and business model for SADs for administration, at the local level, of <i>Ajutor Social</i> Program is developed	600,000

12. 40% of SADs compliant with service delivery standards	600,000
13. 60% of SADs compliant with service delivery standards	600,000
14. Social Inspectorate is established and functional	600,000
15. Benefits irregularities detection rate reaches 10 % of the cases inspected by the Social Inspectorate	600,000
16. Benefits irregularities detection rate reaches 15 % of the cases inspected by the Social Inspectorate	600,000
17. MLSPF structure is re-organized based on recommendations of the Functional Review	600,000

(b) If, at any time, the Association determines that any portion of the amounts disbursed by the Recipient under Category (1) was made: (a) for expenditures which are not eligible under the EEPs; or (b) not in compliance with the provisions of Section IV.B.2 (a), the Recipient shall promptly refund any such amount to the Association as the Association shall specify by notice to the Recipient.

3. The Closing Date is June 30, 2016.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 15 and October 15, commencing October 15, 2021 to and including April 15, 2031	5%

* 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 3.03 (b) of the General Conditions.

APPENDIX**Section I. Definitions**

1. “*Ajutor Social Program*” means the Recipient’s program of social assistance cash benefits to poor households introduced by the Law No. 133-XVI, dated June 13, 2008.
2. “Anti-Corruption Guidelines” means 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.
3. “*Banca de Economii*” means the Recipient’s selected payment agent for *Ajutor Social* benefits and targeted Heating Allowances responsible for paying benefits (cash) to approved list of beneficiaries.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the Bank in January 2011.
6. “DLIs” means the Disbursement-linked Indicators as set forth in Section IV.B.2 (a) of Schedule 2 to this Agreement and POM (hereinafter defined), as such indicators refer to specific output and outcome indicators measuring improved performance of the Recipient’s social safety net system.
7. “EEPs” means Eligible Expenditure Programs, namely a portion of the Recipient’s budgetary allocation for financing benefits under *Ajutor Social* Program and targeted Heating Allowance Program.
8. “Functional Review” means the institutional assessment of the MLSPF conducted within the HSSAP Project (hereinafter defined).
9. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
10. “Health Services and Social Assistance Project” or “HSSAP” means the Health Services and Social Assistance Project financed through the Association’s Credit Agreement No. 4320-MD dated July 3, 2007.

11. “Heating Allowances Program” means the Recipient’s program of social assistance cash benefits paid over 5 months of heating season to eligible households, and introduced by Law No. 180 dated July 18, 2010 amending the Law No. 133-XVI, dated June 13, 2008.
12. “IT” means Information Technology.
13. “Legislation on Social Assistance Programs” means the Recipient’s relevant legislation regulating the social assistance benefits programs on: (i) *Ajutor Social*; and (ii) Heating Allowance, as hereinafter defined.
14. “MIS” means Management Information System developed under the HSSAP (hereinafter defined).
15. “MLSPF” means the Recipient’s Ministry of Labor, Social Protection and Family, or any successor thereto.
16. “Nominative Compensation” means the social assistance benefits program as established through the Law No. 933-XIV dated April 14, 2000 and Governmental Decision No. 761 dated July 31, 2000, respectively.
17. “Payments under the EEPs” means monthly transfer payments, conducted by the Recipient to eligible beneficiaries under *Ajutor Social* Program and targeted Heating Allowance Program referred to in paragraph 6 hereinabove, made in accordance with the eligibility criteria, terms and provisions set forth in the respective Recipient’s laws and regulations applicable to the respective Program.
18. “POM” means the Project Operational Manual referred to in Section I.A.2 of Schedule 2 of this Agreement approved by MLSPF and endorsed by MOF.
19. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the Bank in January 2011.
20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 4, 2011 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
21. “SADs” means the Recipient’s Social Assistance Departments established and functioning pursuant to Government Regulations No. 688 and 689 dated June 10, 2003 in charge with administering the Social Assistance Programs (hereinafter defined) at the local level.

22. “Social Assistance Programs” means the Recipient’s social assistance programs eligible for financing under the project, namely the *Ajutor Social* Program and the targeted Heating Allowance Program.
23. “USD” means US dollars.