

EXECUTION VERSION

(Operation Number 50601)

**LOAN AGREEMENT**

**(Moldova Buildings Energy Efficiency Programme)**

between

**REPUBLIC OF MOLDOVA**

and

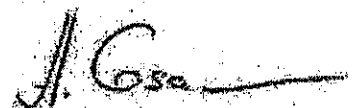
**EUROPEAN BANK  
FOR RECONSTRUCTION AND DEVELOPMENT**

Dated 10 December 2021

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## TABLE OF CONTENTS

ARTICLE I - STANDARD TERMS AND CONDITIONS; DEFINITIONS .....	4
Section 1.01. Incorporation of Standard Terms and Conditions .....	4
Section 1.02. Definitions .....	5
Section 1.03. Interpretation .....	8
ARTICLE II - PRINCIPAL TERMS OF THE LOAN .....	8
Section 2.01. Amount and Currency .....	8
Section 2.02. Other Financial Terms of the Loan .....	9
Section 2.03. Drawdowns and Special Account .....	10
ARTICLE III - EXECUTION OF THE PROJECT .....	10
Section 3.01. Other Affirmative Project Covenants .....	10
Section 3.02. Project Implementation Unit .....	11
Section 3.03. Procurement .....	11
Section 3.04. Environmental and Social Compliance Covenants .....	12
Section 3.05. Consultants .....	13
Section 3.06. Reporting Frequency and Submission Requirements .....	13
ARTICLE IV - FINANCIAL COVENANTS .....	16
Section 4.01. Financial Records and Reports .....	16
ARTICLE V - SUSPENSION; ACCELERATION; CANCELLATION .....	16
Section 5.01. Suspension .....	16
Section 5.02. Acceleration of Maturity .....	17
Section 5.03. Cancellation .....	17
ARTICLE VI - EFFECTIVENESS .....	17
Section 6.01. Conditions Precedent to Effectiveness .....	17
Section 6.02. Legal Opinion .....	17
Section 6.03. Termination for Failure to Become Effective .....	17
Section 6.04. Conditions Precedent to Drawdowns of Tranche 1 .....	18
Section 6.05. Conditions Precedent to Drawdowns of Tranche 2 .....	18
ARTICLE VII - MISCELLANEOUS .....	19
Section 7.01. Notices .....	19
SCHEDULE 1 - DESCRIPTION OF THE PROJECT .....	1
SCHEDULE 2 - CATEGORIES AND DRAWDOWNS .....	1
SCHEDULE 3 - SPECIAL ACCOUNT .....	1
SCHEDULE 4 - ENVIRONMENTAL AND SOCIAL ACTION PLAN .....	1
SCHEDULE 5 - FORM OF CONTRACT AWARD SUMMARY SHEET .....	1



## LOAN AGREEMENT

AGREEMENT dated 10 December 2021 between REPUBLIC OF MOLDOVA (the "Borrower") and EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (the "Bank").

### PREAMBLE

WHEREAS, the Bank has been established to provide financing for specific projects to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiative in certain countries committed to and applying the principles of multiparty democracy, pluralism and market economics;

WHEREAS, the Borrower intends to implement the Project as described in Schedule 1 which is designed to assist the Borrower in implementing energy efficiency measures in state and Municipal (as defined below) owned buildings, in order to achieve reduction of energy consumption and energy cost savings;

WHEREAS, the Borrower has requested assistance from the Bank in financing part of the Project;

WHEREAS, the Borrower intends to contract a loan from the European Investment Bank ("EIB") in the amount of up to EUR 30,000,000 to assist in financing the Project, subject the terms and conditions to be set forth in an agreement (the "EIB Co-financing Agreement") between the Borrower and EIB;

WHEREAS, EU Neighbourhood Investment Platform ("EU NIP") is in the process of arranging funds on a grant basis ("EU NIP Grant"), including an investment grant component in the amount of up to EUR 12,400,000 to assist the Borrower in implementing the Project, and which is expected to be made available through the EIB which is contracting the EU NIP Grant. The EU NIP Grant is expected to be made available to the Borrower subject to the terms and conditions to be set forth in an agreement (the "EIB Grant Agreement") between the EIB and the Borrower;

WHEREAS, the Bank has agreed on the basis of, *inter alia*, the foregoing to make a loan to the Borrower in the amount of up to EUR 30,000,000, subject to the terms and conditions set forth or referred to in this Agreement, to be further provided by the Borrower to relevant beneficiaries in the manner to be decided by Borrower.

NOW, THEREFORE, the parties hereby agree as follows:

## ARTICLE I - STANDARD TERMS AND CONDITIONS; DEFINITIONS

### Section 1.01. Incorporation of Standard Terms and Conditions

All of the provisions of the Bank's Standard Terms and Conditions dated 5 November 2021 are hereby incorporated into and made applicable to this Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications (such provisions as so modified are hereinafter called the "Standard Terms and Conditions"):

(a) The definition of the "Available Amount" contained in Section 2.02 (*Definitions*) of the Standard Terms and Conditions shall, for purposes of this Agreement, be modified to read as follows:

"Available Amount" means (i) until but not including the Tranche 2 Availability Date, so much of Tranche 1 of the Loan as shall not, from time to time, have been cancelled or drawn down or made subject to a conditional or unconditional Reimbursement Commitment; and (ii) from and including the Tranche 2 Availability Date, so much of the Loan as shall not, from time to time, have been cancelled or drawn down or made subject to a conditional or unconditional Reimbursement Commitment (and all capitalised terms used in this definition and which are not otherwise defined herein shall have the meanings ascribed to those terms in the Loan Agreement)."

(b) Section 3.05 (*Commitment Charge and Front-End Commission*) of the Standard Terms and Conditions shall, for purposes of this Agreement, be modified to read as follows:

"(a) The Borrower shall pay to the Bank a commitment charge at the rate specified in the Loan Agreement, payable on the total of the Available Amount plus any amount of the Loan that is subject to a Reimbursement Commitment and is not yet drawn down, provided that the Commitment Charge payable on the amount of the Loan subject to an unconditional Reimbursement Commitment shall be 0.5% per annum greater than the rate of the Commitment Charge specified in the Loan Agreement. The Commitment Charge shall accrue:

(1) with respect to Tranche 1, from the date sixty (60) days after the date of the Loan Agreement; and

(2) with respect to Tranche 2, from the date sixty (60) days after the Tranche 2 Availability Date,

or, in the case of Commitment Charge payable on the amount of the Loan subject to an unconditional Reimbursement Commitment, from the date of issuance of such unconditional Reimbursement Commitment, and shall accrue and be calculated on the same basis as interest under Section 3.04(b)(ii). The Commitment Charge shall be payable on each Interest Payment Date (even though no interest may be payable

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on such date) commencing on the first Interest Payment Date following the Effective Date.

(b) The Borrower shall pay to the Bank a front-end commission equal to one per cent (1%) (or such other amount specified in the Loan Agreement) of the principal amount of the Loan as follows:

- (1) with respect to Tranche 1, EUR 200,000 (*two hundred thousand Euros*); and
- (2) with respect to Tranche 2, EUR 100,000 (*one hundred thousand Euros*).

(c) The Borrower has opted under the Loan Agreement to pay the Front-end Commission with respect to Tranche 1 out of its own resources, therefore the Front-end Commission with respect to Tranche 1 shall be due and payable within seven (7) days after the Effective Date.

(d) The Borrower has opted under the Loan Agreement to pay the Front-end Commission with respect to Tranche 2 out of its own resources, therefore the Front-end Commission with respect to Tranche 2 shall be due and payable within seven (7) days after the Effective Date.

(e) All capitalized terms used in this Section 3.05 and not otherwise defined in these Standard Terms and Conditions shall have the meaning ascribed to those terms in the Loan Agreement."

## Section 1.02. Definitions

Wherever used in this Agreement (including the Preamble and Schedules), unless stated otherwise or the context otherwise requires, the terms defined in the Preamble have the respective meanings given to them therein, the terms defined in the Standard Terms and Conditions have the respective meanings given to them therein and the following terms have the following meanings:

"Asbestos Management Plan"

means an asbestos management plan for the Project buildings financed with proceeds of the relevant Tranche to be developed by the Project Implementation Entity and the PIU based on on-site asbestos survey, and in line with the Environmental and Social Action Plan, in form and substance acceptable to EBRD.

"Authorisation"

means any consent, registration, filing, agreement, notarisation, certificate, license, approval, permit, authority or exemption from, by or with any Governmental Authority, whether given or withheld by express action or deemed given or withheld by failure to act within any specified time period and all corporate, creditors' and shareholders' approvals or consents.

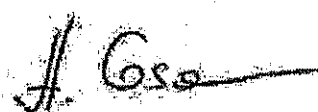
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Representative"	means the Minister of Finance of the Borrower.
"Contract Award Summary Sheet"	means a factsheet in a form as set out in Schedule 5 to this Agreement.
"Designated Performance Requirements"	means Performance Requirements 1 through 8 and 10 (or, as the context may require, any one of such Performance Requirements) of the Performance Requirements dated April 2019 and related to the Bank's Environmental and Social Policy dated April 2019.
"EIB"	has the meaning assigned to it in the Preamble to this Agreement.
"EIB Co-financing Agreement"	has the meaning assigned to it in the Preamble to this Agreement.
"EIB Grant Agreement"	has the meaning assigned to it in the Preamble to this Agreement.
"EIB Guide to Procurement"	means European Investment Bank's Guide to Procurement dated September 2018 as amended from time to time.
"Enforcement Policy and Procedures"	means the Bank's Enforcement Policy and Procedures dated 4 October 2017.
"Environmental and Social Action Plan"	means the plan of environmental and social mitigation and improvement measures a copy of which is attached hereto as Schedule 4, as such plan may be amended from time to time with the prior written consent of the Bank in accordance with Section 3.04(e) or in line with the requirements of Section 6.05(c).
"Environmental and Social Law"	means any applicable law in any relevant jurisdiction, concerning the protection of the environment, workers, communities or project affected people.
"Environmental and Social Matter"	means any matter that is the subject of any Environmental and Social Law, any Designated Performance Requirement or the Environmental and Social Action Plan.

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"EU NIP"	has the meaning assigned to it in the Preamble to this Agreement.
"Fiscal Year"	means the Borrower's fiscal year commencing on 1 January of each year.
"Governmental Authority"	means the government of the Borrower, or of any political subdivision thereof, whether state, regional or local, and any agency, authority, branch, department, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government or any subdivision thereof (including any supra-national bodies), and all officials, agents and representatives of each of the foregoing.
"Municipal"	shall mean local public administration authorities, as defined and governed by the legislation of the Republic of Moldova, responsible public administration within the respective administrative-territorial units based on the principles of local autonomy, decentralisation of public services and is not limited to such units that have been designated official Municipality status.
"PIU"	means the project implementation unit referred to in Section 3.02.
"Project"	has a meaning assigned to it in Schedule 1.
"Project Implementation Agreement"	means an agreement between the Bank and the EIB with respect to implementation of the Project.
"Project Implementation Entity"	means the Ministry of Infrastructure and Regional Development of the Borrower.
"Project Implementation Support Consultant"	means an independent consultant, to be procured, employed and contracted by the EIB, for the purpose of Project preparation, implementation and monitoring.
"Project Related Guidelines"	means guidelines related to the Project specifying procurement, energy performance and implementation requirements in respect of the Project, as well as Project's verification, results monitoring and validation, including by energy audits.
"Project Steering	



Committee"	means an implementation oversight and consultative body established in connection with the Project consisting of the representatives of the Borrower (e.g. the Project Implementation Entity and the Ministry of Finance), the European Commission (represented by the EU Delegation to the Borrower), the EIB and the Bank.
"Special Account"	means the special deposit account referred to in Section 2.03 and Schedule 3.
"Tranche"	means any of Tranche 1 or Tranche 2.
"Tranche 1"	means the amount of the Loan referred to in Section 2.01(b)(1).
"Tranche 2"	means the amount of the Loan referred to in Section 2.01(b)(2).
"Tranche 2 Availability Date"	means the date (being not later than the date falling on a third anniversary of this Agreement or such later date as may be agreed by the Bank in writing), when the Bank, acting at its sole and absolute discretion, notifies the Borrower that Tranche 2 has become available to the Borrower, subject to the terms and conditions stipulated in the notice and/or set out in this Agreement.
"Tranche 2 Availability Notice"	has the meaning assigned to it in Section 2.01(c)(2) of this Agreement.

### Section 1.03. Interpretation

In this Agreement, a reference to a specified Article, Section or Schedule shall, except where stated otherwise in this Agreement, be construed as a reference to that specified Article or Section of, or Schedule to, this Agreement.

## ARTICLE II - PRINCIPAL TERMS OF THE LOAN

### Section 2.01. Amount and Currency

- (a) The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of up to EUR 30,000,000 (*thirty million Euros*).
- (b) The Loan shall consist of two Tranches, as follows:
  - (1) Tranche 1 in the amount of up to EUR 20,000,000 (*twenty million Euros*); and



- (2) Tranche 2 in the amount of up to EUR 10,000,000 (*ten million Euros*).
- (c) Notwithstanding anything to the contrary expressed or implied in this Agreement:
  - (1) Tranche 1 is committed from the date of this Agreement; and
  - (2) Tranche 2 is uncommitted and accordingly the Bank shall have no obligation to make any disbursements under Tranche 2 unless it shall have first determined in its sole and absolute discretion (and subject to the conditions precedent specified in Section 6.05 of this Agreement) that it is prepared to make Tranche 2 available for disbursement and shall have notified the Borrower in writing (the "Tranche 2 Availability Notice") of such positive determination, if any.

## Section 2.02. Other Financial Terms of the Loan

- (a) The Minimum Drawdown Amount shall be EUR 100,000 (*one hundred thousand Euros*).
- (b) The Minimum Prepayment Amount shall be EUR 500,000 (*five hundred thousand Euros*).
- (c) The Minimum Cancellation Amount shall be EUR 500,000 (*five hundred thousand Euros*).
- (d) The Interest Payment Dates shall be 20 March and 20 September of each year.
- (e) (1) The Borrower shall repay:

(A) Tranche 1 of the Loan in equal (or as nearly equal as possible) semi-annual instalments on 20 March and 20 September of each year, with the first Loan Repayment Date being the first Interest Payment Date falling on or immediately after the date which is 48 (forty eight) months from the date of this Agreement and the last Loan Repayment Date being the Interest Payment Date on or immediately prior to 180 (one hundred and eighty) months from the date of this Agreement; and

(B) Tranche 2 of the Loan in equal (or as nearly equal as possible) semi-annual instalments on 20 March and 20 September of each year, with the first Loan Repayment Date being the first Interest Payment Date falling on or immediately after the date which is 48 (forty eight) months from the Tranche 2 Availability Date and the last Loan Repayment Date being the Interest Payment Date on or immediately prior to 180 (one hundred and eighty) months from the Tranche 2 Availability Date.

- (2) Notwithstanding the foregoing, in the event that (i) the Borrower does not draw down the entire amount of a Tranche prior to the first Loan Repayment Date for the respective Tranche specified in this Section 2.02(e), and (ii) the Bank extends the Last Availability Date for the respective Tranche specified in Section 2.02(f) below to a date which falls after such first Loan Repayment Date, then the amount of each Drawdown made on or after the first Loan Repayment Date shall be

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allocated for repayment in equal amounts to the several Loan Repayment Dates which fall after the date of such Drawdown (with the Bank adjusting the amounts so allocated as necessary so as to achieve whole numbers in each case). The Bank shall, from time to time, notify the Borrower of such allocations.

- (f) The Last Availability Date shall be:
  - (1) with respect to Tranche 1, the date which is 48 (forty eight) months from the date of this Agreement; and
  - (2) with respect to Tranche 2, the date which is 48 (forty eight) months from the Tranche 2 Availability Date.
- (g) The rate of the Commitment Charge shall be 0.5% per annum.
- (h) The Loan is subject to a Variable Interest Rate.

### Section 2.03. Drawdowns and Special Account

- (a) The Available Amount may be drawn down from time to time in accordance with the provisions of Schedule 2 to finance expenditures made (or, if the Bank so agrees, to be made) in respect of the reasonable cost of goods, works and services required for the Project.
- (b) The Borrower has opted not to have the Front-end Commission for each Tranche paid out of the Available Amount and shall instead pay the Front-end Commission for each Tranche out of its own resources. The payment of the Front-end Commission by the Borrower shall be made pursuant to Section 3.05(c) of the Standard Terms and Conditions for Tranche 1 and Section 3.05(d) of the Standard Terms and Conditions for Tranche 2.
- (c) The Borrower shall, for purposes of the Project, open and maintain a special deposit account denominated in EUR as a sub-account of the treasury single account of the Borrower at the National Bank of the Republic of Moldova, on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure and attachment. If the Borrower wishes, and the Bank agrees to make Drawdowns for deposit into, and direct payments out of, the Special Account (instead of Drawdowns pursuant to Section 2.03(a)), such Drawdowns shall be made in accordance with the provisions of Schedule 3.

## ARTICLE III - EXECUTION OF THE PROJECT

### Section 3.01. Other Affirmative Project Covenants

In addition to the general undertakings set forth in Article IV of the Standard Terms and Conditions, the Borrower shall, unless the Bank otherwise agrees:

- (a) Take all actions necessary to provide adequate funds for the completion of the Project;

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- (b) Undertake all due actions (and cause the Project Implementation Entity and the PIU to undertake all due actions) to ensure diligent implementation of the Project;
- (c) Take all action necessary to achieve that the EIB Co-financing Agreement becomes effective no later than the last date for effectiveness as indicated in the EIB Co-financing Agreement or such other date as agreed by EIB in writing;
- (d) Take all action necessary to achieve that the EIB Grant Agreement becomes effective no later than the last date for effectiveness as indicated in the EIB Grant Agreement or such other date as agreed by EIB in writing;
- (e) Comply with all of its obligations under the EIB Co-Financing Agreement and the EIB Grant Agreement;
- (f) Not later than twenty-four (24) months from the date of this Agreement, cause the Project Implementation Entity to approve the Project Related Guidelines; and
- (g) Provide or cause to be provided, when requested by the Bank, all Authorisations for the financing and carrying out of the Project.

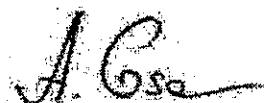
### **Section 3.02. Project Implementation Unit**

In order to coordinate, manage, monitor and evaluate all aspects of Project implementation, including the procurement of goods, works and services for the Project, the Borrower shall, unless otherwise agreed with the Bank, cause the Project Implementation Entity to establish and at all times during execution of the Project operate a project implementation unit with adequate resources and suitably qualified personnel, under terms of reference acceptable to the Bank.

### **Section 3.03. Procurement**

For purposes of Section 4.03 of the Standard Terms and Conditions, the following provisions shall, except as the Bank otherwise agrees, govern procurement of goods, works and services required for the Project and to be financed out of the proceeds of the Loan:

- (a) Goods, works and services shall be procured through open tendering in accordance with the EIB Guide to Procurement, Section 3, Operations outside of the European Union, and in accordance with the provisions stipulated in Procedural Framework between the EBRD and the EIB in respect of Mutual Reliance for Procurement in joint co-financed public sector operations outside the European Union, December 2020.
- (b) For any contract in respect of which payment is to be made out of the Special Account, prior to making the first payment out of the Special Account in respect of such contract, the Bank shall receive satisfactory evidence that procurement procedures as described in Section 3.03(a) of this Agreement have been complied with, including a copy of such contract and the Contract Award Summary Sheet in respect of such contract. The Bank shall further receive a copy of any material modifications to such contracts, supported by a satisfactory evidence that such modification was acceptable to the EIB.



**Section 3.04. Environmental and Social Compliance Covenants**

Without limiting the generality of Sections 4.02(a), 4.04(a)(iii), and 5.02(c)(iii) of the Standard Terms and Conditions, and unless the Bank otherwise agrees:

- (a) Except as otherwise specified in the Environmental and Social Action Plan, the Borrower shall, and shall cause any contractor to, carry out the Project in accordance with the Designated Performance Requirements.
- (b) Without limiting the foregoing, the Borrower shall diligently implement and adhere to the Environmental and Social Action Plan and the Asbestos Management Plan (for the respective Tranche and once developed) and monitor the implementation of such plans in accordance with the monitoring provisions contained in such plan.
- (c) Not later than within twelve (12) months from the date of this Agreement, the Borrower shall develop and submit to EBRD for non-objection an asbestos management plan in respect of the Project parts financed with proceeds of Tranche 1.
- (d) Not later than within twelve (12) months from the Tranche 2 Availability Date, the Borrower shall develop and submit to EBRD for non-objection an asbestos management plan in respect of the Project parts financed with proceeds of Tranche 2.
- (e) The Borrower and the Bank may from time to time agree to amend the Environmental and Social Action Plan or the respective Asbestos Management Plan in response to changes in the circumstances of the Project or the Borrower, unforeseen events and the results of monitoring. Without limiting the generality of the foregoing,
  - (1) If there is any adverse environmental or social impact or issue that was not foreseen by or contemplated in the Environmental and Social Action Plan either entirely or as to its severity,
  - (2) if any impact mitigation measure set out in the Environmental and Social Action Plan or the respective Asbestos Management Plan is not sufficient to eliminate or reduce any environmental or social impact to the level contemplated by the relevant Designated Performance Requirements within the time frame set out in the Environmental and Social Action Plan, or
  - (3) if any material non-compliance with the Environmental and Social Action Plan or with any Environmental and Social Law has been identified by the Borrower, the Bank or an inspection from any regulatory or enforcement authority,

the Borrower shall, as soon as reasonably practicable and subject to the consent of the Bank, develop and incorporate into the Environmental and Social Action Plan or the respective Asbestos Management Plan such additional or revised mitigation measures as may be necessary to achieve compliance with the Designated Performance Requirements, the Environmental and Social Action Plan or Environmental and Social Laws, in each case in a manner satisfactory to the Bank.

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**Section 3.05. Consultants**

(a) In order to assist in the implementation of the Project, the Borrower shall, unless otherwise agreed with the Bank, employ or cause to be employed, as required, and use consultants whose qualifications, experience and terms of reference are satisfactory to the Bank, including the Project Implementation Support Consultant.

(b) The Borrower shall provide, without charge, to any consultants engaged to assist in matters relating to the Project or the operations of the Borrower (including the Project Implementation Support Consultant) all facilities and support necessary for the carrying out of their functions, including office space, photocopying equipment and supplies, secretarial services and transportation, as well as all documents, materials and other information that may be relevant to their work.

**Section 3.06. Reporting Frequency and Submission Requirements**

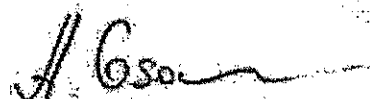
(a) Commencing from the Effective Date, until the full amount of the Loan has been repaid or cancelled, the Borrower shall (the Project Implementation Entity to) submit to the Bank annual reports on Environmental and Social Matters arising in relation to the Borrower or the Project, as referred to in Section 5.02(c)(iii) of the Standard Terms and Conditions, not later than 120 days after the end of the year being reported on. Such reports shall include information on the following specific matters:

(1) information on compliance by the Borrower with the Designated Performance Requirements as described in Section 3.04(a) and the implementation of the Environmental and Social Action Plan and the Asbestos Management Plan (for the respective Tranche and once developed);

(2) information on how the Borrower has monitored the compliance with the Designated Performance Requirements and the Environmental and Social Action Plan by any contractor engaged for the Project and a summary of any material non-compliance by such contractor with the Designated Performance Requirements and the Environmental and Social Action Plan and of any measures taken to remedy such non-compliance;

(3) information on implementation of the stakeholder engagement plan and grievance mechanism required by Designated Performance Requirement 10, including a summary of any grievances received and how such grievances were resolved;

(4) information on compliance by the Borrower with Environmental and Social Laws in relation to the Project, including a description of any claim, proceeding, order or investigation commenced or threatened against the Borrower, the status of any Authorisation required for the Project, the results of any inspection carried out by any regulatory authority, any violation of applicable laws, regulations or standards and any remedial action or fine relating to such violation, a summary of any material notice, report and other communication on Environmental and Social Matters relating to the Project submitted by the Borrower, the Project Implementation Entity or the PIU to any regulatory authority and any other



circumstances giving rise to liability of the Borrower for any Environmental and Social Matter;

(5) information on occupational health and safety management and the occupational health and safety record of the Project including the rates of accidents, lost time incidents and near-misses, any preventive or mitigative measures taken or planned by the Borrower, any staff training on occupational health and safety and any other initiatives in relation to occupational health and safety management which have been implemented or planned by the Borrower;

(6) a summary of any change in Environmental and Social Laws which may have a material effect on the Project; and

(7) copies of any information on Environmental and Social Matters periodically submitted by the Borrower to the general public.

(b) Commencing from the Effective Date, the Borrower shall (cause the Project Implementation Entity to) submit the periodic Project reports referred to in Section 4.04(a)(v) of the Standard Terms and Conditions semi-annually, within 60 days after the end of each half-year on, until the Project has been completed. Such reports shall include the following specific features:

(1) The following general information:

(A) the physical progress accomplished in the implementation of the Project to the date of report and during the reporting period (including preparation, procurement and construction or works progress status);

(B) actual or expected difficulties or delays in the implementation of the Project and their effect on the implementation schedule, and the actual steps taken or planned to overcome the difficulties and avoid delays;

(C) cash flows to and from the Special Account;

(D) expected changes in the completion date of the Project;

(D) key personnel changes in the staff of the PIU, the consultants or the contractors;

(E) matters that may affect the cost of the Project;

(F) any development or activity likely to affect the economic viability of any Part of the Project; and

(G) summary of environmental and social matters in relation to the Project and progress in implementation of the Environmental and Social Action Plan.

(2) Financial statements and/or relevant supporting documents showing details of the expenditures incurred under the Project and the Drawdowns, together with a statement showing:

(A) original cost estimates;

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- (B) revised cost estimates, if any, with reasons for changes;
- (C) original estimated expenditures and actual expenditures to date;
- (D) reasons for variations of actual expenditures to date from original estimated expenditures to date; and
- (E) estimated expenditures for the remaining quarters of the year.

(c) Immediately upon the occurrence of any incident or accident relating to the Borrower or the Project which has or is likely to have a significant adverse effect on the environment, workers, or on public or occupational health or safety, the Borrower shall (cause the Project Implementation Entity to) shall inform the Bank and promptly thereafter give the Bank notice thereof specifying the nature of such incident or accident and any steps the Borrower is taking to remedy the same. Where an incident involves sensitive information in relation to a person or any risk of retaliation, the initial notice to the Bank shall not include any details of the identity of the persons involved. Without limiting the generality of the foregoing,

(1) an incident or accident relates to the Project if it occurs on any site used for the Project or, if it is caused by Project workers and/or facilities, equipment, vehicles or vessels used for or relating to the Project (whether or not being used on any site of the Project and whether or not being used by authorised or unauthorised persons);

(2) an incident or accident is considered to have a significant adverse effect on the environment or on public or occupational health or safety if:

- (A) any applicable law requires notification of such incident or accident to any governmental authority,
- (B) such incident or accident involves fatality of any person (whether or not such person is employed by the Borrower),
- (C) more than one person (whether or not such persons are employed by the Borrower) has received serious injury requiring hospitalisation,
- (D) such incident involves violence and harassment, bullying, intimidation, and/or exploitation, including any form of gender-based violence;
- (E) such incident involves forced and child labour relating to the Project; or
- (F) such incident or accident has become, or is likely to become, public knowledge whether through media coverage or otherwise.

(d) The Borrower shall (cause the Project Implementation Entity to) promptly notify the Bank of any significant protest or petition by workers or members of the public directed at or relating to the Project Implementation Entity or the Project which might have a material adverse effect on the Project or which has become, or is likely to

become public knowledge through media coverage or otherwise. Within ten days following any such notification, the Borrower shall submit a report satisfactory to the Bank specifying the outcome of the Borrower's investigation into such protest, and any steps taken, or proposed to be taken, by the Borrower to resolve the issues raised in the protest or petition.

(e) The Borrower shall (cause the Project Implementation Entity to) promptly provide such other information regarding the Project as the Bank may from time to time reasonably request

## ARTICLE IV - FINANCIAL COVENANTS

### Section 4.01. Financial Records and Reports

(a) The Borrower shall, and whether applicable shall cause the Project Implementation Entity, the PIU or departments or agencies of the Borrower responsible for carrying out the Project or any part thereof, to maintain procedures, records and accounts adequate to reflect, in accordance with internationally accepted accounting standards consistently applied, the operations, resources and expenditures relating to the Project and to monitor and record the progress of the Project (including its costs and the benefits to be derived from it).

(b) The Borrower shall:

(1) have the Special Account audited by independent auditors acceptable to the Bank in accordance with internationally accepted auditing principles and standards confirming that the previous Drawdown(s) have been used exclusively for the purposes of the Project and that the Drawdown(s) from the Special Account have been made in line with the Standard Terms and Conditions, and shall furnish such audit report to the Bank not later than six months after the end of each year;

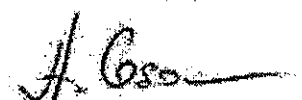
(2) furnish to the Bank such other information concerning records and accounts in relation to the Project and its implementation, and the audit thereof, as the Bank may from time to time reasonably request.

(c) The Borrower shall not be required to conduct an audit of the Special Account if the Borrower has not requested and the Bank has not deposited any Drawdowns into the Special Account pursuant to Section 2.03(c) and Schedule 3 of this Agreement.

## ARTICLE V - SUSPENSION; ACCELERATION; CANCELLATION

### Section 5.01. Suspension

The following are specified for purposes of Section 7.01(a)(xvii) of the Standard Terms and Conditions:





(a) the legislative and regulatory framework applicable to the energy efficiency measures in public buildings in the territory of the Borrower in which the Project is being implemented shall have been amended, suspended, abrogated, repealed or waived in a manner other than as approved by the Bank in writing;

(b) The Borrower fails to perform any of its obligations under Section 3.01(e) of this Agreement.

#### **Section 5.02. Acceleration of Maturity**

The following are specified for purposes of Section 7.06(f) of the Standard Terms and Conditions:

(a) The occurrence of any of the events set out in Section 5.01.

#### **Section 5.03. Cancellation**

If at any time the Bank determines that a payment from, or any use of, the Special Account has been made inconsistently with the requirements of Schedule 3 and establishes the amount of the Loan as to which such misuse applies, the Bank may, by notice to the Borrower, terminate the right of the Borrower to make Drawdowns with respect to such amount. Upon the giving of such notice, such amount of the Loan shall be cancelled.

### **ARTICLE VI - EFFECTIVENESS**

#### **Section 6.01. Conditions Precedent to Effectiveness**

The following are specified for purposes of Section 9.02(c) of the Standard Terms and Conditions as additional conditions to the effectiveness of this Agreement:

(a) The Bank shall have received certified copies of all Authorisations necessary or appropriate (in the sole opinion of the Bank) for the due execution, delivery, performance, validity and enforceability of this Agreement, including confirmation that the Parliament of the Borrower has ratified this Agreement).

#### **Section 6.02. Legal Opinion**

For purposes of Section 9.03(a) of the Standard Terms and Conditions, the opinion or opinions of counsel shall be given on behalf of the Borrower by the Minister of Justice.

#### **Section 6.03. Termination for Failure to Become Effective**

The date 180 days after the date of this Agreement is specified for purposes of Section 9.04 of the Standard Terms and Conditions.

**Section 6.04. Conditions Precedent to Drawdowns of Tranche 1**

The Borrower's right to draw down Tranche 1 shall be subject to the prior fulfilment, in form and substance satisfactory to EBRD, or at the sole discretion of EBRD the waiver, whether in whole or part and whether subject to conditions or unconditional, of the following conditions precedent:

- (a) The Bank shall have received a certified copy of the duly executed EIB Co-Financing Agreement and all conditions precedent to its effectiveness or to the right of the Borrower to make drawings thereunder, have been fulfilled.
- (b) The Bank shall have received a certified copy of the duly executed EIB Grant Agreement and all conditions precedent to its effectiveness or to the right of the Borrower to make drawings thereunder, have been fulfilled.
- (c) The Project Implementation Agreement has been executed by the parties thereto.
- (d) The PIU has been established in accordance with Section 3.02.
- (e) The Project Implementation Support Consultant has been selected and appointed.
- (f) The selection of buildings satisfying the investment scope appropriate for the part of the Project financed from Tranche 1 has been prepared by the PIU, approved by the Project Implementation Entity and was no-objected by the Project Steering Committee.

**Section 6.05. Conditions Precedent to Drawdowns of Tranche 2**

The Borrower's right to draw down from Tranche 2 shall be subject to the prior fulfilment, in form and substance satisfactory to EBRD, or at the sole discretion of EBRD the waiver, whether in whole or part and whether subject to conditions or unconditional, of the following conditions precedent:

- (a) The Bank shall have received a written notice from the Borrower requesting Tranche 2 to be made available for draw down and the Bank shall have issued the Tranche 2 Availability Notice.
- (b) The selection of buildings satisfying the investment scope appropriate for the part of the Project financed from Tranche 2 has been prepared by the PIU, approved by the Project Implementation Entity and was no-objected by the Project Steering Committee.
- (c) The Environmental and Social Action Plan shall have been timely implemented and/or updated, as the case may be, to the satisfaction of the Bank.



## ARTICLE VII - MISCELLANEOUS

### Section 7.01. Notices

(a) The following addresses are specified for purposes of Section 10.01 of the Standard Terms and Conditions, except that any notice shall be deemed to be delivered if by hand, mail, or in pdf or similar format by electronic mail:

For the Borrower:

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

Attention: Public Debt Department

Email: [cancelaria@mf.gov.md](mailto:cancelaria@mf.gov.md)

For EBRD:

European Bank for Reconstruction and Development  
One Exchange Square  
London EC2A 2JN  
United Kingdom

Attention: Operation Administration Department / Operation No. 50601

Telephone: +44 20 7338 6000

Email: [oad@ebrd.com](mailto:oad@ebrd.com)

*J. Gso*

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorised representatives, have caused this Agreement to be signed in three copies and delivered at Chisinau, Moldova as of the day and year first above written.

REPUBLIC OF MOLDOVA

By: \_\_\_\_\_

Name: Andrei Spînu  
Title: Deputy Prime-Minister, Minister of Infrastructure and Regional Development

EUROPEAN BANK  
FOR RECONSTRUCTION AND DEVELOPMENT

By: \_\_\_\_\_

Name: Angela Sax  
Title: Head of EBRD Moldova

*A. Sax*

## SCHEDULE 1 - DESCRIPTION OF THE PROJECT

1. The purpose of the Project is to assist the Borrower in implementing energy efficiency measures in approximately 105 state or Municipal owned buildings across Republic of Moldova, in order to achieve reduction of energy consumption and energy cost savings.

The energy and resource efficiency measures include but are not limited to thermal insulation, associated structural works, replacement of doors and windows, installation of high-efficiency lighting and heating, cooling and ventilating upgrades, including replacement of inefficient boilers and thermostatic valve installation, installation of renewable energy systems and energy management systems, as well as related energy audits, design and construction supervision.

2. The Project is expected to be completed by 31 December 2027.

## SCHEDULE 2 - CATEGORIES AND DRAWDOWNS

1. The table attached to this Schedule sets forth the Categories, the amount of the Loan allocated to each Category and the percentage of expenditures to be financed in each Category.
2. Notwithstanding the provisions of paragraph 1 above, no Drawdown shall be made in respect of expenditures incurred prior to the date of this Agreement.
3. The Drawdowns under this Agreement shall not represent a higher percentage of the Loan than the drawdowns which have been drawn down or contemporaneously requested by the Borrower to be drawn down under the EIB Co-financing Agreement.
4. The obligation of the Bank to make any Drawdown under this Agreement shall be subject to the condition that the aggregate amount of the Drawdowns made by the Bank under this Agreement shall not at any time exceed 100 (*one hundred*) per cent of the aggregate amounts contemporaneously drawn down under the EIB Co-financing Agreement.

*H. Gsa*

## Attachment to Schedule 2

Category	Amount of the Loan Allocated in the Loan Currency (EUR)	Percentage of Expenditures to be Financed
(1) Goods, works and services for the Project financed with proceeds of the Loan	30,000,000	Up to 100% of contract value excluding any taxes
Total	30,000,000	

**SCHEDULE 3 - SPECIAL ACCOUNT**

1. For purposes of this Schedule, the following terms shall have the following meanings:

- "Eligible Category" means Category (1).
- "Eligible Expenditures" means expenditures in respect of the reasonable cost of goods, works and services required for the Project which are to be financed out of the proceeds of the Loan and which are allocated from time to time to an Eligible Category in accordance with the provisions of Schedule 2.
- "Special Account Maximum Balance" means an amount equal to EUR 5,000,000 (*five million euros*).
- "Special Account Minimum Drawdown Amount" means an amount equal to EUR 500,000 (*five thousands euros*).

2. Payments out of the Special Account shall be made exclusively for Eligible Expenditures in accordance with the provisions of this Schedule.

3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened in accordance with terms and conditions acceptable to the Bank, the Borrower may draw down from the Available Amount and deposit into the Special Account an initial amount that shall not exceed the Special Account Maximum Balance and shall not be less than the Special Account Minimum Drawdown Amount.

4. Thereafter, the Borrower may draw down additional amounts from the Available Amount and deposit such amounts into the Special Account, subject to the limitations specified in paragraph 6 below and satisfaction of the following conditions for each requested Drawdown:

(a) The Borrower shall have submitted to the Bank account statements and documents, and any other evidence requested by the Bank, to demonstrate that amounts disbursed from the Special Account have been properly applied.

(b) After giving effect to the requested Drawdown and deposit of the amount of such Drawdown into the Special Account, the balance of the Special Account shall not exceed the Special Account Maximum Balance.

(c) Except as the Bank may from time to time agree, the amount of the requested Drawdown for deposit into the Special Account shall not be less than the Special Account Minimum Drawdown Amount.

5. Without prejudice to the requirement of paragraph 4(a) above, the Borrower shall furnish, at any time the Bank may reasonably request, a report on the balance and other details of the Special Account, including account statements and such other documents



and evidence as the Bank may request to show that payments made from the Special Account have been made in accordance with the requirements set forth in this Schedule.

6. Notwithstanding the provisions of paragraph 4 of this Schedule, the Borrower shall not, unless the Bank otherwise agrees, draw down funds from the Available Amount for deposit into the Special Account:

(a) if, at any time, the Bank has determined that all further Drawdowns should be made in accordance with the provisions of Section 2.03(a); or

(b) once the Available Amount allocated to the Eligible Categories equals twice the amount of the Special Account Maximum Balance.

Thereafter, Drawdowns allocated to the Eligible Categories shall follow such procedures as the Bank may specify by notice to the Borrower. Such further Drawdowns shall be made only after and to the extent that the Bank has been satisfied that all amounts remaining on deposit in the Special Account as of the date of such notice will be utilised in making payments for Eligible Expenditures.

7. If the Bank determines at any time that any payment out of, or any use of, the Special Account:

(a) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or

(b) was not justified by the evidence furnished to the Bank;

then the Bank may require the Borrower to:

(1) provide such additional evidence as the Bank may request; and/or

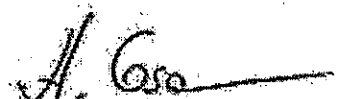
(2) deposit into the Special Account (or, if the Bank so requests, repay to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified.

In the event the Bank makes such a determination under (a) or (b) above, no further Drawdowns shall, unless the Bank otherwise agrees, be made for deposit into the Special Account until such time as the Borrower has either (A) deposited into the Special Account or repaid to the Bank an amount equal to the amount of such payment (or portion thereof) determined not to be eligible or justified, or (B) provided additional evidence satisfactory to the Bank that the amounts previously disbursed from the Special Account were applied properly.

8. If:

(a) the Bank determines at any time that any amount outstanding in the Special Account will not be required to cover further payments for Eligible Expenditures; or

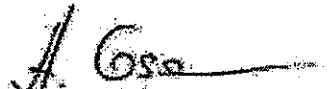
(b) the Bank directs the Borrower to repay to the Bank an amount pursuant to paragraph 7(2);



then the Borrower shall, promptly upon notice from the Bank, prepay to the Bank a portion of the Loan equal to such amount. For this purpose, the requirement that prepayments of the Loan must occur on Interest Payment Dates shall, subject to paragraph 10 below, be waived.

9. The Borrower may, upon prior notice to the Bank given in accordance with Section 3.07(a) of the Standard Terms and Conditions, prepay on any Interest Payment Date all or any portion of the funds deposited into the Special Account.

10. Any prepayment pursuant to paragraph 8 or 9 above shall be made in accordance with Section 3.07 of the Standard Terms and Conditions; provided, however, that (a) notwithstanding Section 3.07(c)(i)(A) of the Standard Terms and Conditions, such prepayment shall not be subject to the Minimum Prepayment Amount, and (b) any prepayment that is made on a date other than an Interest Payment Date shall be subject to payment of Unwinding Costs in accordance with Section 3.10 of the Standard Terms and Conditions. Any prepayment pursuant to paragraph 8 or 9 above shall be applied by the Bank in accordance with Section 3.07(c)(ii) of the Standard Terms and Conditions.

A handwritten signature, possibly reading "J. Goss", is written in the bottom right corner of the page.

# SCHEDULE 4 – ENVIRONMENTAL AND SOCIAL ACTION PLAN

No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement/ EBRD Performance Requirement (PR) / Good practice	Investment Needs / Resources Costs	Timeable Action Due Date	Target and Evaluation Criteria for Successful Implementation	Status
<b>PR 1: Assessment and Management of Environmental and Social Impacts and Issues</b>							
1.1	Annual report and planning certificates Prepare and submit Annual Environmental and Social reports (AESRs) on the status of this ESAP implementation and ongoing Environmental Health Safety and Social (EHSS) performance. The AESRs submitted should provide copies of the Planning Town Urbanism Certificates (PTUC) for each building.	Monitoring of ESAP implementation and EHSS performance.	EBRD Environmental and Social Policy (ESPP) and Performance Requirements (PRs)	PIU	Annual reporting in line with EBRD requirements (AESR)	Annual submission of reports (AESR) on progress with implementation of ESAP. Stakeholder Engagement Plan (SEP), grievance mechanism and EHSS performance; using the EBRD's standard reporting template; (and updating the 'Status' column of the ESAP for each action item.	
1.2	Assemble dedicated PIU Ensure that the proposed positions are included in the PIU: <ul style="list-style-type: none"> <li>Environmental and H&amp;S Specialist</li> <li>Social and Stakeholder Engagement Specialist</li> <li>Legal Adviser and Procurement Specialist</li> </ul> The PIU must also ensure that the Supervising Engineer team includes an individual who is responsible for monitoring the implementation of the ESMP and the contractors' implementation of the CBMPs and OHS Plans, as well as relevant ESAP actions.	Appropriate human resources in place.	EBRD PR1 Best practice	PIU consultant	Upon Project commencement (after loan signing)	PIU organogram showing lines of responsibility, including contractor, and Job descriptions.	

Note that the timetable of this Project is subject to change, and the specific dates of these actions may require adjustment upon final agreement of the Project timeframe.

No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement / EBRD Performance Requirement (PR) / Good practice	Investment Needs / Resources/ Costs	Timetable Action Due Date <sup>2</sup>	Target and Evaluation Criteria for Successful Implementation	Status
1.3	<p><b>Development and implementation of Project-specific plans</b></p> <p>The PIU will implement this ESAP and SER previously developed. They will also develop and implement the following management documents (described throughout this document):</p> <ul style="list-style-type: none"> <li>• Occupational Health and Safety Policy (OHS Policy);</li> <li>• Waste Management Plan (WMP), including Asbestos Management Plan (AMP); and</li> <li>• Labour Management Plan (LMP).</li> </ul> <p>This documentation may be brought together within a Project Operations Manual.</p> <p>In order to ensure their alignment with the ESAP, the Project Operations Manual will be submitted to EBRD for review prior to the hiring of contractors.</p>	Appropriate management of EHS&S risks on this Project	EBRD PR1 Best practice	PIU to develop documentation and submit to contractors before works commence (required in the formal agreement between the contractor and PIU). Supervision consultant to ensure implementation of Project-specific plans.	Upon completion of the detailed designs and reviewed by EBRD prior to construction commencement.	Environmental, health, safety and social (EHS&S) plans in place and cascaded to Contractors.	
1.4	<p><b>Development and implementation of site-specific plans</b></p> <p>EHS&amp;S requirements will be included in the tender documentation, aligned with the EBRD Performance Requirements and the lead contractor for each building included in the Loan will develop and implement a site-specific CEMP and OHS Plan (in line with the Project-specific documentation developed). Each CEMP and OHS Plan will be reviewed by the Supervising Engineer and/or PIU and approved by the PIU. The site-specific CEMPs and OHS Plans shall include:</p> <ul style="list-style-type: none"> <li>• EHS&amp;S roles and responsibilities for the site;</li> <li>• Training required for staff, if required;</li> <li>• Traffic Management measures;</li> <li>• Occupational Health &amp; Safety measures;</li> <li>• Environmental control measures;</li> </ul>	Appropriate management of EHS&S risks on this Project	EBRD PR1 Best practice	PIU Procurement Specialist to ensure requirements are included in tender documentation. Contractors to develop documentation and submit to Supervising Engineer and PIU before works commence for review and approval.	Prior to construction commencement.	CEMPs and OHS Plans developed for all sites, ensuring that the requirements of the EEA E&S Policy and the PIU Project-specific plans are cascaded to the contractors.	

<sup>2</sup> If a contractor is tendering on works across multiple buildings included in the Loan, they may submit combined CEMP's and OHS Plans, ensuring that specific EHS&S risks for each building are understood and mitigated through their method statements.

No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement / EBRD Performance Requirement (PR) / Good practice	Investment Needs / Resources/ Costs	Timetable Action Due Date	Target and Evaluation Criteria for Successful Implementation	Status
	<ul style="list-style-type: none"> <li>• Actions to ensure community health and safety;</li> <li>• Emergency preparedness and response plans, including fire and flood evacuation plans;</li> <li>• Measures for suitable provision of worker welfare (e.g. first aid room, mess room and other amenities);</li> <li>• Measures to reduce air and dust emissions, resource efficiency and water use;</li> <li>• A formal system for ensuring the correct permits to work are acquired, including working at height, working in confined spaces; and working with live electrical equipment. These permits should include the provision of ladder systems, scaffolding and man safe systems for working at height in line with good international practice;</li> <li>• Building-specific plans to ensure that all entrances/exits to buildings are not blocked by scaffolding; fire exits remain open (or temporary routes defined); business entrances remain open and accessible, and disability access is not impaired. Also provide measures to suitably inform the community of temporary access changes;</li> <li>• Other mitigation measures to ensure local businesses are not affected;</li> <li>• Measures for minimising waste and correct disposal of waste generated, according to a site-specific WMP.</li> <li>• If the building is protected, measures to gain the necessary approval and permits from the National Council on Historic Monuments or the Monument Inspection and Restoration Agency (AIRM), and apply associated mitigation measures, where relevant;</li> </ul>			Supervision consultant to ensure implementation of Project-specific plans.			

J. Gso

No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement / EBRD Performance Requirement (PR) / Good practice	Investment Needs / Resources Costs	Timetable Action Due Date	Target and Evaluation Criteria for Successful Implementation	Status
1.5	<p>Screening for each building</p> <p>The PIU, with support of the design consultant, will undertake a health, safety, environmental and social screening (scored risk assessment) for each building in order to identify specific risks and to propose appropriate and proportionate mitigation measures to be developed by the Contractor in the site-specific documents. The screening will include:</p> <ul style="list-style-type: none"> <li>• Survey of asbestos-containing materials;</li> <li>• Requirement of security guards and/or CCTV;</li> <li>• Identification of protected trees or animals (including bats) in the site location;</li> <li>• Effects of construction noise on nearby sensitive areas, such as hospitals and schools;</li> <li>• Effects of the proposed renovation works on local businesses (including discussions with local businesses – see action 10.1);</li> <li>• Inclusion of building on list of nationally protected buildings; and</li> <li>• Review of location of building to check if it is within a nationally protected natural site or Emerald Network site.</li> </ul> <p>The screening will therefore identify the need for further documentation and procedures to be developed, such as:</p> <ul style="list-style-type: none"> <li>• Asbestos Management measures;</li> <li>• Mitigation measures to ensure local businesses are not affected;</li> <li>• Noise management procedures; and</li> </ul>	<p>Ensure that specific E&amp;S risks associated with the selected buildings are mitigated.</p>	EBRD PR1	Design Consultant	Conducted immediately after building selection finalisation, completed before designs are finalised.	<p>All selected buildings screened and additional measures included in site-specific documentation by contractor.</p> <p>Land Acquisition and Resettlement Action Plan developed and implemented, if required.</p>	

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No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement / EBRD Performance Requirement (PR) / Good practice	Investment Needs / Resources Costs	Timetable Action Due Date	Target and Evaluation Criteria for Successful Implementation	Status
	<ul style="list-style-type: none"> <li>Temporary relocation of building users (likely and preferably within the same building).</li> </ul> <p>Currently, no land acquisition is planned or expected. However, in the potential case of buildings requiring significant reconstruction work including expansion, land may need to be acquired. Therefore, the E&amp;S screening should include the need for potential land acquisition, taking into consideration the planned energy efficiency and structural improvements to be undertaken. If this screening identifies the necessity to acquire land for any of the public building improvements, a Land Acquisition and Resettlement Action Plan may be required by the PIU prior to construction commencement. The PIU should notify EBRD if land acquisition is expected.</p>						
<b>PR 2: Labour and Working Conditions</b>							
2.1	<p><b>Project-specific Labour Management Plan (LMP)</b></p> <p>Develop a Project-specific Labour Management Plan compliant with national labour legislation, EBRD PR2 and ILO requirements. The LMP must include statements that inform contractors about their responsibilities related to non-discrimination, workers organisations, workers' rights and the requirement for written contracts. The PIU will also include a statement presenting their commitment to hiring women within the Project Team and through contractors and consultants.</p> <p>The LMP will also include a statement confirming that wages, benefit and conditions of work will meet national legal requirements and details of the worker grievance mechanism.</p> <p>The Contractor must also comply with this Project-specific LMP as part of their contract, with all workers signing the Code of Conduct. This Code of Conduct should include specific behavioural requirements against gender-based violence and harassment.</p>	Ensure workers' rights are protected.	EBRD PR2, ILO, Moldovan Labour Code	PIU for the development of the Project-specific LMP	Prior to construction and hiring of contractors	Project-specific LMP in place and cascaded to contractors.  Code of Conduct signed by Contractor  Workers grievance and suggestions log and resolution records maintained.	

*[Signature]*

No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement / EBRD Performance Requirement (PR) / Good practice	Investment Needs / Resources Costs	Timetable Action Due Date <sup>1</sup>	Target and Evaluation Criteria for Successful Implementation	Status
	<p>According to the Moldovan national legislation (Labor code, art.206, pct. 3) it is forbidden to apply fines and other pecuniary sanctions for violating work discipline.<sup>1</sup> As part of field visits and inspections, PIU will verify contractors' practices to ensure that Contractor complies with legal provisions and no financial penalties are applied on employees as part of any disciplinary measures. Contractor's policy and practices should be fair and avoid indebted status or hardship.</p> <p>PIU will also review the supplier tender and contract documentation to ensure that suppliers are informed of their responsibilities related to child labour and forced labour.</p> <p>The LMP will also include an effective grievance mechanism for workers to raise workplace problems and concerns. The grievance mechanism for workers will be established by the beginning of the project implementation and will be maintained over the project life. The Contractors will be required to comply with the Grievance Mechanism provisions and to inform their workers and sub-contractor(s), and display publicly on work-site the information about this Grievance Mechanism.</p>						
2.2	<p><b>Security guards</b></p> <p>Contractor to discuss with building representatives if additional security guards are required, to be hired by the contractor.</p> <p>If so, contractors should ensure that these engaged security guards restrict public access to the buildings (and grounds) during construction, where necessary (e.g.</p>	Ensure the safety of the users of the public buildings as well as the public.	EBRD PR2, PR4 and PR6	Contractors	Guards in place during construction works.	Guards in place during construction works.	

<sup>1</sup> [https://www.legis.md/cautare/getResults?doc\\_id=113032&lang=ro](https://www.legis.md/cautare/getResults?doc_id=113032&lang=ro)



No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement/ EBRD Performance Requirement (PR)/ Good practice	Investment Needs / Resources Costs	Timetable Action Due Date	Target and Evaluation Criteria for Successful Implementation	Status
	when rehabilitation works are ongoing on buildings containing sensitive information).						
2.3	Monitoring of job reallocation PIU to list all workers (e.g. lift operators) that may be affected by the Project and require a reallocation of job position. Monitor the job reallocation, ensuring that no loss of income occurs. Compensation should be provided to these individuals if income losses occur.	No loss of income caused by Project activities.	EBRD PR2	PIU	During construction works and 6 months after works finish.	All workers in buildings affected by the Project are reallocated to alternative roles without suffering any loss of income.	
<b>PR 3: Resource Efficiency and Pollution Prevention and Control</b>							
3.1	Emissions and energy efficiency Control dust emissions and wastewater during construction period, and ensure that resources (e.g. materials, electricity) are used efficiently. Measures should be included in the CEMPs such as turning off equipment and wetting areas to control dust emissions.	Minimise the risk of air pollution.	EBRD PR3	Design consultants to define mitigation measures and include them in ESMP. Contractors to implement mitigation measures, Supervision consultant to monitor implementation of mitigation measures.	During construction / installation.	Dust emission and wastewater control measures included in CEMPs as well as resource efficiency measures.	
3.2	Waste Management Plan (WMP) PIU to develop a Project-specific WMP, in line with EBRD policies and Moldova national legislation, such as Law on Waste Management. The actions recommended in the Project-specific WMP should be put in place by the contractors' CEMP and monitored by the Supervising Engineer. Any waste generated should be stored in designated areas, and disposed of by	Minimise the risk of pollution due to waste.	EBRD PR3 National regulation	PIU for preparation of WMP. Contractors for implementation.	WMP to be developed prior to the procurement of contractors. CEMPs including waste management measures to be	WMP developed and approved by the PIU and CEMPs including measures for waste management in place	

No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement/ EBRD Performance Requirement (PR) / Good practice	Investment Needs / Resources Costs	Timetable/Action Due Date	Target and Evaluation Criteria for Successful Implementation	Status
	<p>licensed waste disposal companies. The list of such companies is available on the website of the Ministry of Environment<sup>5</sup>.</p> <p>Whenever feasible the contractor will reuse and recycle appropriate and viable materials (except asbestos).</p> <p>As part of this CEMP, the contractor will also demonstrate their processes for managing the use, detection, transfer and disposal of hazardous waste on this Project e.g. polystyrene panels, adhesives, plaster and asbestos (see action 4.2).</p>				developed by Contractor prior start of construction.		
3.3	<p>Emissions from boilers</p> <p>PIU and design consultant to ensure that new boilers supplied are aligned to EU specifications on emissions. For boilers with a thermal power of 1-50 MWth and fueled with natural gas, the emission limit value is 100mg/m<sup>3</sup> of NOx.</p>	<p>Minimise the risk of air pollution and maximise energy efficiency</p> <p>Alignment with European standards.</p>	<p>EBRD PR3</p> <p>1-50MW boilers aligned to Medium Combustion Plant Directive (MCPD) Directive (EU) 2015/2193</p> <p>Less than 1MW boilers aligned to the Ecodesign Directive.</p>	<p>PIU Consultant and design consultant for boiler specifications.</p>	<p>Prior to purchase of boilers and during construction.</p>	<p>Evidence of alignment of boilers specifications with EU Directives.</p> <p>Procurement documents include the requirement that all boilers to be purchased within the Project should be in line with EU directives.</p>	
3.4	<p>Carbon savings</p> <p>PIU with support from the design consultant and Technical Advisor to provide exact carbon savings calculations to EBRD. These calculations should be provided when exact energy efficiency measures for each building have been developed and accurate savings can be calculated.</p>	<p>Quantification of project environmental benefits.</p>	EBRD PR3	<p>PIU and supporting design consultant and EIB Technical Advisor</p>	<p>Prior to construction</p>	<p>Carbon emissions savings calculations.</p> <p>Energy audits for each included building.</p>	

PR 4: Health and Safety

<sup>5</sup> <https://madm.gov.md/en/content/lista-autorizati%C3%A2Entreprinderilor-care-deal%C4%83cu%C3%A2Bilior-eliberate-%C3%A2Entreprinderilor-care-deal%C4%83cu%C4%8399an%C4%83aditiv%C4%8396C8%9B1-de-gestionare>

No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement / EBRD Performance Requirement (PR) / Good practice	Investment Needs / Resources Costs	Timetable Action Due Date	Target and Evaluation Criteria for Successful Implementation	Status
4.1	<p><b>Project-specific Occupation Health and Safety Policy and Plans</b></p> <p>PIU to prepare an OHS Policy.</p> <p>The PIU OHS Policy should include details on the PIU and Supervising Engineer H&amp;S monitoring schedule, inspecting the H&amp;S performance of contractors. It should also require that near misses (as well as incidents) are reported by contractors and the Supervising Engineer to the PIU for inclusion in the H&amp;S Register.</p> <p>OHS Policy to be provided to each contractor by the PIU. The Contractor will develop their site-specific OHS Plan following this overarching Policy.</p> <p>Each OHS Plan will include risk assessments for all positions who will visit construction sites. The Plan will cover:</p> <ul style="list-style-type: none"> <li>▪ employer and employee responsibility in terms of general EHS;</li> <li>▪ managing EHS, roles and responsibilities;</li> <li>▪ incident reporting;</li> <li>▪ manual handling;</li> <li>▪ electrical safety;</li> <li>▪ working at height and</li> <li>▪ Other specific hazards.</li> </ul> <p>The site-specific CEMPs and OHS Plans will include a training plan detailing all training that will be carried out for all contractor staff. The plans should specifically include training for workers undertaking high risk tasks e.g. working at height and asbestos awareness. Evidence of the training undertaken will be routinely monitored by the Supervising Engineer and reported to the PIU.</p>	<p>Improved health and safety performance.</p> <p>Minimisation of accidents and incidents and ensure a safe working environment and promote the health of workers and safe use of equipment.</p> <p>H&amp;S practices homogenised over all sites.</p>	EBRD PR4 and PR2	<p>PIU for the development of the overarching H&amp;S Plan.</p> <p>Contractors to prepare site specific OHS Plans in accordance with Moldovan legislation and standards.</p> <p>PIU with support of Supervising Engineer to monitor implementation.</p>	PIU OHS Policy prepared and shared with Contractor before commencement of construction.	OHS Policy and site-specific Plans in place with all requirements cascaded to Contractors.	

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4.2	<p><b>Asbestos</b></p> <p>Conduct a survey for Asbestos Containing Materials (ACMs) at proposed building sites; relevant to the works being undertaken (i.e. Insulation materials removal / updating) for refurbishment.</p> <p>Asbestos management measures should be developed and included in the WMP, and then cascaded to site-specific CEMP and OHS Plans to ensure safe detection, removal, transfer and disposal of the asbestos contained waste.</p> <p>Removed asbestos will not be reused. PIU will also assess the disposal locations provided by MADRE to ensure their suitability.</p>	Safe working environment and promote the health of workers and residents.	EBRD PR2, PR3 and PR4	Design Consultant to conduct Asbestos Survey in parallel to the Energy Audits building, and include measures in the Project-specific WMP.	Completion of surveys and preparation of WMP prior to procurement of contractors.	ACMs survey report included in the sub-project design for each building and WMP.	
4.3	<p><b>Traffic</b></p> <p>Traffic Management measures must be included in the CEMPs, and developed closely with the relevant municipalities and General Police Inspectorate. The traffic management measures must include alternative, free parking to public users if parking areas are being temporarily used for construction purposes (e.g. storage of materials and parking of construction vehicles). The Contractor must always ensure clear access for the hospitals, and at least one clear entrance/exit for all other buildings.</p>	Risk of injury and overly restricted access.	EBRD PR1 and PR4	Contractors	Prior to start of works.	Traffic management measures are included in the CEMPs and implemented.	
4.4	<p><b>Pedestrian / user safety</b></p> <p>CEMPs shall include arrangements to separate pedestrians from the construction site (including storage area), without hindering access to the buildings for users.</p>	Risk of injury and overly restricted access	EBRD PR4	Contractors	Prior to start of works.	Measures included in CEMPs and implemented.	

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4.5	Fire safety Design Consultant to submit a fire safety report to the PIU on the thermal insulation material to be used on the Project, confirming its fire performance classification as prescribed to national standards to ensure the fire safety of the buildings. Supporting documentation confirming material fire rating should be retained post-construction. The report shall confirm that cladding will be non-combustible/fireproof or not pose an unacceptable level of risk to building users.	Ensuring community health and safety.	EBRD PR4	Design consultant	Prior to procuring the insulation panels.	Fire safety report confirming fire-rating of the insulation material.	
4.6	Noise CEMTPs shall include measures to reduce and control noise. Measures to reduce noise can include restriction of works during certain hours (e.g. during evenings and early mornings), noise barriers, etc.	Avoiding noise nuisance to users and local residents.	EBRD PR4	Contractors	Noise control measures agreed in CEMTPs. Noise control measures and noise measurements during construction works.	Noise control measures where necessary. Noise measurements where necessary: if works are expected to be noisy and/or if works are conducted in sensitive areas (e.g. hospitals and other medical facilities)	
4.7	CCTV To ensure community and employee safety, CCTV shall be implemented at the facilities/buildings.	Public safety benefits	Best practice	Contractor, Supervising Engineer	As soon as possible post construction	Safe facilities/buildings.	
4.8	Covid19 Implement Covid-19 protection measures for building users and workers during the construction works.	Public health	EBRD Gender Toolkit Main National requirements Best practice	PIU Contractors	During construction works	Records of Covid19 cases	
<b>PR 5: Land Acquisition, Involuntary Resettlement and Economic Displacement (no actions required)</b>							
<b>PR 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>							
6.1	Protected trees Undertake a screening (see ESAP action 1.5) to identify if any protected trees will be affected by works on the	Ensuring protected trees are not affected by this Project.	EBRD PR6.	Design Consultant for prior study and contractor to	Study during detailed design preparation,	No protected trees adversely affected during construction (photo evidence before and	

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	selected buildings – particularly during scaffolding erection.  If protected trees will be affected by the contractor must include in the CEMP measures for protection of the trees. If cut of trees is necessary, cutting permit must be obtained by civil works contractor.		National heritage legislation (Red List of Moldova)	include measures into CEMP. Contractors for cutting permit.	implementation and monitoring during construction.	after the works, unless tree cutting permission is granted by the relevant Environmental Protection Inspectorate and Central Administrative Authority in Forestry "Moldsiiva"	
6.2	Bats Preliminary bat surveys should be carried out in direct high-risk buildings* during the energy audits/design stage. These surveys will be carried out by the Design Engineer through visual inspections in the lofts/attics of the selected buildings.  If bats are identified as present, the PIU should hire a Bat Specialist to develop and manage a plan so as not to disturb the potentially affected colonies. This Specialist should also provide guidance to the contractors regarding the health and safety practices of the construction workers. The contractor should include mitigation measures in their CEMP.  * High-risk buildings are those older structures where energy efficiency measures include the replacement of insulation in lofts/attics.	Ensuring the health of bats and construction workers.	EBRD PR 6 and PR4	Design Consultant for prior study and contractor to include measures into CEMP. Contractors for CEMP implementation. Supervising Engineer for monitoring.	Bat surveys during Project design. Bat Specialist hired if needed by design consultant.	Tree protection measures included in the CEMPs or permit for tree cutting. Bat survey reports developed, confirming no presence of bats. If bats found, CEMP to include mitigation measures, including worker health checks for those working in these areas. Measures and checks reviewed by PIU, confirming no adverse effects.	
6.3	Emerald Sites When the sites included in this Project are confirmed by the PIU, their locations must be mapped and compared to Emerald site areas and other Moldovan protected habitats/areas to ensure that they do not coincide (see ESAP action 1.5).	Ensuring protected areas are not affected by this Project.	EBRD PR6	PIU	Before finalisation of buildings included in this Project.	No public buildings in the Project located in protected Emerald sites.	

<sup>1</sup> <https://servici.gov.md/ServiceDetails.aspx?id=ea3den1d-3c24-4ed1-8006-3d2d5063aa29>

No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement / EBRD Performance Requirement (PR) / Good practice	Investment Needs / Resources Costs	Timetable Action Due Date	Target and Evaluation Criteria for Successful Implementation	Status
	If a building is located in a protected area, report to EBRD.						
<b>PR 8: Cultural Heritage</b>							
8.1	Protected buildings The Design Consultant should cross-reference the selected buildings with the list of protected buildings of Moldova.  Contractors working on these buildings to gain the necessary approval and permits from the National Council on Historic Monuments or the Monument Inspection and Restoration Agency (AIRM)* and apply associated mitigation measures.	Ensuring protected buildings (of cultural heritage significance) are not affected by this Project.	EBRD PR 8, national heritage legislation (Law of the Republic of Moldova of June 22, 1993 No. 1530-XII on the protection of monuments)	Design Consultant for prior study. Contractor for permit, implementation and reporting. Supervisor for monitoring.	Study during detailed design preparation, implementation and monitoring during construction.	Study report. Permits where appropriate.	
8.2	Chance Find Procedure Chance Find Procedure must be included in the Project Operations Manual. This will allow civil works contractors to effectively identify and manage any culturally significant findings encountered unexpectedly during project implementation. Such provisions shall include notification of relevant competent bodies of found objects or sites, alerting project personnel to the possibility of chance finds being discovered, and fencing off the area of finds to avoid any further disturbance or destruction.	Ensuring chance finds of cultural heritage significance are not affected by this Project.	EBRD PR 8, national heritage legislation	PIU to include relevant measures in Project Operations Manual. Civil works contractors to implement measures through their CEMP. Supervisor Consultant to monitor implementation	Prior to construction	Chance Finds Procedure are included in the Project Operations Manual and implemented by the contractor.	

**PR 10: Information Disclosure and Stakeholder Engagement**

\* <https://mcc.gov.md/ro/content/consiliul-national-al-monumentelor-istorice>  
 \* <https://mcc.gov.md/ro/content/agentia-de-inspectare-si-restaurare-monumentelor>

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No	Action	Environmental Risks, Liability/ Benefits	Legislative Requirement / EBRD Performance Requirement (PR) / Good practice	Investment Needs / Resources Costs	Timetable Action Due Date	Target and Evaluation Criteria for Successful Implementation	Status
10.1	<p>Stakeholder Engagement Plan</p> <p>Implementation of the SEP and grievance mechanism to ensure a continuous and systematic stakeholder engagement programme. Cascade relevant provisions of SEP to contractors through tender documentation.</p> <p>As part of the SEP, the PIU will engage with local businesses to avoidance of economic impacts and to ensure advanced notice prior to works.</p> <p>A further requirement of the SEP is for the PIU to conduct women-only focus groups when works are carried out gender sensitive sites (e.g. maternity wards).</p>	<p>Development of a trusting relationship with the host community and broader stakeholders.</p>	EBRD PR 10	PIU will support of Supervising Engineer and contractors.	SEP published on website and implemented prior to commencement of the phases detailed in the SEP.	<p>SEP published and updated regularly.</p> <p>Minutes of meetings and attendance registers.</p> <p>Grievance and suggestions log and resolution records maintained for external stakeholders.</p>	
10.2	<p>Construction timetables</p> <p>The timing of construction works (both in the year and within the day) must be considered and agreed between representatives of each building, the PIU and the Contractor.</p> <p>If unavoidable that school classes and hospital wings must be temporarily relocated during the construction period, the PIU will support the government bodies who own the sites to find temporary sites suitable for use and to cover all costs for temporary rental of alternative buildings and transfer costs if needed.</p>	<p>Avoid unnecessary disruption to public building users and allow the planning of suitable temporary building use for users.</p> <p>Avoid unnecessary nuisance to public building users during temporary relocation.</p>	EBRD PR 4 and PR 10	Public agencies	Before construction begins.	<p>Construction timetable agreed by building representatives, PIU and contractors.</p> <p>Schools and hospitals temporarily relocated to alternative buildings.</p>	

*[Handwritten signature]*



## SCHEDULE 5 – FORM OF CONTRACT AWARD SUMMARY SHEET

<b>Contract No.:</b>	
<b>Description:</b>	
<b>General</b>	
Estimated contract value before tendering:	
Procurement method used:	
<b>Tendering</b>	
Date of tender notice:	
Date of receipt of the tenders:	
Number of tenders received:	
Names of tenderers and tender price offered:	
Tenders rejected based on nationality of the tenderers or origin of goods or services:	
Number of complaints:	
Names and nationality of complainants and substance of complaints:	
Result of complaints:	
Final authority which decided on complaints:	
<b>Contracting</b>	
Name of successful tenderer:	
Contract value at award:	
Dates of contract award and signing of the contract:	
Date of expected contract completion:	

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