

AFD AGREEMENT N° CMD1006 01 F

CREDIT FACILITY AGREEMENT

dated as of 28th October 2022

between

THE REPUBLIC OF MOLDOVA

The Borrower

and

AGENCE FRANÇAISE DE DEVELOPPEMENT

The Lender

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CREDIT FACILITY AGREEMENT

BETWEEN:

(1) **THE REPUBLIC OF MOLDOVA,**

represented by Dumitru BUDIANSCHI, in his capacity as Minister of Finance of the Republic of Moldova who is duly authorised to sign this Agreement,

("Moldova" or the "Borrower");

AND

(2) **AGENCE FRANCAISE DE DEVELOPPEMENT**, a French public entity governed by French law, with registered office at 5, Rue Roland Barthes, 75598 Paris Cedex 12, France, registered with the Trade and Companies Register of Paris under number 775 665 599, represented by Mrs. Cécile COUPRIE, in her capacity as Regional Director for Eurasia of the Agence Française de Développement, duly authorised to sign this Agreement,

("AFD" or the "Lender");

(hereinafter jointly referred to as the "Parties" and each a "Party");

WHEREAS:

- (A) The Borrower intends to implement a Program consisting of a policy-based loan to support the decarbonisation of the Moldovan economy, as described further in Schedule 2A (*Program Description*), through financing its general budget excluding those purposes referred to in Schedule 2B (*Exclusions List*), as well as military expenses.
- (B) The Borrower has requested that the Lender make a facility available for the purposes of participating in the financing of the Program.
- (C) Pursuant to a resolution n° C20220278 of the Board of Directors (*Conseil des Etats Etrangers*) dated June 15th of 2022, the Lender has agreed to make the Facility available to the Borrower pursuant to the terms and conditions of this Agreement.

THEREFORE THE PARTIES HAVE AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised words and expressions used in this Agreement (including those appearing in the recitals above and in the Schedules) shall have the meaning given to them in Schedule 1A (Definitions), except as otherwise provided in this Agreement.

1.2 Interpretation

Words and expressions used in this Agreement shall be construed pursuant to the provisions of Schedule 1B (*Construction*), unless the contrary intention appears.

2. FACILITY, PURPOSE AND CONDITIONS OF UTILISATION

2.1 Facility

Subject to the terms of this Agreement, the Lender makes available to the Borrower a Facility in a maximum aggregate amount of sixty million Euros (EUR 60,000,000).

2.2 Purpose

The purpose of the Facility is to finance the Borrower budget intended to implement the Program as described in Schedule 2A (*Program Description*), in accordance with the Financing Plan described in Schedule 3A (*Financing Plan*) and the Monitoring Chart described in Schedule 3B (*Monitoring Chart*).

2.3 Absence of Liability

The Lender shall not be held responsible for the use of any amount borrowed which is not in accordance with the provisions of this Agreement.

2.4 Conditions precedent

- (a) No later than the Signing Date, the Borrower shall provide to the Lender all of the documents set out in Part I of Schedule 4 (*Conditions Precedent*).
- (b) A Drawdown Request may not be delivered to the Lender unless:
 - (i) the Lender has received all of the documents listed in Part II of Schedule 4 (*Conditions Precedent*) and has notified the Borrower that such documents are satisfactory in form and substance;
 - (ii) on the date of the Drawdown Request and on the proposed Drawdown Date for the relevant Drawdown, no Payment Systems Disruption Event has occurred and the conditions set out in this Agreement have been fulfilled, including:
 - (1) no Event of Default is continuing or would result from the proposed Drawdown;
 - (2) the Drawdown Request has been made in accordance with the terms of Clause 3.2 (*Drawdown request*);

- (3) each representation given by the Borrower in relation to Clause 10 (*Representations and warranties*) is true;

3. **DRAWDOWN OF FUNDS**

3.1 Drawdown amount

The Facility will be made available to the Borrower during the Availability Period, in one single Drawdown.

The amount of the proposed Drawdown shall be sixty million Euros (EUR 60,000,000).

3.2 Drawdown request

Provided that the conditions set out in Clause 2.4(b) (*Conditions precedent*) are satisfied, the Borrower may draw on the Facility by delivery to the Lender of a duly completed Drawdown Request. The Drawdown Request shall be delivered by the Borrower to the AFD office director at the address specified in Clause 16.1 (*In writing and addresses*).

The Drawdown Request is irrevocable and will be regarded as having been duly completed if:

- (a) the Drawdown Request is substantially in the form set out in Schedule 5A (*Form of Drawdown Request*);
- (b) the Drawdown Request is received by the Lender at the latest fifteen (15) Business Days prior to the Deadline for Drawdown;
- (c) the proposed Drawdown Date is a Business Day falling within the Availability Period;
- (d) the amount of the Drawdown complies with Clause 3.1 (*Drawdown amount*); and
- (e) all of the documents set out in Part II of Schedule 4 (*Conditions Precedent*) for the purposes of the Drawdown are attached to the Drawdown Request, comply with the abovementioned Schedule and with the requirements of Clause 3.4 (*Payment mechanics*), and are in form and substance satisfactory to the Lender.

3.3 Payment completion

Subject to Clause 14.7 (*Payment Systems Disruption*), if each of the conditions set out in Clause 2.4(b) (*Conditions precedent*) of this Agreement has been met, the Lender shall make the requested Drawdown available to the Borrower not later than the Drawdown Date.

The Lender shall provide the Borrower with a letter of Drawdown confirmation substantially in the form set out in Schedule 5B (*Form of confirmation of drawdown and rate*).

3.4 Payment mechanics

The proceeds of the Drawdown shall be paid to the account opened in the name of the Borrower at the National Bank of Moldova ("the Borrower's Account"), and which details are provided in Schedule 1A (*Definitions*).

3.5 Deadline for Drawdown of the Funds

The full drawdown of the Facility shall occur at the latest on the Deadline for Drawdown.

If the full drawdown does not occur by the above-mentioned date, the Lender may cancel the Facility in accordance with clause 8.4 (*Cancellation by the Lender*).

The Deadline for Drawdown may not be postponed without the prior consent of the Lender.

Any postponement of the Deadline for Drawdown will be (i) subject to new financial conditions applicable to Drawdown of the Available Credit and (ii) formalized in writing between the Parties.

4. INTEREST

4.1 Interest Rate

4.1.1 Fixed Interest Rate

The fixed Interest Rate applicable to the Credit shall be the Fixed Reference Rate increased or decreased by any fluctuation of the Index Rate for the period from the Signing Date until the relevant Rate Setting Date.

The Borrower may specify in the Drawdown Request a maximum amount for the fixed Interest Rate. If the fixed Interest Rate as calculated on the Rate Setting Date exceeds the maximum amount for the fixed Interest Rate specified in the relevant Drawdown Request, such Drawdown Request shall be cancelled and the amount specified in the cancelled Drawdown Request shall be credited to the Available Credit.

4.1.2 Minimum Interest Rate

The Interest Rate determined in accordance with Clause 4.1.1 (*Fixed Interest Rate*) shall not be less than zero point twenty-five per cent. (0.25%) per annum, notwithstanding any decline in the Interest Rate.

4.2 Calculation and payment of interest

The Borrower shall pay accrued interest on the Drawdown on each Payment Date.

The amount of interest payable by the Borrower on a relevant Payment Date and for a relevant Interest Period shall be equal to the sum of any interest owed by the Borrower on the amount of the Outstanding Principal in respect of each Drawdown. Interest owed by the Borrower in respect of each Drawdown shall be calculated on the basis of:

- (i) the Outstanding Principal owed by the Borrower in respect of the relevant Drawdown as at the immediately preceding Payment Date or, in the case of the first Interest Period, on the corresponding Drawdown Date;
- (ii) the exact number of days which have accrued during the relevant Interest Period on the basis of a three hundred and sixty (360) day year; and
- (iii) the applicable Interest Rate determined in accordance with the provisions of Clause 4.1 (*Interest Rate*).

4.3 Late payment and default interest

- (a) Late payment and default interest on all amounts due and unpaid (except for interest)

If the Borrower fails to pay any amount payable by it to the Lender under this Agreement (whether a payment of principal, a Prepayment Indemnity, any costs, fees and expenses

of any kind provided in this Agreement, except for any unpaid overdue interest) on its due date, interest shall accrue on the overdue amount, to the extent permitted by law, from the due date up to the date of actual payment (both before and after an arbitral award, if any) at the Interest Rate applicable to the current Interest Period (default interest) increased by three point five per cent. (3.5%) (late-payment interest). No formal prior notice from the Lender shall be necessary.

(b) Late payment and default interest on unpaid overdue interest

Interest which has not been paid on its due date shall be capitalized and bear interest, to the extent permitted by law, at the Interest Rate applicable to the ongoing Interest Period (default interest), increased by three point five per cent. (3.5%) (late-payment interest), to the extent that such Interest has been due and payable for at least one (1) year. No formal prior notice from the Lender shall be necessary.

The Borrower shall pay any outstanding interest under this Clause 4.3 (*Late payment and default interest*) immediately on demand by the Lender or on each Payment Date following the due date for the outstanding payment.

- (c) Receipt of any payment of late payment interest or default interest by the Lender shall neither imply the grant of any payment extension to the Borrower, nor operate as a waiver of any of the Lender's rights hereunder.

4.4 Communication of Interest Rates

The Lender shall promptly notify the Borrower of the determination of each Interest Rate in accordance with this Agreement.

4.5 Effective Global Rate (*Taux Effectif Global*)

In order to comply with Articles L. 314-1 to L.314-5 and R.314-1 *et seq.* of the French Consumer Code and L. 313-4 of the French Monetary and Financial Code, the Lender informs the Borrower, and the Borrower accepts, that the effective global rate (*taux effectif global*) applicable to the Facility may be valued at an annual rate of four point thirty seven per cent (4,37 %) on the basis of a three hundred and sixty-five (365) day year, and an Interest Period of six (6) months, subject to the following:

- (a) the above rates are given for information purposes only;
- (b) the above rates are calculated on the basis that:
 - (i) drawdown of the Facility is in full on the Signing Date;
 - (ii) no Drawdown made available to the Borrower will bear interest on the floating rate; and
 - (iii) the fixed rate for the duration of the facility should be equal to four point twenty per cent (4.20 %) per annum;
- (c) the above rates take into account the commissions and costs payable by the Borrower under this Agreement, assuming that such commissions and costs will remain fixed and will apply until the expiry of the term of this Agreement.

5. CHANGE TO THE CALCULATION OF INTEREST

5.1 Market Disruption

- (a) If a Market Disruption Event affects the interbank market in the Eurozone and it is impossible:
- (i) for the fixed Interest Rate, to determine the fixed Interest Rate applicable to a Drawdown, or
 - (ii) for the variable Interest Rate, to determine the applicable EURIBOR for the relevant Interest Period,

the Lender shall inform the Borrower.

- (b) Upon the occurrence of the event described in paragraph (a) above, the applicable Interest Rate, as the case may be, for the relevant Drawdown or for the relevant Interest Period will be the sum of:
- (i) the Margin; and
 - (ii) the percentage rate per annum corresponding to the cost to the Lender of funding the relevant Drawdown(s) from whatever source it may reasonably select. Such rate shall be notified to the Borrower as soon as possible and, in any case, prior to (1) the first Payment Date for interest owed under such Drawdown for the fixed Interest Rate or (2) the Payment Date for interest owed under such Interest Period for the variable Interest Rate.

5.2 Replacement of Screen Rate

5.2.1 Definitions

"Relevant Nominating Body" means any central bank, regulator, supervisor or working group or committee sponsored or chaired by, or constituted at the request of any of them.

"Screen Rate Replacement Event" means any of the following events or series of events:

- (a) the definition, methodology, formula or means of determining the Screen Rate has materially changed;
- (b) a law or regulation is enacted which prohibits the use of the Screen Rate, it being specified, for the avoidance of doubt, that the occurrence of this event shall not constitute a mandatory prepayment event;
- (c) the administrator of the Screen Rate or its supervisor publicly announces:
 - (i) that it has ceased or will cease to provide the Screen Rate permanently or indefinitely, and, at that time, no successor administrator has been publicly nominated to continue to provide that Screen Rate;
 - (ii) that the Screen Rate has ceased or will cease to be published permanently or indefinitely; or
 - (iii) that the Screen Rate may no longer be used (whether now or in the future);

- (d) a public announcement is made about the bankruptcy of the administrator of that Screen Rate or any other insolvency proceedings against it, and, at that time, no successor administrator has been publicly nominated to continue to provide that Screen Rate; or
- (e) in the opinion of the Lender, the Screen Rate has ceased to be used in a series of comparable financing transactions.

"Screen Rate" means EURIBOR or, following the replacement of this rate by a Replacement Benchmark, the Replacement Benchmark.

"Screen Rate Replacement Date" means:

- with respect to the events referred to in items a), d) and e) of the above definition of Screen Rate Replacement Event, the date on which the Lender has knowledge of the occurrence of such event, and,
- with respect to the events referred to in items b) and c) of the above definition of Screen Rate Replacement Event, the date beyond which the use of the Screen Rate will be prohibited or the date on which the administrator of the Screen Rate permanently or indefinitely ceases to provide the Screen Rate or the date beyond which the Screen Rate may no longer be used.

- 5.2.2 Each Party acknowledges and agrees for the benefit of the other Party that if a Screen Rate Replacement Event occurs and in order to preserve the economic balance of the Agreement, the Lender may replace the Screen Rate with another rate (the "Replacement Benchmark") which may include an adjustment margin in order to avoid any transfer of economic value between the Parties (if any) (the "Adjustment Margin") and the Lender will determine the date from which the Replacement Benchmark and, if any, the Adjustment Margin shall replace the Screen Rate and any other amendments to the Agreement required as a result of the replacement of the Screen Rate by the Replacement Benchmark.
- 5.2.3 The determination of the Replacement Benchmark and the necessary amendments will be made in good faith and taking into account, (i) the recommendations of any Relevant Nominating Body, or (ii) the recommendations of the administrator of the Screen Rate, or (iii) the industry solution recommended by professional associations in the banking sector or, (iv) the market practice observed in a series of comparable financing transactions on the replacement date.
- 5.2.4 In case of replacement of the Screen Rate, the Lender will promptly notify the Borrower of the replacement terms and conditions to replace the Screen Rate with the Replacement Benchmark, which will be applicable to Interest Periods starting at least two Business Days after the Screen Rate Replacement Date.
- 5.2.5 The provisions of Clause 5.2 (*Replacement of Screen Rate*) shall prevail over the provisions of Clause 5.1 (*Market Disruption*).

6. FEES

6.1 Commitment Fees

A commitment fee of zero point five per cent (0,5%) per annum will be calculated from the Signing Date onwards.

The first payment in respect of such commitment fee shall only be due by the Borrower to the Lender from the Effective Date of this Agreement. The commitment fee shall be computed at

the rate specified above on the amount of the Available Credit pro-rated for the actual number of days elapsed increased by the amount of any Drawdown to be made available by the Lender in accordance with any pending Drawdown Request.

The first commitment fee shall be calculated for the period from (i) the Signing Date (included) up to (ii) the immediately following Payment Date (excluded). Subsequent commitment fees shall be calculated for periods commencing on the day immediately following a Payment Date (excluded) and ending on the next Payment Date (included).

The accrued commitment fee shall be payable after the Effective Date (i) on each Payment Date within the Availability Period; (ii) on the Payment Date following the last day of the Drawdown Period; and (iii) in the event the Available Credit is cancelled in full, on the Payment Date following the effective date of such cancellation.

6.2 Appraisal Fee

Following the Effective Date and in any case prior to the date of the Drawdown, the Borrower shall pay to the Lender an appraisal fee of zero point fifty (0.50%) calculated on the maximum amount of the Facility.

7. REPAYMENT

Following expiry of the Grace Period, the Borrower shall repay the Lender the principal amount of the Facility in twenty (20) semi-annual instalments, due and payable on each Payment Date.

The first instalment shall be due and payable on 31st March 2028 and the last instalment shall be due and payable on 30th September 2037. Prior to each Payment Date, the Lender shall deliver to the Borrower a payment notice.

At the end of the Drawdown Period, the Lender shall deliver to the Borrower an amortisation schedule in respect of the Facility taking into account, if applicable, any potential cancellation of the Facility pursuant to Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*).

8. PREPAYMENT AND CANCELLATION

8.1 Voluntary prepayment

The Borrower shall not be entitled to prepay the whole or any part of the Facility prior to the expiration of the Drawdown Period. As from the day following the expiration of the Drawdown Period, the Borrower may prepay the whole or any part of the Facility, subject to the following conditions:

- (a) the Borrower shall notify the Lender of its intention to prepay by not less than thirty (30) Business Days' written and irrevocable notice prior to the contemplated prepayment date;
- (b) the amount to be prepaid shall be equal to one or several instalment(s) in principal;
- (c) the contemplated prepayment date shall be a Payment Date;
- (d) all prepayments shall be made together with the payment of accrued interest, any fees, indemnities and related costs in connection with the prepaid amount as provided under this Agreement;
- (e) there is no outstanding amount; and

- (f) in case of a part prepayment, the Borrower shall have given evidence, satisfactory to the Lender, that it has sufficient committed funding available for the purpose of financing the Program as determined in the Financing Plan.

On the Payment Date on which the prepayment is made, the Borrower shall pay the full amount of the Prepayment Indemnities due and payable pursuant to Clause 9.3 (*Prepayment Indemnity*).

8.2 Mandatory prepayment

The Borrower shall immediately prepay the whole or part of the Facility upon receipt of a notice from the Lender informing the Borrower of any of the following events:

- (a) Illegality: it becomes unlawful for the Lender pursuant to its applicable law to perform any of its obligations as contemplated by this Agreement or to fund or maintain the Facility;
- (b) Default: the Lender declares an Event of Default in accordance with Clause 13 (*Events of Defaults*);

In the case of each of the events specified in paragraphs (a) and (b) above, the Lender reserves the right, after having notified the Borrower in writing, to exercise its rights as a creditor in the manner specified in paragraph (b) of Clause 13.2 (*Acceleration*).

8.3 Cancellation by the Borrower

Prior to the Deadline for Drawdown, the Borrower may cancel the whole or any part of the Available Credit by giving the Lender a three (3) Business Days' prior notice.

Upon receipt of such notice of cancellation, the Lender shall cancel the amount notified by the Borrower, provided that the expenses, as specified in the Financing Plan, are covered in a manner satisfactory to the Lender, except in the event that the Program is abandoned by the Borrower.

8.4 Cancellation by the Lender

The Available Credit shall be immediately cancelled upon delivery of a notice to the Borrower, which shall be immediately effective, if:

- (a) the Available Credit is not equal to zero on the Deadline for Drawdown;
- (b) an Event of Default has occurred and is continuing; or
- (c) an event referred to in Clause 8.2 (*Mandatory prepayment*) has occurred;

except where, in the case of paragraph (a) of this Clause 8.4 (*Cancellation by the Lender*), the Lender has proposed to postpone the Deadline for Drawdown on the basis of new financial conditions which will apply to any Drawdowns under the Available Credit and the Borrower has agreed on the proposition.

8.5 Restrictions

- (a) Any notice of prepayment or cancellation given by a Party pursuant to this Clause 8 (*Prepayment and Cancellation*) shall be irrevocable, and, unless otherwise provided in this Agreement, any such notice shall specify the date or dates on which the relevant prepayment or cancellation is to be made and the amount of that prepayment or cancellation.

- (b) The Borrower shall not prepay or cancel all or any part of the Facility except at the times and in the manner expressly provided for in this Agreement.
- (c) Any prepayment under this Agreement shall be made together with payment of (i) accrued interest on the prepaid amount, (ii) outstanding fees, and (iii) the Prepayment Indemnity referred to in Clause 9.3 (*Prepayment Indemnity*) below.
- (d) Any prepayment amount will be applied against the remaining instalments in inverse order of maturity.
- (e) The Borrower may not re-borrow the whole or any part of the Facility which has been prepaid or cancelled.

9. ADDITIONAL PAYMENT OBLIGATIONS

9.1 Costs and expenses

- 9.1.1 If an amendment to this Agreement is required, the Borrower shall reimburse to the Lender for any applicable costs incurred in connection with this amendment.
- 9.1.2 The Borrower shall reimburse to the Lender for all costs and expenses (including legal fees) incurred by it in connection with the enforcement or preservation of any of its rights under this Agreement.
- 9.1.3 The Borrower shall pay directly or, if applicable, reimburse the Lender, the amount of all costs and expenses or transfer fees in connection with the transfer of funds to, or for the account of, the Borrower invoiced by any bank (intermediary or final) chosen by the Borrower.

9.2 Cancellation Indemnity

If the Facility is cancelled in full or in part in accordance with the terms of Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*) paragraphs (a) and (b), the Borrower shall pay a cancellation indemnity computed at two points fifty(2.50%) on the cancelled amount of the Facility.

Each cancellation indemnity shall be due and payable on the Payment Date immediately following a cancellation of all or part of the Facility.

9.3 Prepayment Indemnity

On account of any losses suffered by the Lender as a result of the prepayment of the whole or any part of the Facility in accordance with Clauses 8.1 (*Voluntary prepayment*) or 8.2 (*Mandatory prepayment*), the Borrower shall pay to the Lender an indemnity equal to the aggregate amount of:

- the Prepayment Compensatory Indemnity; and
- any costs arising out of the break of any interest hedging swap transactions put in place by the Lender in connection with the amount prepaid.

9.4 Taxes and duties

9.4.1 Registration costs

No registration cost or other similar taxes shall be payable in respect of the Agreement and any potential amendment thereto.

9.4.2 Withholding Tax

The Borrower undertakes that all payments made to the Lender under this Agreement shall be free of any Withholding Tax.

If a Withholding Tax is required by law, the Borrower undertakes to gross-up the amount of any such payment to such amount which leaves the Lender with an amount equal to the payment which would have been due if no payment of Withholding Tax had been required.

The Borrower shall reimburse to the Lender all expenses and/or Taxes for the Borrower's account which have been paid by the Lender (if applicable), with the exception of any Taxes due in France.

9.5 Currency indemnity

If any sum due by the Borrower under this Agreement, or any order, judgment or award given or made in relation to such a sum, has to be converted from the currency in which that sum is payable into another currency, for the purpose of:

- (i) making or filing a claim or proof against the Borrower; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower shall indemnify the Lender against and, within three (3) Business Days of the Lender's request and as permitted by law, pay to the Lender, the amount of any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between: (A) the exchange rate used to convert the relevant sum from the first currency to the second currency; and (B) the exchange rate or rate(s) available to the Lender at the time of its receipt of that sum. This obligation to indemnify the Lender is independent of any other obligation of the Borrower under this Agreement.

The Borrower waives any right it may have under any applicable law to pay any amount due under this Agreement in a currency or currency unit other than that in which it is expressed to be payable.

9.6 Due dates

Any indemnity or reimbursement payable by the Borrower to the Lender under this Clause 9 (*Additional Payment Obligations*) is due and payable on the Payment Date immediately following the circumstances which have given rise to the relevant indemnity or reimbursement.

Notwithstanding the above, any indemnity to be paid in connection with a prepayment pursuant to Clause 9.3 (*Prepayment Indemnity*) is due and payable on the date of the relevant prepayment.

10. REPRESENTATIONS AND WARRANTIES

All the representations and warranties set out in this Clause 10 (*Representations and warranties*) are made by the Borrower for the benefit of the Lender on the Signing Date. All the representations and warranties in this Clause 10 (*Representations and warranties*) are also deemed to be made by the Borrower on the date of the Drawdown Request, on the Drawdown Date and on each Payment Date, except that the repeating representations contained in Clause 10.9 (*No Misleading Information*) are deemed to be made by the Borrower in relation to the information provided by the Borrower since the date on which the representation was last made.

10.1 Power and authority

The Borrower has the power to enter into, perform and deliver this Agreement and to perform all contemplated obligations. The Borrower has taken all necessary action to authorise its entry into, performance and delivery of this Agreement.

10.2 Validity and admissibility in evidence

Except for the adoption of a law ratifying this Agreement by the Moldovan Parliament, which shall occur after the Signing Date and before the Effective Date, all Authorisations required to enable the Borrower to lawfully enter into, and exercise its rights and comply with its obligations under this Agreement have been obtained and are in full force and effect, and no circumstances exist which could result in the revocation, non-renewal or modification, in whole or in part, of any such Authorisations.

In particular, this Facility is included in the Borrower's Budget Law. However, inclusion of the Facility in the annual program of State loans or in the medium-term budgetary framework shall not be required for the Borrower to lawfully enter into, and be fully bound by this Agreement.

10.3 Binding obligations

The obligations undertaken by the Borrower under this Agreement comply with all laws and regulations applicable to the Borrower in its jurisdiction and are legal, valid, binding and enforceable obligations which are effective in accordance with their written terms.

10.4 No filing or stamp taxes

Under the laws of the jurisdiction of the Borrower, it is not necessary that this Agreement be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar taxes or fees be paid on or in relation to this Agreement or the transactions contemplated therein.

10.5 Transfer of funds

All amounts due by the Borrower to the Lender under this Agreement whether as principal or interest, late payment interest, Cancellation Indemnity, Prepayment Indemnity, incidental costs and expenses or any other sum are freely convertible and transferable.

This representation shall remain in full force and effect until full repayment of all sums due to the Lender.

The Borrower shall obtain Euros necessary for compliance with this representation in due course.

10.6 No conflict with other obligations

The entry into and performance by the Borrower of, and the transactions contemplated by, this Agreement do not conflict with any domestic or foreign law or regulation applicable to it, its constitutional documents (or any similar documents) or any agreement or instrument binding upon the Borrower or affecting any of its assets.

10.7 Governing Law and Enforcement

- (a) The choice of French law as the governing law of this Agreement will be recognised and enforced by the courts and arbitration tribunals in the jurisdiction of the Borrower.
- (b) Any judgment obtained in relation to this Agreement in a French court or any award by an arbitration tribunal will be recognised and enforced in the jurisdiction of the Borrower, subject to the mandatory procedural rules of the Republic of Moldova on the enforcement of foreign judgement or foreign arbitration awards.

10.8 No Default

No Event of Default is continuing or is reasonably likely to occur.

No breach of the Borrower is continuing in relation to any other agreement binding upon it, or affecting any of its assets, which has, or is reasonably likely to have, a Material Adverse Effect.

10.9 No Misleading Information

All information and documents supplied by the Borrower to the Lender were true, accurate and up-to-date as at the date they were provided or, if appropriate, as at the date at which they are stated to be given and have not been varied, revoked, cancelled or renewed on revised terms, and are not misleading in any material respect as a result of an omission, the occurrence of new circumstances or the disclosure or non-disclosure of any information.

10.10 Pari Passu Ranking

The Borrower's payment obligations under this Agreement rank at least *pari passu* in right of payment with all other present and future unsecured Financial Indebtedness of the Borrower save for such obligations as may be preferred by provisions of law that are of mandatory application provided that the Borrower shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Financial Indebtedness and, in particular, shall have no obligation to pay other Financial Indebtedness at the same time or as a condition of paying sums due under this Agreement and vice versa.

10.11 Origin of funds. Acts of Corruption. Fraud and Anti-Competitive Practices

The Borrower represents and warrants that:

- (i) the funds used in the Borrower's budgetary expenses other than those provided by the State are not of Illicit Origin;
- (ii) to their best knowledge, the use of proceeds of the Facility has not given rise to any Act of Corruption, Fraud or Anti-Competitive Practice.

10.12 No Material Adverse Effect

The Borrower represents and warrants that no event or circumstance which is likely to have a Material Adverse Effect has occurred or is likely to occur.

11. UNDERTAKINGS

The undertakings in this Clause 11 (*Undertakings*) take effect on the Signing Date, except for the financial obligations which shall take effect on the Effective Date. They shall remain in full force and effect for as long as any amount is outstanding under this Agreement.

11.1 Compliance with Laws: Regulations and Obligations

The Borrower shall comply

- (a) in all respects with all laws and regulations to which it and/or the Program is subject, particularly in relation to all applicable procurement, environmental protection, safety and labour laws; and
- (b) with all of its obligations under this Agreement.

11.2 Authorisations

The Borrower shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required under any applicable law or regulation to enable it to perform its obligations under this Agreement and to ensure their legality, validity, enforceability and admissibility in evidence.

11.3 Implementation and Preservation of the Program

The Borrower shall:

- (i) implement the Program in accordance with the generally accepted safety principles and in accordance with technical standards in force; and
- (ii) maintain the Program assets in accordance with all applicable laws and regulations and in good operating and maintenance conditions, and use such assets in compliance with their purpose and all applicable laws and regulations.

11.4 Environmental and Social Responsibility

11.4.1 Implementation of environmental and social measures

In order to promote sustainable development, the Parties agree that it is necessary to promote compliance with internationally recognised environmental and labour standards, including fundamental conventions of the International Labour Organization ("ILO") and the international environmental laws and regulations applicable in the Borrower's jurisdiction.

11.4.2 Environmental and social grievance management

The Borrower (i) confirms that it has received a copy of the ES Grievance Management Procedures and has acknowledged its terms, in particular with respect to actions that may be taken by the Lender in the event that a third party lodges a grievance, and (ii) acknowledges that the ES Grievance Management Procedures have, as between the Borrower and the Lender, the same contractually binding effect as this Agreement.

The Borrower expressly authorises the Lender to disclose to the Experts (as defined in the ES Grievance Management Procedures) and to parties involved in the compliance audit and/or dispute resolution procedure, the Program documents concerning environmental and social matters necessary for processing the environmental and social Grievance (as defined in the ES Grievance Management Procedures).

11.4.3 Excluded Activities

No funds of the Facility will be used to finance any of the sectors or activities listed in Schedule 2 (*Exclusions List*) and, in particular, to finance weapons, munitions or any military expenses.

11.5 Pari Passu Ranking

The Borrower shall ensure that its payment obligations under this Agreement rank at least pari passu in right of payment with all other present and future unsecured Financial Indebtedness of the Borrower, provided that the Borrower shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Financial Indebtedness and, in particular, shall have no obligation to pay other Financial Indebtedness at the same time or as a condition of paying sums due under this Agreement and vice versa.

11.6 Negative Pledge

The Borrower shall not create or permit to subsist any Security (other than Permitted Security) over all or any part of its existing or future assets or revenues to secure any Financial Indebtedness of the Borrower unless, at the same time or prior thereto, the Borrower's obligations under this Agreement are secured equally and rateably therewith or have the benefit of such other arrangement as may be approved by the Lender.

11.7 Program Evaluation

The Borrower acknowledges that the Lender may carry out, or procure that a third party carries out on its behalf, an evaluation of the Program. Feedback from this evaluation will be used to produce a summary containing information on the Program, such as: total amount and duration of the funding, objectives of the Program, expected and achieved quantified outputs of the Program, assessment of the relevance, effectiveness, impact and viability/sustainability of the Program, main conclusions and recommendations.

The main objective of the evaluation will be the articulation of credible and independent judgement on the key issues of relevance, implementation (efficiency) and effects (effectiveness, impact and sustainability).

Evaluators will need to take into account in a balanced way the different legitimate points of view that may be expressed and conduct the evaluation impartially.

The Borrower will be involved as closely as possible in the evaluation, from the drafting of the Terms of Reference to the delivery of the final report.

The Borrower agrees to the publication of this summary, in particular on the Lender's website.

11.8 Sanctions List and Embargo

The Borrower shall:

- (i) ensure that any person, group or entity participating in the implementation of the Program is not listed on any Financial Sanctions List (including in particular the fight against terrorist financing); and
- (ii) not finance any supplies or sectors which are subject to an Embargo by the United Nations, the United States of America, the European Union or France.

11.9 Origin of funds, no Acts of Corruption, Fraud or Anti-Competitive Practices

The Borrower undertakes:

- (i) to ensure that the funds, other than those of State origin, used for the implementation for the Program will not be of an Illicit Origin;
- (ii) to ensure that the Program shall not give rise to any Act of Corruption, Fraud or Anti-Competitive Practice;
- (iii) as soon as it becomes aware of, or suspects, any Act of Corruption, Fraud or Anti-Competitive Practice, to inform the Lender without any delay;
- (iv) in the event referred to in paragraph (iii) above, or at the Lender's request if the Lender suspects that the acts or practices referred to in paragraph (iii) have occurred, take all necessary actions to remedy the situation in a manner satisfactory to the Lender and within the time period determined by the Lender; and
- (v) to notify the Lender without delay if it has knowledge of any information which leads it to suspect any Illicit Origin of any funds used for the implementation of the Program.

11.10 Visibility and Communication

The Borrower shall implement visibility and communication actions related to the implementation of the Program in accordance with the terms of the Visibility and Communication Guide, and acknowledges having fully read and understood the aforementioned guide.

According to the Visibility and Communication Guide, the Program is subject to communication and visibility obligations of Level 1.

12. **INFORMATION UNDERTAKINGS**

The undertakings in this Clause 12 (*Information Undertakings*) take effect on the Signing Date and remain in full force and effect for as long as any amount is outstanding under this Agreement.

12.1 Financial Information

The Borrower shall supply to the Lender any information that the Lender may reasonably require in relation to the Borrower's foreign and domestic debt as well as the status of any guaranteed loans, unless such disclosure of information is not permitted under imperative provisions of Moldovan law.

12.2 Program Implementation

The Borrower shall supply to the Lender, promptly upon the Lender's request, any information or supporting document regarding the Program and the Monitoring Chart implementation.

12.3 Monitoring Report

The Borrower shall supply to the Lender

- (a) Until the Program Completion Date, within one (1) month following the end of each year, a monitoring report with respect to the implementation of the Program during the past year;

- (b) Within one (1) months after the Program Completion Date, the Borrower, the report summarizing the technical and budget implementation of the Program.

12.4 Notification of Default or Material Adverse Effect

The Borrower shall supply to the Lender:

- (a) promptly upon becoming aware of them, details of any event or circumstance which is or may be an Event of Default or which has or may have a Material Adverse Effect, the nature of such an event and all the actions taken or to be taken to remedy it (if any);
- (b) promptly, details of any decision or event which might affect the organisation, completion or operation of the Program.

13. **EVENTS OF DEFAULTS**

13.1 Events of Default

Each of the events or circumstances set out in this Clause 13.1 (*Events of Default*) is an Event of Default.

(a) **Payment Default**

The Borrower does not pay on the due date any amount payable by it under this Agreement in the manner required under this Agreement. However, without prejudice to Clause 4.3 (*Late payment and default interest*), no Event of Default will occur under this paragraph (a) if such payment is made in full by the Borrower within five (5) Business Days of the due date.

(b) **Undertakings and Obligations**

The Borrower does not comply with any term of the Agreement, including, without limitation, any of the undertakings it has given pursuant to Clause 11 (*Undertakings*) and Clause 12 (*Information Undertakings*).

Save for the undertakings given pursuant to Clause 11.4 (*Environmental and Social Liability*), Clauses 11.8 (Sanctions List and Embargo) and 11.9 (*Origin of funds, no Acts of Corruption, Fraud or Anti-Competitive Practices*) in respect of which no grace period is permitted, no Event of Default will occur under this paragraph (b) if the non-compliance is capable of remedy and is remedied within five (5) Business Days of the earlier of (A) the date of the Lender' notice of failure to the Borrower; and (B) the Borrower becoming aware of the breach, or within the time limit determined by the Lender in the case referred to in subparagraph (iv) of Clause 11.9 (*Origin of funds, no Acts of Corruption, Fraud or Anti-Competitive Practices*).

(c) **Misrepresentation**

A representation or warranty made by the Borrower in the Agreement, including under Clause 10 (*Representations and warranties*), or in any document delivered by or on behalf of the Borrower under or in relation to the Agreement, is incorrect or misleading when made or deemed to be made.

(d) **Cross Default**

- (i) Subject to paragraph (iii), any Financial Indebtedness of the Borrower is not paid on its due date or, if applicable, within any grace period granted pursuant to the relevant documentation.
- (ii) Subject to paragraph (iii), a creditor has cancelled or suspended its commitment towards the Borrower pursuant to any Financial Indebtedness, or has declared the Financial Indebtedness due and payable prior to its specified maturity, or requested prepayment in full of the Financial Indebtedness, in each case, as a result of an event of default or any provision having a similar effect (howsoever described) pursuant to the relevant documentation.
- (iii) No Event of Default will occur under this clause 13.1 (d) if the relevant amount of Financial Indebtedness or the commitment for Financial Indebtedness falling within paragraphs (i) and (ii) above is less than fifteen million Euros (EUR 15,000,000) (or its equivalent in any other currency(ies)).

(e) **Unlawfulness**

The Borrower's obligations under this Agreement are declared not to be binding on or enforceable against the Borrower or are declared to be illegal upon arbitration proceedings in the conditions set out in Clause 17.2 (*Arbitration*) or by a court of competent jurisdiction,

(f) **Governmental action**

The occurrence of any of the following:

- (i) the Borrower takes an action, including a general moratorium, cancelling, suspending or deferring the obligations of the Borrower to pay any amount of principal or interest payable under this Agreement or preventing the fulfilment by the Borrower of its payment obligations under this Agreement; or
- (ii) a general moratorium, standstill or rescheduling is declared with regard to the payment of any amount of principal or interest payable under this Agreement or for a general readjustment or rescheduling of the Indebtedness of the Borrower.

No Event of Default will occur under this Clause 11.1 (f) if the aggregate amount of Indebtedness falling within paragraphs (i) or (ii) above is less than fifteen million euros (EUR 15,000,000) (or its equivalent in any other currency or currencies).

(g) **Material adverse change**

Any event (including a change in the political situation of the country of the Borrower) or any measure which is likely, according to the Lender's opinion, to have a Material Adverse Effect occurs or is likely to occur.

(h) **Withdrawal or suspension of the Program**

Any of the following occurs:

- (i) the Borrower withdraws from the Program;

(ii) the implementation of the Program is suspended by the Borrower for a period exceeding six (6) months; or

(i) **Authorisations**

Any Authorisation required for the Borrower in order to perform or comply with its obligations under this Agreement or required in the ordinary course of the Program is not obtained within the required timeframe or is cancelled or becomes invalid or otherwise ceases to be in full force and effect.

(j) **Judgments, rulings or decisions having a Material Adverse Effect**

Any judgment or arbitral award or any judicial or administrative decision affecting the Borrower has or is reasonably likely, according to the opinion of the Lender, to have a Material Adverse Effect, occurs or is likely to occur.

(k) **Suspension of free convertibility and free transfer**

Free convertibility and free transfer of any of the amounts due by the Borrower under this Agreement is challenged.

13.2 **Acceleration**

On and at any time after the occurrence of an Event of Default, the Lender may, without providing any formal demand or commencing any judicial or extra-judicial proceedings, by written notice to the Borrower:

- (a) cancel the Available Credit; and/or
- (b) declare that all or part of the Facility, together with any accrued or outstanding interest and all other amounts outstanding under this Agreement, are immediately due and payable.

Without prejudice to the above, in the event that an Event of Default occurs as set out in Clause 13.1 (*Events of Default*), the Lender reserves the right to, upon written notice to the Borrower, (i) suspend or postpone any Drawdown under the Facility; and/or (ii) suspend the finalisation of any agreements relating to other possible financial offers which have been notified by the Lender to the Borrower; and/or (iii) suspend or postpone any drawdown under any loan agreement entered into between the Borrower and the Lender.

13.3 **Notification of an Event of Default**

In accordance with Clause 12.4 (*Notification of Default or Material Adverse Effect*), the Borrower shall promptly notify the Lender upon becoming aware of any event which is or is likely to be an Event of Default and inform the Lender of all the measures contemplated by the Borrower to remedy it.

14. **ADMINISTRATION OF THE FACILITY**

14.1 **Payments**

All payments received by the Lender under this Agreement shall be applied towards the payment of expenses, fees, interest, principal amounts or any other sum due under this Agreement in the following order:

- 1) incidental costs and expenses;

- 2) fees;
- 3) late-payment interest and default interest;
- 4) accrued interest;
- 5) principal repayments.

Any payments received from the Borrower shall be applied first in or towards payment of any sums due and payable under the Facility or under other loans extended by the Lender to the Borrower, should it be in the Lender's interest to apply these sums to such other loans, in the order set out above.

14.2 Set-off

Without prior approval of the Borrower, the Lender may, at any time, by submitting a declaration to the Borrower, set-off due and payable obligations owed by the Borrower against any amounts held by the Lender on behalf of the Borrower or any due and payable obligations owed by the Lender to the Borrower. If the obligations are in different currencies, the Lender may convert either obligation at the prevailing currency exchange rate for the purpose of the set-off.

All payments made by the Borrower under the Agreement shall be calculated and made without set-off. The Borrower is prohibited from making any set-off.

14.3 Business Days

Without prejudice to the calculation of the Interest Period which remains unchanged, if a payment is due on a day which is not a Business Day, the due date for that payment shall be the next Business Day if the next Business Day is in the same calendar month, or the preceding Business Day if the next Business Day is not in the same calendar month.

14.4 Currency of payment

The currency of each amount payable under this Agreement is Euros.

14.5 Day count convention

Any interest, fee or expense accruing under this Agreement will be calculated on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days in accordance with European interbank market practice.

14.6 Place of payment

- (a) Any funds to be transferred by the Lender to the Borrower under the Facility will be paid to the bank account specifically designated for such purpose by the Borrower, provided that the Lender has given its prior consent on the selected bank.
- (b) Any payment to be made by the Borrower to the Lender shall be paid on the due date by no later than 11:00 am (Paris time) to the following bank account:

RIB Code: 30001 00064 00000040235 03

IBAN Code: FR76 3000 1000 6400 0000 4023 503

Banque de France SWIFT code (BIC): BDFEFRPPCCT

opened by the Lender at the Banque de France (head office/main branch) in Paris or any other account notified by the Lender to the Borrower.

- (c) The Borrower shall request from the bank responsible for transferring any amounts to the Lender that it provides the following information in any wire transfer messages in a comprehensive manner and in the order set out below (the caption numbers are referring to SWIFT MT 202 and 103 protocol)
- Principal: name, address, bank account number (field 50)
 - Principal's bank: name and address (field 52)
 - Reference: name of the Borrower, name of the Program, reference number of the Agreement (field 70)
- (d) All payments made by the Borrower shall comply with this Clause 14.6 (*Place of payment*) in order for the relevant payment obligation to be deemed discharged in full.

14.7 Payment Systems Disruption

If the Lender determines (in its discretion) that a Payment Systems Disruption Event has occurred or the Borrower notifies the Lender that a Payment Systems Disruption Event has occurred, the Lender:

- (a) may, and shall if requested by the Borrower, enter into discussions with the Borrower with a view to agreeing any changes to the operation and administration of the Facility as the Lender may deem necessary in the circumstances;
- (b) shall not be obliged to enter into discussions with the Borrower in relation to any of the changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, it has no obligation to agree to such changes; and
- (c) shall not be liable for any cost, loss or liability arising as a result of its taking, or failing to take, any actions pursuant to this Clause 14.7 (*Payment Systems Disruption*)

15. MISCELLANEOUS

15.1 Language

The language of this Agreement is English. If this Agreement is translated into another language, the English version shall prevail in the event of any conflicting interpretation or in the event of a dispute between the Parties.

All notices given or documents provided under, or in connection with, this Agreement shall be in English.

The Lender may request that a notice or document provided under, or in connection with, this Agreement which is not in English is accompanied by a certified English translation, in which case, the English translation shall prevail.

15.2 Certifications and determinations

In any litigation or arbitration arising out of or in connection with this Agreement, entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

Any certification or determination by the Lender of a rate or amount under this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

15.3 Partial invalidity

If, at any time, a term of this Agreement is or becomes illegal, invalid or unenforceable, neither the validity, legality or enforceability of the remaining provisions of this Agreement will in any way be affected or impaired.

15.4 No Waiver

Failure to exercise, or a delay in exercising, on the part of the Lender of any right under the Agreement shall not operate as a waiver of that right.

Partial exercise of any right shall not prevent any further exercise of such right or the exercise of any other right under the applicable law.

The rights of the Lender under this Agreement are cumulative and not exclusive of any rights under the applicable law.

15.5 Assignment

The Borrower may not assign or transfer, in any manner whatsoever, all or any of its rights and obligations under this Agreement without the prior written consent of the Lender.

The Lender may assign or transfer any of its rights or obligations under this Agreement to any other third party and may enter into any sub-participation agreement relating thereto.

15.6 Legal effect

The Schedules annexed hereto and the recitals hereof form part of this Agreement and have the same legal effect.

15.7 Entire agreement

As of the Effective Date, this Agreement represents the entire agreement between the Parties in relation to the matters set out herein, and supersedes and replaces all previous documents, agreements or understandings which may have been exchanged or communicated as part of the negotiations in connection with this Agreement.

15.8 Amendments

No amendment may be made to this Agreement unless expressly agreed in writing between the Parties. The entry into force of any amendment shall follow the same process as for the entry into force of this Agreement.

15.9 Confidentiality – Disclosure of information

(a) The Borrower shall not disclose the content of this Agreement to any third party without the prior consent of the Lender except to any person to whom the Borrower has a disclosure obligation under any applicable law, regulation or judicial ruling. Notwithstanding with these provisions, the Borrower may publish this Agreement on the governmental and parliament websites and Monitor Official without any prior consent of the Lender.

(b) The Lender shall not disclose the content of this Agreement to any third party without the prior consent of the Borrower, except to: (i) its auditors, experts, rating agencies, legal advisers or

supervisory bodies; (ii) any person or entity to whom the Lender may assign or transfer all or part of its rights or obligations under the Agreement; and (iii) any person or entity for the purpose of taking any protective measures or preserving the rights of the Lender under the Agreement.

(c) Furthermore, the Borrower hereby expressly authorizes the Lender:

(i) to exchange with the French Republic for publication on the French government website pursuant to any request from International Aid Transparency Initiative; and

(ii) to publish on the Lender's Website;

information regarding the Facility.

The Lender expressly authorizes the Borrower to publish on the Borrower's Website and the Borrower's Aid Management Platform basic information regarding the Facility.

15.10 Limitations

The statute of limitations of any claims under this Agreement shall be ten (10) years, except for any claim of interest due under this Agreement.

15.11 Hardship

Each Party hereby acknowledges that the provisions of article 1195 of the French Code civil shall not apply to it with respect to its obligations under the Agreement and it shall be not entitled to make any claim under article 1195 of the French Code civil.

16. NOTICES

16.1 In writing and addresses

Any notice, request or other communication to be given or made under or in connection with this Agreement shall be given or made in writing and, unless otherwise stated, may be given or made by email or by letter sent by the post office to the address and number of the relevant Party set out below:

For the Borrower:

REPUBLIC OF MOLDOVA

MINISTRY OF FINANCE

Address: 7, Constantin Tanase Street, MD-2005 Chisinau

Email: cancelaria@mf.gov.md

Attention: Ministry of Finance

For the Lender:

AFD – EURASIA REGIONAL DIRECTION

Address: Büyükdere Cad Ferko Signature No 175 Blok A

19eme Etage Esentepe

34394 Şişli

Istanbul, TURKEY

Telephone: (00 90) 212 283 31 11

Email: afdistanbul@afd.fr; couprie@afd.fr

Attention: AFD Regional Director Eurasia With a copy to:

AFD – PARIS HEAD OFFICE

Address: 5, rue Roland Barthes – 75598 Paris Cedex 12, France

Telephone: + 33 1 53 44 31 31

Email: bellierc@afd.fr

Attention: AFD Director for Eurasia, Middle East and Asia (Orient)

or such other address, fax number, department or officer as one Party notifies to the other Party.

16.2 Delivery

Any notice, request or communication made or any document sent by a Party to the other Party in connection with this Agreement will only be effective:

- (a) if by email, when received in a legible form; and
- (b) if by letter sent through the post office, when delivered to the correct address,

and, where a particular person or a department is specified as part of the address details provided under Clause 16.1 (*In writing and addresses*), if such notice, request or communication has been addressed to that person or department.

16.3 Electronic communications

- (a) Any communication made by one person to another under or in connection with this Agreement may be made by electronic mail or other electronic means if the Parties:
 - (ii) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (iii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iv) notify each other of any change to their address or any other such information supplied by them.
- (a) Any electronic communication made between the Parties will be effective only when actually received in a readable form.

17. GOVERNING LAW, ENFORCEMENT AND CHOICE OF DOMICILE

17.1 Governing Law

This Agreement is governed by French law.

17.2 Arbitration

Any dispute arising out of or in connection with this Agreement shall be referred to and finally settled by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce applicable on the date of commencement of arbitration proceedings, by one or more arbitrators to be appointed in accordance with such Rules.

The seat of arbitration shall be Paris and the language of arbitration shall be English.

This arbitration clause shall remain in full force and effect if this Agreement is declared void or is terminated or cancelled and following expiry of this Agreement. The Parties' contractual obligations under this Agreement are not suspended if a Party initiates arbitral proceedings against the other Party.

The Parties expressly agree that, by signing this Agreement, the Borrower irrevocably waives all rights of immunity in respect of jurisdiction or execution on which it could otherwise rely.

17.3 Service of process

Without prejudice to any applicable law, for the purposes of serving judicial and extrajudicial documents in connection with any action or proceedings referred to above, the Borrower irrevocably chooses its registered office as at the date of this Agreement at the address set out in Clause 16 (*Notices*) for service of process, and the Lender chooses the address "AFD SIEGE" set out in Clause 16 (*Notices*) for service of process.

18. ENTRY INTO FORCE AND DURATION

The Borrower shall conduct all applicable procedures required under Moldovan laws for the entry into force of this Agreement, and in particular the adoption of a law ratifying this Agreement by the Moldovan Parliament, which shall occur in best delays after the Signing Date.

The Borrower will deliver to the Lender a Legal Opinion issued on behalf of the Borrower and signed by the Minister of Justice confirming that all applicable procedures required under Moldovan laws for the entry into force of this Agreement have been accomplished. This Agreement shall enter into force on the date of issuance of the Legal Opinion, which shall be the Effective Date.

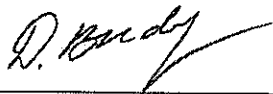
This Agreement will remain in full force and effect for as long as any amount is outstanding under this Agreement.

Notwithstanding the above, the obligations under Clause 15.9 (*Confidentiality – Disclosure of information*) shall survive and remain in full force and effect for a period of five years after the last Payment Date.

Executed in two (2) originals, in Chisinau, on 28th October 2022.

BORROWER

THE REPUBLIC OF MOLDOVA



Represented by:

Name: Dumitru BUDIANCHI
Capacity: Minister of Finance

LENDER

AGENCE FRANÇAISE DE DÉVELOPPEMENT



Represented by :

Name: Cécile COUPRIE
Capacity: Regional Director for Eurasia

Co-signatory, His Excellency Mr. Graham PAUL, Ambassador of the French Republic to the Republic of Moldova



SCHEDULE 1A – DEFINITIONS

Act of Corruption	<p>means any of the following:</p> <ul style="list-style-type: none"> (a) the act of promising, offering or giving, directly or indirectly, to a Public Official or to any person who directs or works, in any capacity, for a private sector entity, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity; or (b) the act of a Public Official or any person who directs or works, in any capacity, for a private sector entity, soliciting or accepting, directly or indirectly, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity.
Agreement	<p>means this credit facility agreement, including its recitals, Schedules and, if applicable, any amendments made in writing thereto.</p>
Anti-Competitive Practices	<p>means:</p> <ul style="list-style-type: none"> (a) any concerted or implicit action having as its object and/or as its effects to impede, restrict or distort fair competition in a market, including without limitation when it tends to: (i) limit market access or the free exercise of competition by other companies; (ii) prevent price setting by the free play of markets by artificially favouring the increase or decrease of such prices; (iii) limit or control any production, markets, investment or technical progress; or (iv) share out markets or sources of supply; (b) any abuse by a company or group of companies of a dominant position within a domestic market or in a substantial part thereof; or (c) any bid or predatory pricing having as its object and/or its effect to eliminate from a market, or to prevent a company or one of its products from accessing the market.

Authorisation(s)	means any authorisation, consent, approval, ratification, resolution, permit, licence, exemption, filing, notarisation or registration, or any exemptions in respect thereof, obtained from or provided by an Authority, whether granted by means of an act, or deemed granted if no answer is received within a defined time limit, as well as any approval and consent given by the Borrower's creditors.
Authority(ies)	means any government or statutory entity, department or commission exercising a public prerogative, or any administration, court, agency or State or any governmental, administrative, tax or judicial entity.
Availability Period	means the period from and including the Signing Date up to the Deadline for Drawdown.
Available Credit	means, at any given time, the maximum principal amount specified in Clause 2.1 (<i>Facility</i>) less: <ul style="list-style-type: none"> (i) the aggregate amount of any Drawdowns drawn by the Borrower; (ii) the amount of any Drawdown to be made pursuant to any pending Drawdown Request; and (iii) any portion of the Facility which has been cancelled pursuant to Clauses 8.3 (<i>Cancellation by the Borrower</i>) and/or 8.4 (<i>Cancellation by the Lender</i>).
Borrower's Account	means the Treasury account opened in the name of the Borrower with National Bank of Moldova.
Budget Law	The Law of the State Budget for the year 2022, No.205/2021, as this may be amended from time to time, including as amended by the Law on the amendment of the Law of the State Budget for the year 2022 No.112/2022 and the Law on the amendment of certain normative acts No.156/2022.
Business Day	means a day (other than Saturday or Sunday) on which banks are open for general business in Paris, and which is a TARGET Day in the event that a Drawdown has to be made on such day.
Deadline for Drawdown	means 13 th October 2023, date after which no further Drawdown may occur.
Drawdown	means a drawdown of all or part of the Facility made available by the Lender to the Borrower pursuant to the terms and conditions set out in Clause 3 (<i>Drawdown of</i>

	<i>Funds</i>) or the principal amount outstanding of such Drawdown which remains due and payable at a given time.
Drawdown Date	means the date on which a Drawdown is made available by the Lender.
Drawdown Period	means the period starting on the Drawdown Date up to and including the first of the following date: (i) the date on which the Available Credit is equal to zero ; (ii) the Deadline for Drawdown.
Drawdown Request	means a request substantially in the form set out in Schedule 5A (Form of Drawdown Request).
Effective Date	means the date of entry into force of this Agreement, as further described in Clause 18 (<i>Entry into force and Duration</i>).
Embargo	means any sanction of a commercial nature aiming at prohibiting any import and/or export (supply, sale or transfer) of one or several goods, products or services going to and/or coming from a country for a given period as published and amended from time to time by the United Nations, the United States of America, the European Union or France.
ES Grievance Management Procedures	means the contractual terms contained in the Environmental and Social Grievance Management Procedures, which is available on the Website, as amended from time to time.
EURIBOR	means the inter-bank rate applicable to Euro for any deposits denominated in Euro for a period comparable to the relevant period, as determined by the European Money Markets Institute (EMMI), or any successor administrator, at 11:00 am Brussels time, two (2) Business Days before the first day of the Interest Period.
Euro(s) or EUR	means the single currency of the member states of the European Economic and Monetary Union, including France, and having legal tender in such Member States.
Event of Default	means any event or circumstance set out in Clause 13.1 (<i>Events of Default</i>).

Facility	means the credit facility made available by the Lender to the Borrower in accordance with this Agreement up to the maximum principal amount set out in Clause 2.1 (<i>Facility</i>).
Financial Indebtedness	<p>means any financial indebtedness for and in respect of:</p> <ul style="list-style-type: none"> (a) any monies borrowed on a short, medium or long-term basis; (b) any amounts raised pursuant to the issue of bonds, notes, debentures, loan stock or any similar instruments; (c) any funds raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (d) any potential payment obligation that results from a guarantee, bond, or any other instrument.
Financial Sanctions List	<p>means the list(s) of persons, groups or entities which are subject to financial sanctions by the United Nations, the United States of America, the European Union or France.</p> <p>For information purposes only and for the convenience of the Borrower, who may rely on, the following references or website addresses:</p> <p>For the lists maintained by the United Nations, the following website may be consulted:</p> <p>https://www.un.org/securitycouncil/fr/content/un-sc-consolidated-list</p> <p>For the lists maintained by the United States, the following website may be consulted:</p> <p>https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information</p> <p>For the lists maintained by the European Union, the following website may be consulted:</p> <p>https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_fr</p> <p>For the lists maintained by France, the following website may be consulted:</p>

	https://www.tresor.economie.gouv.fr/services-aux-entreprises/sanctions-economiques/dispositif-national-de-gel-des-avoirs
Financing Plan	means the financing plan of the Program attached as Schedule 3 (<i>Financing Plan</i>).
Fixed Reference Rate	means four point twenty percent (4.20 %) per annum.
Fraud	means any unfair practice (acts or omissions) deliberately intended to mislead others, to intentionally conceal elements there from, or to betray or vitiate his/her consent, to circumvent any legal or regulatory requirements and/or to violate internal rules and procedures of the Borrower or a third party in order to obtain an illegitimate benefit.
Fraud against the Financial Interests of the European Community	means any intentional act or omission intended to damage the European Union budget and involving (i) the use or presentation of false, inaccurate or incomplete statements or documents, which has as effect the misappropriation or wrongful retention of funds or any illegal reduction in resources of the general budget of the European Union; (ii) the non-disclosure of information with the same effect; and (iii) misappropriation of such funds for purposes other than those for which such funds were originally granted.
Grace Period	means the period from the Signing Date up to and including the date falling sixty (60) months after such date, during which no principal repayment under the Facility is due and payable.
Illicit Origin	means funds obtained through: <ul style="list-style-type: none"> (a) the commission of any predicate offence as designated in the FATF 40 recommendations Glossary under "<i>Designated categories of offences</i>" (https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf) ; (b) any Act of Corruption; or (c) any Fraud against the Financial Interests of the European Community, if or when applicable.
Index Rate	means the TEC 10 daily index, the ten-year constant maturity rate displayed on a daily basis on the relevant quotation page of the Reference Financial Institution or any other index which may replace the TEC 10 daily index. On the signing, the Index Rate on 21 st October 2022 is three point zero two percent (3.02 %) per annum.

Interest Period(s)	means each period from a Payment Date (exclusive) up to the next Payment Date (inclusive). The first interest period shall start on the Drawdown Date (exclusive) and end on the next successive Payment Date (inclusive).
Interest Rate	means the interest rate expressed as a percentage and determined in accordance with Clause 4.1 (<i>Interest Rate</i>).
Margin	means zero point ninety (0.90%) per annum.
Market Disruption Event	means the occurrence of one of the following events: (i) EURIBOR is not determined by the European Money Markets Institute (EMMI), or any successor administrator, at 11:00am Brussels time, two (2) Business Days before the first day of the relevant Interest Period or on the Rate Setting Date; or (ii) before close of business of the European interbank market, two (2) Business Days prior to the first day of the relevant Interest Period or on the Rate Setting Date, the Borrower receives notification from the Lender that (i) the cost to the Lender of obtaining matching resources in the relevant interbank market would be in excess of EURIBOR for the relevant Interest Period; or (ii) it cannot or will not be able to obtain matching resources on the relevant interbank market in the ordinary course of business to fund the relevant Drawdown for the relevant time period.
Material Adverse Effect	means a material and adverse effect on: (a) the Program, insofar as it would jeopardise the implementation and operation of the Program in accordance with this Agreement; (b) the business, assets, financial condition of the Borrower or its ability to perform its obligations under this Agreement; (c) the validity or enforceability of this Agreement; or (d) any right or remedy of the Lender under this Agreement.
Monitoring Chart	means the chart attached as Schedule 3 B listing the indicators agreed upon between the Parties to monitor the implementation of the Program.

Outstanding Principal	means, in respect of any Drawdown, the outstanding principal amount due in respect of such Drawdown, corresponding to the amount of the Drawdown paid by the Lender to the Borrower less the aggregate of instalments of principal repaid by the Borrower to the Lender in respect of such Drawdown.
Payment Dates	means 31 March and 30 September of each year.
Payment Disruption Event Systems	<p>means either or both of:</p> <p>(a) a material disruption to the payment or communication systems or to the financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by this Agreement to be carried out), provided that the disruption is not caused by, and is beyond the control of, any of the Parties; or</p> <p>(b) the occurrence of any other event which results in a disruption (of a technical or system-related nature) to the treasury or payment operations of a Party preventing that, or any other Party:</p> <p style="padding-left: 40px;">(i) from performing its payment obligations under this Agreement; or</p> <p style="padding-left: 40px;">(ii) from communicating with the other Parties in accordance with the terms of this Agreement;</p> <p style="padding-left: 40px;">and which (in either case) is not caused by, and is beyond the control of, either Party.</p>
Permitted Security	<p>means:</p> <p>(a) any Security arising by operation of law which has not been foreclosed or otherwise enforced against the assets to which it applies;</p> <p>(b) any Security existing on any property at the time of its acquisition;</p> <p>(c) any Security upon any property to secure indebtedness incurred for the purpose of financing the acquisition or construction of such property (or property which forms part of a class of assets of a similar nature where the Security is by reference to the constituents of such class from time to time);</p> <p>(d) any Security securing or providing for the payment of indebtedness incurred in connection</p>

	<p>with any Project Financing, provided that such Security applies solely to (x) any property which is, or forms part of, the subject of such Project Financing or (y) revenues or claims which arise from the operation, failure to meet specifications, exploitation, sale or loss, or failure to complete or damage to, any such property;</p> <p>(e) any payment or close out netting or set-off arrangement pursuant to any derivative transaction or foreign exchange transaction entered into by the Borrower excluding any Security under a credit support agreement;</p> <p>(f) any netting or set-off arrangement entered into by the Borrower in the ordinary course of its banking arrangements for the purpose of netting debt and credit balances of the Borrower;</p> <p>any renewal or extension of any Security described in the preceding paragraphs, provided that the principal amount of the indebtedness secured thereby is not increased.</p>
Prepayment Compensatory Indemnity	<p>means the indemnity calculated by applying the following percentage to the amount of the Facility which is repaid in advance:</p> <ul style="list-style-type: none"> - if the repayment occurs prior to the 5th anniversary (exclusive) of the Signing Date: two point five per cent (2,5%); - if the repayment occurs between the 5th anniversary (inclusive) and the 9th anniversary (exclusive) of the Signing Date: one point five per cent (1.5%); - if the repayment occurs between the 9th anniversary (inclusive) and the 12th anniversary (exclusive) of the Signing Date: one per cent (1%); - if the repayment occurs after the 12th anniversary (inclusive): zero point five per cent (0.5%)
Program	means the Program as described in Schedule 2A (<i>Program Description</i>).
Program Completion Date	means the date for the technical completion of the Program which is expected to be December 2022.
Public Official	means (i) any holder of legislative, executive, administrative or judicial office whether appointed or elected, serving on permanent basis or otherwise, paid or unpaid, regardless of rank, or (ii) any other person defined as a public official under the domestic law of the Borrower's jurisdiction, and (iii) any other person

	exercising a public function, including for a public agency or organisation, or providing a public service.
Rate Setting Date	<p>means:</p> <p>I - in relation to any Interest Period for which an Interest Rate is to be determined:</p> <ul style="list-style-type: none"> (i) the first Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request, provided that such date is at least two (2) full Business Days prior to said Wednesday; (ii) the second Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request, if such date does not at least two (2) full Business Days prior to the first Wednesday specified in paragraph (a) above: <p>II - in the case of a Rate Conversion:</p> <ul style="list-style-type: none"> (i) the first Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Rate Conversion Request from the Borrower provided such date is at least two (2) full Business Days before the first Wednesday. (ii) the second Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Rate Conversion Request, if such date is not at least two (2) full Business Days prior to the first Wednesday.
Reference Financial Institution	means a financial institution chosen as a suitable reference financial institution by the Lender and which regularly publishes quotations of financial instruments on one of the international financial information networks according to the practices recognised by the banking industry.
Schedule(s)	means any schedule or schedules to this Agreement.
Security	means a mortgage, charge, pledge, lien, guarantee, or any other security interest securing any obligation of any person.

Signing Date	means the date of execution of this Agreement by all the Parties.
TARGET Day	means a day on which the Trans European Automated Real Time Gross Settlement Express Transfer 2 (TARGET2) system, or any successor thereto, is open for payment settlement in Euros.
Tax(es)	means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with a failure to pay or any delay in the payment of any such amounts).
Visibility and Communication Guide	means all contractual provisions binding on the Borrower relating to the communication and visibility of projects financed by AFD and contained in the document entitled "Visibility guide for projects supported by AFD - Level 1" or "Communication guide for projects supported by AFD - Level 2" as the case may be, a copy of which has been given to the Borrower before the signing"
Website	means the website of AFD (http://www.afd.fr/) or any other such replacement website.
Withholding Tax	means any deduction or retention in respect of a Tax on any payment made under or in connection with this Agreement.

SCHEDULE 1B - CONSTRUCTION

- (a) "assets" includes present and future properties, revenues and rights of every description;
- (b) any reference to the "Borrower", a "Party" or a "Lender" includes its successors in title, permitted assigns and permitted transferees;
- (c) any reference to the Agreement or other document is a reference to this Agreement or to such other document as amended, restated or supplemented and includes, if applicable, any document which replaces it through novation, in accordance with the Agreement;
- (d) a "guarantee" includes any *cautionnement*, *aval* and any *garantie* which is independent from the debt to which it relates;
- (e) "indebtedness" means any obligation of any person whatsoever (whether incurred as principal or as surety) for the payment or repayment of money, whether present, future, actual or contingent;
- (f) a "person" includes any natural and legal person which operates for profit or non-profit purpose;
- (g) a "regulation" includes any legislation, regulation, rule, decree, decision, directive, instruction, request, advice, recommendation or guideline (whether or not having the force of law) of any Authority or organisation (including any regulation issued by an industrial or commercial public entity) having an effect on this Agreement or on the rights and obligations of a Party;
- (h) a provision of law is a reference to that provision as amended;
- (i) unless otherwise provided, a time of day is a reference to Paris time;
- (j) The Section, Clause and Schedule headings are for ease of reference only and do not affect the interpretation of this Agreement;
- (k) unless otherwise provided, words and expressions used in any other document relating to this Agreement or in any notice given in connection with this Agreement have the same meaning in that document or notice as in this Agreement;
- (l) an Event of Default is "continuing" if it has not been remedied or if the Lender has not waived any of its rights relating thereto;
- (m) a reference to a Clause or Schedule shall be a reference to a Clause or Schedule of this Agreement; and
- (n) words importing the plural shall include the singular and vice-versa.

SCHEDULE 2A - PROGRAM DESCRIPTION

Context

The Republic of Moldova is going through an important budgetary and energy crisis reinforced by the Russian-Ukrainian conflict. Its strong energy dependence on Russia, its undiversified production sources and its lack of interconnection with European networks are generating strong energy insecurity, with a significant budgetary impact since the end of 2021.

Linked to the European Union by an association agreement since 2014, the Republic of Moldova applied for accelerated membership on March 3, 2022, seeking support from the international community in the context of the current conflict in neighboring Ukraine. The positive decision of the European Council to grant the EU candidate status was taken on 23rd of June 2022.

Anxious to strengthen its European convergence trajectory, the country has implemented, since 2016, regulatory reforms in order to integrate the EU acquis in various sectors of activity, while being part of an ambitious low-carbon development trajectory confirmed as part of its Nationally Determined Contribution (NDC), updated in 2020. In the energy field, the transposition and implementation of the EU acquis started even earlier, the Republic of Moldova being a Contracting Party of the Energy Community Treaty since 2010.

Present in Moldova since July 2021, AFD has initiated several sectoral dialogues with the Moldovan authorities, in accordance with its intervention mandate relating to support for the country's convergence towards European Union standards & low-carbon sustainable development trajectory. Two strategic sectors, transport and energy, have been identified, for which cooperation actions are being identified. Accelerated by the current crisis context, this financing lays the foundations for a long-term partnership combining investments and public policy measures, in support of the decarbonization of the economy.

Program objectives and content

The purpose of this public policy financing is to support the government in the implementation of a series of reforms aimed at strengthening the competitiveness of rail transport (versus road) and renewable energies (versus gas), in order to ensure, in the long term, the revival of rail activity on the one hand and the security of supply and the sustainability of the energy sector on the other, while supporting the decarbonisation of the economy.

The following four actions listed in the AFD public policy matrix, three of which common with the World Bank Matrix, are to be fulfilled:

- The adoption of a new railway code and a reform of the sector consistent with the EU Community acquis
- Identification of an investment plan as well as adaptation and mitigation measures for the rail sector taking into account climate change hazards
- The adoption of a regulatory reform allowing the development of renewable energies (revision of the Law no.10/2016 regarding the promotion of the renewable energy sources)
- The strengthening of social protection programs to mitigate the impact of rising gas prices and future shocks on the most vulnerable populations.

Two sectoral technical assistance will be mobilized by AFD.

SCHEDULE 2B – EXCLUSIONS LIST

1. Production or trade in any product or activity deemed illegal under French and host country laws or regulations or international conventions and agreements.
2. Production or activities involving forced labour¹ or child labour².
3. Trade in wildlife or wildlife products regulated under CITES³.
4. Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
5. Any activity involving or requiring destruction⁴ of Critical Habitat⁵ and any forest project under which no sustainable development and managing plan is carried out.
6. Production or use of or trade in hazardous materials such as asbestos fibers and products containing PCBs⁶.
7. Production, use of or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances⁷ and other hazardous substances subject to international phase-outs or bans.
8. Cross-border trade in waste and waste products unless compliant to the Basel Convention and the underlying regulations.
9. Production or trade in⁸:
 - weapons and/or munitions;
 - tobacco;
 - hard liquor for human consumption.

¹ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions

² Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.

³ CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. (Washington, 1993).

⁴ Destruction means the (1) elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use; or (2) modification of a habitat in such a way that the habitat's ability to maintain its role (see footnote under) is lost.

⁵ Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value shall be considered Critical Habitats.

⁶ PCBs: Polychlorinated biphenyls - a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.

⁷ Ozone Depleting Substances (ODSs): Chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase out dates.

⁸ Activities excluded when representing more than 10 % of the balance sheet or the financed volume and for Financial Institutions more than 10% of the portfolio volume financing

10. Gambling, casinos and any equivalent enterprises⁸⁺⁹.
11. Any business relating to pornography or prostitution.
12. Any activity involving significant alteration, damage or removal of any Critical Cultural Heritage¹⁰.
13. Production and distribution of racist, anti-democratic or with the intent to discriminate part of the population.
14. Exploitation of diamond mines, and commercialization of diamonds, when the host country has not adhered to the Kimberley Process.
15. Any sector or service subject to United Nations, European Union and/or French embargo without any threshold.

⁹ Any direct financing of these projects or activities including them (hotel together with a casino for example). Urban development plans which could later incorporate such projects are not concerned

¹⁰ Is considered as « Critical Cultural Heritage » any part of cultural heritage acknowledged by international or national community for its historical, social or cultural interest.

SCHEDULE 3A - FINANCING PLAN

	Amount (million EUR)
AFD	60

SCHEDULE 3B – MONITORING CHART

Outcome	Output	Institutions in charge	Disbursement-linked indicators
Promote railway as a sustainable alternative to road, for transport of goods and passengers	Adoption of the Railway Transport Code and associated implementation Action Plan to reorganize the railway sector and spur competition, including: (i) the creation of a national authority for railway safety and market regulation and (ii) the establishment of a framework for multi-annual infrastructure contracts for sustainable railway infrastructure and public service contracts for sustainable railway passenger operations, as evidenced by Law No. 19/2022, dated February 3, 2022 published in the Official Gazette on February 18, 2022 and Government Decision No. 264 dated April 20, 2022 and published in the Official Gazette on April 22, 2022	Ministry of Infrastructure and Regional Development, Parliament	Publication of the Railway Transport Code law in the Official Gazette Publication of the Government Decision in the Official Gazette
Support decarbonation of the railway sector, backing the NDC	Implementation of the necessary actions to set up an action plan of the railway transport sector (adaptation and mitigation)	Ministry of Finance	Transmission of the Official request for APD's technical assistance program to CFM
Develop renewable energies to decarbonize the electricity mix and increase energy security	Measures to increase the capacity of renewable energy generation, including the quotas for sustainable biofuels and biogas, as evidenced by Government Decision No. 401, dated December 8, 2021 and published in the Official Gazette on December 10, 2021	Ministry of Infrastructure and Regional Development	Publication of the Government Decision in the Official Gazette
Mitigate the impacts of rising gas prices and future shocks on families, especially the most vulnerable families	Measures to (i) mitigate the immediate impact of the increase in gas prices by increasing the APRA benefits and broadening its coverage and (ii) strengthen the main social protection programs, by improving the targeting and adequacy of the benefit for the most vulnerable families, such as families with children and with members with severe disabilities, as evidenced by the Government Decision No. 332 dated November 10, 2021, published in the Official Gazette on November 12, 2021 and submission to the Recipient's Parliament of the Legislative Initiative No. 118 dated April 4, 2022, amending Law No. 133/2008 on social benefit (ajutor social).	Ministry of Labor and Social Protection	Publication of the Government Decision in the Official Gazette Submission to the Parliament of the Draft law on amending Law no. 133/2008 on social assistance

CC DB

SCHEDULE 4 - CONDITIONS PRECEDENT

The following applies to all documents delivered by the Borrower as a condition precedent:

- if the document which is delivered is not an original but a photocopy, the original photocopy verified as identical to the original, shall be delivered to the Lender;
- the final version of a document which draft was previously sent to, and agreed upon by the Lender, shall not materially differ from the agreed draft;
- documents not previously sent and agreed upon, shall be satisfactory to the Lender.

PART I – CONDITIONS PRECEDENT TO BE SATISFIED ON THE SIGNING DATE

- (a) Delivery by the Borrower to the Lender of the following documents:
 - (i) a copy, verified as identical to the original, of the Government decision authorizing the initiation of the negotiation;
 - (ii) a copy, verified as identical to the original, of the relevant decision(s) issued by the Government of the Republic of Moldova in compliance with the legislation of the jurisdiction of the Borrower approving the content of this Agreement, authorising the Borrower to enter into this Agreement, and authorizing one specified person to execute the Agreement on its behalf;
 - (iii) if applicable, a certificate issued by a duly authorised representative of the Borrower listing the person(s) authorised to sign, on behalf of the Borrower, the Drawdown Request and any certificate in connection with this Agreement and to take all other measures and/or sign all other necessary documents on behalf of the Borrower under this Agreement;
 - (iv) a specimen of the signature of each person listed in paragraph (ii) and in the certificate mentioned in paragraph (iii);
 - (v) evidence that the Facility is included in the Borrower's Budget Law, and that the drawdown of the Facility will not breach any borrowing limit, or any other similar limit binding on the Borrower.
- (b) Delivery to the Lender of a draft legal opinion, in form and substance satisfactory to the Lender, of a reputable law firm, established in the jurisdiction of the Borrower and appointed by the Lender;
- (c) Delivery to the Lender of a draft legal opinion, in form and substance satisfactory to the Lender, issued by the Minister of Justice of the Borrower;

PART II - CONDITIONS PRECEDENT TO THE DRAWDOWN

- (a) Receipt by AFD of a copy of the Law on Ratification of this Agreement by the Parliament of the Republic of Moldova, published in the Official Gazette of the Republic of Moldova and in force as of the date of Drawdown;
- (b) Payment by the Borrower to the Lender of all fees and expenses due and payable under this Agreement.
- (c) Documents evidencing the accomplishment of the indicators set out in Schedule 3B.

- (d) In the event there has been a change regarding the person(s) authorised to execute the Drawdown Request and any certificate in connection with this Agreement on behalf of the Borrower, the Borrower shall provide to the Lender with updated evidence of the person(s) authorised to execute the Drawdown Request on behalf of the Borrower, together with the specimen of the signature(s) of such person(s);
- (e) Delivery to the Lender of a duly executed legal opinion, in form and substance satisfactory to the Lender, of a reputable law firm established in the jurisdiction of the Borrower and appointed by the Lender; ; and
- (f) Delivery to the Lender of a duly executed legal opinion as referred to in Clause 18. (*Entry into force and Duration*), in form and substance satisfactory to the Lender, issued by the Minister of Justice of the Borrower.

SCHEDULE 5A - FORM OF DRAWDOWN REQUEST

[on the Borrower's letterhead]

To: AGENCE FRANÇAISE DE DÉVELOPPEMENT

On: [date]

Borrower's Name – Credit Facility Agreement n° [●] dated [●]

Drawdown Request n°[●]

Dear Sirs,

1. We refer to the Credit Facility Agreement n° [●] entered into between the Borrower and the Lender dated [●] (the "Agreement"). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.

2. We irrevocably request that the Lender makes a Drawdown available on the following terms:

Amount: EUR [●] or, if less, the Available Credit.

3. The Interest Rate will be determined in accordance with the provisions of Clause 4 (Interest) and Clause 5 (Change to the calculation of interest) of the Agreement. The Interest Rate applicable to the requested Drawdown will be provided to us in writing and we accept this Interest Rate [(subject to the paragraph below, if applicable)], including when the Interest Rate is determined by reference to a Replacement Benchmark plus any Adjustment Margin as notified by the Lender following the occurrence of a Screen Rate Replacement Event.

If the Interest Rate applicable to the requested Drawdown is greater than [●insérer pourcentage en lettres] ([●]%), we request that you cancel this Drawdown Request.

4. We confirm that each condition specified in Clause 2.4 (Conditions precedent) is satisfied on the date of this Drawdown Request and that no Event of Default is continuing or is likely to occur. We agree to notify the Lender immediately if any of the conditions referred to above is not satisfied on or before the Drawdown Date.

5. The proceeds of this Drawdown should be credited to the following bank account:

(a) Name [of the Borrower]: [●]

(b) Address [of the Borrower]: [●]

(c) IBAN Account Number: [●]

(d) SWIFT Number: [●]

(e) Bank and bank's address [of the Borrower]: [●]

(f) Correspondent bank and account number of the Borrower's bank: [●]

6. This Drawdown Request is irrevocable.

7. We have attached to this Drawdown Request all relevant supporting documents specified in Clause 2.4 (Conditions precedent) of the Agreement:

[List of supporting documents]

Yours sincerely,

.....

Authorised signatory of Borrower

SCHEDULE 5B - FORM OF CONFIRMATION OF DRAWDOWN AND RATE

[on Agence Française de Développement letterhead]

To: *[the Borrower]*

Date: *[●]*

Ref: Drawdown Request n° *[●]* dated *[●]*

Borrower's Name – Credit Facility Agreement n°*[●]* dated *[●]*

Drawdown Confirmation n°*[●]*

Dear Sirs,

8. We refer to the Credit Facility Agreement n°*[●]* entered into between the Borrower and the Lender dated *[●]* (the “**Agreement**”). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.
9. By a Drawdown Request Letter dated *[●]*, the Borrower has requested that the Lender makes available a Drawdown in the amount of EUR *[●]*, pursuant to the terms and conditions of the Agreement.
10. The Drawdown which has been made available according to your Drawdown Request is as follows:
 - Amount: Euros *[●amount in words]* (EUR *[●]*)
 - Applicable interest rate: *[●percentage in words]* (*[●]*%) per annum [equal to the aggregate of the six-month EURIBOR (equal to *[●]*% per annum) and the Margin]
 - Effective global rate (per annum): *[●percentage in words]* (*[●]*%)
 - Drawdown Date: *[●]*

For fixed-Interest Rate loans only

For information purposes only:

- Rate Setting Date: *[●]*
- Fixed Reference Rate: *[●percentage in words]* (*[●]*%) per annum
- Index Rate: *[●percentage in words]* (*[●]*%) per annum
- Index Rate on Rate Setting Date: *[●percentage in words]* (*[●]*%) per annum

Yours sincerely,

.....

Authorised signatory of *Agence Française de Développement*