



GSIF-1-G-MDA
LD 2152 (2023)

**Energy Efficiency Measures in the "Public Housing III" Project
in the Republic of Moldova**

**GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF MOLDOVA
AND
THE COUNCIL OF EUROPE DEVELOPMENT BANK**

The parties to this Grant Agreement (hereinafter, the "Agreement") are the REPUBLIC OF MOLDOVA (the "Beneficiary Country") and the COUNCIL OF EUROPE DEVELOPMENT BANK, international organisation with its headquarters at 55 avenue Kléber, 75116 Paris, France, (hereinafter, the "CEB", jointly referred to hereinafter as the "Parties", each a "Party").

WHEREAS

- (A) On 16 March 2023, the CEB's Administrative Council approved a loan in favour of the project referenced LD 2152 (2023) consisting of a programme of eligible investment schemes (the "Sub-projects") relating to the reconstruction of social housing, elderly homes and student residences, with focus on energy efficiency (the "Project"), as further described under Appendix A hereunder.
- (B) On 20 March 2020, the CEB established the Green Social Investment Fund (the "GSIF") through the CEB's Administrative Council Resolution 1614 (2020), with the aim of helping to accelerate the transition towards low carbon and climate resilient development.
- (C) The Beneficiary Country, acting through its Ministry of Finance, requested financial assistance in the form of a grant from the GSIF (the "Grant") in an amount of up to one million euros (EUR 1,000,000) in order to finance energy efficiency measures under the Project, complementing the other sources of financing dedicated for this purpose.
- (D) On 15 February 2023, the CEB, having regard to the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe of March 6, 1959, the CEB's Articles of Agreement, the CEB's rules and regulations issued pursuant to the Articles of Agreement, approved to make the Grant available to the Beneficiary Country, in connection with the Project.

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- (E) The purpose of the Agreement between the Parties is to set out the terms and conditions concerning (i) the transfer and utilisation of the Grant; (ii) the implementation of the Project; (iii) the reporting and monitoring; and (iv) the auditing on the use of the Grant.

NOW THEREFORE the Parties hereby agree as follows:

Definitions

The following terms and expressions shall have the meaning indicated below, except as the context requires otherwise:

“CEB’s Anti-corruption Charter”) means the CEB’s Anti-corruption Charter as adopted by the CEB’s Administrative Council resolution 1628 (2021) in March 2021, as publicly available on its website: www.coebank.org.

“CEB’s Environmental and Social Safeguards Policy” means the CEB’s Environmental and Social Safeguards policy as adopted by the CEB’s Administrative Council Resolution 1588 (2016), as publicly available on its website: www.coebank.org.

“CEB’s Loan and Project Financing Policy” means the Loan and Project Financing Policy, as adopted by the CEB’s Administrative Council Resolution 1646 (2022) as publicly available on its website: www.coebank.org.

“CEB’s Personal Data Protection Regulation” means the CEB’s Regulation on a system for the protection of personal data at the CEB, as adopted by the CEB’s Administrative Council in September 2011 as publicly available on its website: www.coebank.org.

“CEB’s Policy on Non-compliant/Uncooperative Jurisdictions” means the CEB’s Policy on Non-compliant/Uncooperative Jurisdictions, as adopted by the CEB’s Administrative Council Resolution 1630 (2021), as publicly available on its website: www.coebank.org.

“CEB’s Procurement Guidelines” means the CEB’s ‘Guidelines for Procurement of supplies, works and services’ as adopted by the CEB’s Administrative Council in September 2011, as publicly available on its website: www.coebank.org.

“CEB’s Public Information Policy” means the CEB’s Public Information Policy adopted by the CEB’s Administrative Council in July 2020, as publicly available on its website: www.coebank.org.

“Completion Date” means the completion date of the Grant-financed Sub-projects of the Project specified in Appendix A hereto by which date the Grant shall have been allocated and hence, for the avoidance of doubt, all invoices related to the services, supplies or works under the Project shall have been either (i) received or (ii) received and paid by the Beneficiary Country.

“Completion Report Date” means the completion report date of the Grant-financed Sub-projects of the Project by which date all invoices related to the services, supplies or works under the said Sub-projects shall have been paid by the Beneficiary Country and the Beneficiary Country, through the PIE, shall submit a completion report to the CEB and such date shall not fall later than six (6) months after the Completion Date.

“Euro” or “EUR” means the lawful currency of the Member States of the European Union which from time to time adopt it as their currency in accordance with the relevant provisions of the

Treaty of the European Union, and the Treaty on the Functioning of the European Union, or their succeeding treaties.

“European Convention on Human Rights” means the Convention for the Protection of Human Rights and Fundamental Freedoms dated 4 November 1950, CETS n° 5.

“European Social Charter” means the European Social Charter, dated 3 May 1996, CETS n°163.

“Final Beneficiaries” are specified under Appendix 1 hereto as the group benefitting from the social effects of the Project.

“Forecasted Expenditure” means the costs planned to be incurred under the Project over the period of one (1) year and which are accepted by the CEB as eligible according to the provisions of this Agreement.

“Incurred Expenditure” means the expenditure for works carried out, supplies delivered or services rendered, which are incurred before the Completion Date and which are accepted by the CEB as eligible according to the provisions of this Agreement.

“Prohibited Practices” has the meaning ascribed to it in Article 5 hereinafter.

“Personal Data Protection Regulation” means the CEB’s Regulation on a system for the protection of personal data at the CEB, as adopted by the CEB’s Administrative Council in September 2011.

“Project Implementing Entity” (hereinafter, the **“PIE”**) means the legal entity that, by delegation of the Beneficiary Country, is in charge of the implementation of the Project, as defined in Article 3.1 below.

“Project Implementing Unit” (hereinafter, the **“PIU”**) means the team appointed by the PIE in charge of the day-to-day management of the Project, as defined in Article 3.1 below.

“Sanctioned Person” means any individual or entity listed in and/or otherwise subject to one or more Sanction Lists.

“Sanction List” means (i) any economic, financial and trade restrictive measures and arms embargoes issued by the EU pursuant to Chapter 2 of Title V of the Treaty on European Union as well as Article 215 of the Treaty on the Functioning of the European Union, as available in the official EU website www.sanctionsmap.eu¹ or on any successor page, as amended and supplemented from time to time; or, (ii) any economic, financial and trade restrictive measures and arms embargoes issued by the United Nations Security Council pursuant to Article 41 of the UN Charter as available in the official UN website or on any successor page, as amended and supplemented from time to time.

“Sub-project” means an eligible investment scheme to be financed under the Project.

Any other terms used herein with initial capital letters shall bear the meaning specified in the Agreement, unless the context requires otherwise.

¹ The EU Sanctions Map is an IT tool for identifying the sanctions regimes. Note that the EU Official Journal is the official source of EU law and, in case of conflict, its content prevails over that of the relevant websites.

References herein to Articles, Paragraphs, Recitals and Appendices are references respectively to articles, paragraphs, and appendices of this Agreement.

Article 1

The Grant

1.1 *Amount:* Under the terms and conditions set out hereinafter in this Agreement, the CEB is willing to make available to the Beneficiary Country, and the Beneficiary Country so accepts, the Grant in an amount of up to EUR 1,000,000 (one million Euros).

1.2 Payment Procedures:

- a) The CEB shall disburse the Grant to the Beneficiary Country in at least two Tranches (the "Tranches"). The amount of the first Tranche shall not exceed 50% of the total Grant amount. The amount of each Tranche shall be determined by the CEB according to the Incurred Expenditure and/or the Forecasted Expenditure.
- b) The Grant shall be disbursed to the Beneficiary Country once the conditions precedent for disbursement defined in Article 1.5 of this Agreement are fulfilled and upon Beneficiary Country's request (the "Disbursement Request") substantially in the form set out in Appendix B hereto. The Beneficiary Country acknowledges that payment made to the Beneficiary Country following such request shall constitute disbursement hereunder.
- c) The Beneficiary Country shall be responsible for making the funds disbursed hereunder available to the PIE and ultimately, to the PIU for the implementation of the Project.

1.3 *Special Account:* The Beneficiary Country, through the Ministry of Infrastructure and Regional Development, shall open (i) at the National Bank of Moldova, a dedicated account for the Grant to which the CEB will transfer the proceeds of the Grant in EUR (the "Special Account").

The CEB shall deposit the Grant to the Special Account with the following account details:

Beneficiary name:	Ministry of Finance - Regional Treasury Chisinau – State Budget, Social Housing Project PIU, GSIF Grant
Beneficiary Bank:	National Bank of Moldova, Chisinau, Republic of Moldova
IBAN	MD18NBPBIC132221B16344AA
SWIFT	NBMDMD2X
Intermediary Bank	De Nederlandsche Bank N.V., Amsterdam, Netherlands
IBAN	NL90FLOR0600126226
SWIFT	FLORN12ACAC

The Special Account's credit balance cannot accrue negative interest and any positive interest earned shall be used exclusively to fund the Project.

1.4 *Currency:* The Grant shall be disbursed in Euro (EUR). Any amount due by the Beneficiary Country to the CEB under this Agreement shall be paid in Euro. All financial accounts and statements shall be expressed in Euro.

1.5 Conditions Precedent for Disbursement

The disbursement pursuant to Paragraph 1.2 of this Article (*Payment Procedures*) is conditional upon receipt by the CEB in form and substance satisfactory to it of:

- (i) Evidence in English of the person(s) authorised to execute the Agreement and the Disbursement Requests on behalf of the Beneficiary Country, together with the authenticated specimen of the signature(s) of such person(s);
- (ii) Except for the first Tranche, each subsequent disbursement will be subject to the CEB's clearance of Progress Reports (as defined under Article 7 below) confirming full allocation of the previous disbursement and Forecasted Expenditure to be financed from the Grant.

1.6 Obligation to pay: It is expressly acknowledged and agreed that the CEB shall not be obliged to make any payment under and/or pursuant to this Agreement, except to the extent that an amount in respect of, and equal to, such payment is available in the GSIF.

Article 2

Conditions for use of the Grant

2.1 Use of the Grant: The Grant made available by the CEB shall be used exclusively for financing the energy efficiency measures under the Project (as described in Appendix A hereto).

2.2 Repayment: Any balance remaining (i) not Allocated on the Completion Date and (ii) any balance remaining unpaid on the Completion Report Date or any repayment of the Grant in accordance with the Agreement shall be refunded to the CEB in EUR and deposited in EUR in the following CEB's GSIF account, unless otherwise agreed:

Account holder:	Council of Europe Development Bank, Paris (SWIFT: CEEF FR PP)
Bank's name:	DEUTSCHE BANK AG, Frankfurt
Bank's address:	Taunusanlage 12 D - 60325 Frankfurt am Main
IBAN Code :	DE44500700100928738400
SWIFT Code :	DEUT DE FF
Reference:	GSIF-1-G-MDA, LD 2152, EE Measures in PH III, Unused funds

The Beneficiary Country shall notify the CEB by email to Projects@coebank.org of the following: (a) the amount refunded; (b) the value date of the refund; (c) that the refund is from the Beneficiary Country pursuant to this Agreement.

2.3 Visibility: The Beneficiary Country shall take all appropriate measures to always acknowledge and make public that the Grant-financed Sub-projects received funding from the GSIF through the CEB.

In particular, the Beneficiary Country shall inform the Final Beneficiaries that the relevant Sub-project is partly financed by the GSIF through the CEB using appropriate means of communication such as dedicated notices in relevant websites, social media, press releases, brochures or the exhibit of billboards/plates on relevant Sub-project sites/facilities. In any

case, information to the Final Beneficiaries shall display in an appropriate way the GSIF and the CEB's name and logo.

Article 3

Responsibility for the Project

- 3.1 The Beneficiary Country designates the Ministry of Infrastructure and Regional Development (hereinafter, the "**MIRD**") as the implementing entity under the Project (hereinafter, the "**PIE**"). The PIE will entrust the management and supervision of the Project to the existing Social Housing Project Implementation Unit (hereinafter, the "**PIU**") dedicated to the implementation of the Project as further described in Appendix A. In any event, the responsibility to comply with all obligations under the Agreement remains with the Beneficiary Country.
- 3.2 The Beneficiary Country, through the PIU, shall keep the CEB informed of the progress of the Project, providing to the CEB, with copy to MIRD, the information required under Articles 6 and 7 of the Agreement.

Article 4

Particular undertakings

- 4.1 *CEB's Procurement Guidelines:* The Beneficiary Country shall conduct all procurement procedures under the Project in accordance with the public procurement laws of the Republic of Moldova. In particular, the Beneficiary Country shall ensure that any party having an interest in obtaining a particular contract to be financed under the Project shall have access to the review procedures and remedies provided for under the laws of the Republic of Moldova.
- To be eligible for financing under the Grant, Procurement of works, services and goods carried out in accordance with the paragraph above, shall be in line with the CEB's Procurement Guidelines. In particular, the Procurement Plan (as such term is defined under the Procurement Guidelines) and any update thereof, indicating the procurement methods for each contract shall be submitted to the CEB for approval. Upon receipt, the CEB will inform the Borrower of the scope of review that the CEB will carry out for each contract.
- 4.2 *CEB's Environmental and Social Safeguards Policy:* The Project shall be implemented in accordance with the CEB's Environmental and Social Safeguards Policy.
- 4.3 *Care and Diligence:* The Beneficiary Country, through the PIE, shall use all care and diligence needed for the proper implementation of the Project.
- 4.4 *Increased Costs:* Should the cost of completing the Project exceed the original budget indicated, the Beneficiary Country shall obtain the financing to fund the excess cost without recourse to the CEB. In any event, the CEB does not undertake to cover any expenses in excess of the amount of the Grant defined under Article 1 of the Agreement.

4.5 *Completion*: The Beneficiary Country shall ensure, through the PIE, that the Project is carried out and completed within the Completion Date specified under Appendix A hereto, unless otherwise agreed by the CEB in writing.

Article 5

Integrity Commitment and Human Rights

5.1 The Beneficiary Country, through the PIE, undertakes that:

- (a) it will institute and thereafter comply with internal policies, procedures and controls, in line with applicable legislation and international best practices, for the purpose of preventing the Grant to become, in connection with the implementation of the Project or otherwise, an instrument for money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion;
- (b) it will not make any Grant proceeds available to or for the benefit of, directly or indirectly, any Sanctioned Person; and
- (c) it will not commit, and no person, with its consent or prior knowledge, will commit, in connection with the implementation of the Project, the execution of any contract under the Project or otherwise, a Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice or Obstructive Practice (hereinafter, together with money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion and making available any Grant proceeds to Sanctioned Persons referred to as the “**Prohibited Practices**”).

For the purposes of this Agreement:

- (i) a “**Corrupt Practice**” means any act of offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
- (ii) a “**Fraudulent Practice**” means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation.
- (iii) a “**Coercive Practice**” means any act of impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party to influence improperly the actions of a party.
- (iv) a “**Collusive Practice**” means any arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
- (v) an “**Obstructive practice**” meaning in relation to an investigation into a Coercive Practice, Collusive Practice, Corrupt Practice or Fraudulent Practice in connection with this Grant or the Project, (a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation; (b) any act of threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, and/or (c) any act intending to materially impede the exercise of the contractual rights of audit or access to information.

5.2 Investigation and Integrity Reporting

- (a) The Head of the PIE shall be responsible for contacts with the CEB for the purposes of this Article 5 regarding *Further Undertakings*.
- (b) The Beneficiary Country undertakes:
 - (i) to inform the CEB should it become aware of any alleged or actual failure to comply with the provisions set forth in Article 5 hereunder. For this purpose, the knowledge of any member of the PIE or PIU shall be deemed the knowledge of the Beneficiary Country;
 - (ii) to take such action as the CEB may reasonably request to investigate and/or terminate any alleged or actual act or failure to comply with the provisions set forth in Article 5 hereunder;
 - (iii) to facilitate any investigation that the CEB may conduct in relation to any such act or failure to comply with the provisions set forth in Article 5 hereunder;
 - (iv) to inform the CEB of the measures taken to seek damages from the persons responsible for any loss resulting from any such act or failure to comply with the provisions set forth in Article 5 hereunder; and
 - (v) to inform the CEB during the implementation of the Project, when it becomes aware that transmitted information needs to be rectified, updated or removed.

5.3 Human Rights: The implementation of the Project shall not lead to a violation of the European Convention on Human Rights and of the European Social Charter.

Article 6 **Information requirements**

- 6.1 Documents to be retained:** The Beneficiary Country, through the PIU, undertakes (i) to retain, at the PIE's premises, for inspection during six (6) years from the conclusion of each contract financed by means of the Grant the full terms of the contract itself, as well as all material documents pertaining to the procurement process and to the execution of the contract and (ii) to procure that the CEB may inspect the contractual documents that the suppliers/contractors/service providers are obliged to retain under the relevant contracts.
- 6.2 Accounting records to be retained:** The Beneficiary Country, through the PIU, shall keep accounting records concerning the Project, which shall be in conformity with international standards, showing, at any point, the Project's state of progress, and which shall record all operations made and identify the goods, works and services financed with the support of the Grant.
- 6.3 Obligation to respond to request for information:** The Beneficiary Country, through the PIU, undertakes to respond within a reasonable period to any request for information from the CEB and to give access to any documentation that the CEB should consider necessary and may reasonably request, for the proper implementation of the Project, particularly as concerns the monitoring of the Project and the use of the Grant.

- 6.4 *Obligation to inform:* The Beneficiary Country, through the PIU, shall inform the CEB immediately of any legislative or regulatory change in the economic sector relevant to the Project, and, in a general sense, of any event which may have a material adverse impact on the execution of its obligations under this Agreement.

Article 7

Monitoring and Reports

7.1 Concerning the Grant in connection with the Project

Monitoring of the Grant will be carried out along with the monitoring of the CEB Loan under the Project and in line with the CEB's Loan and Project Financing Policy.

The Beneficiary Country, through the PIU, undertakes to communicate to the CEB the following reports and documents:

- (a) a **"Progress Report"** (i) once a year, until the completion of the Grant-financed sub-projects of the Project; and (ii) prior to every Disbursement Request, except for the Disbursement Request for the first Tranche; and
- (b) **"Completion Report"** in form and substance identical to the Progress Report.

The Progress Report and the Completion Report shall cover at least the information contained in the template provided in Appendix C of this Agreement.

Reporting on incurred expenditure shall be expressed in EUR. The PIU shall undertake that the works contractors shall record separately, with appropriate supporting documents (e.g. bills of quantities and invoices), the expenditures for energy efficiency measures to enable the PIU to match the respective expenditures with payments from the dedicated grant resources.

7.2 Concerning the Beneficiary Country

- (a) The Beneficiary Country, through the PIE, shall generally advise the CEB of any fact or event that might prevent the fulfilment of any obligation of the Beneficiary Country hereunder; and
- (b) the Beneficiary Country, through the PIE, procures that the PIU will undertake to give access to the CEB without delay to any document requested by the latter, including, but not limited to, audit reports or accounting statements.

- 7.3 *Visits:* The Beneficiary Country, through the PIU, shall favourably receive any monitoring/technical/evaluation visits carried out by the CEB's staff members or third parties designated by the CEB; and to provide all the necessary co-operation thereof, including by facilitating on-site visits.

- 7.4 *Audit:* The Beneficiary Country, through the PIE, undertakes to favourably receive any on-site audit carried out by the CEB or a third party designated by the CEB and to provide all the necessary co-operation thereof, including by facilitating any possible on-site visits.

7.5 Assistance with Local Regulations: The CEB's staff members or any designated third parties may request the assistance of the PIE and the PIU in obtaining copies of local laws, regulations and information which may affect the performance of the relevant contracts under the Project, and the PIU shall provide such requested assistance.

Article 8

Charges

8.1 Taxes, Duties and Fees: The CEB shall not be liable to pay any taxes, duties or fees of whatever nature including stamp duty and registration fees, arising out of the execution or implementation of this Agreement and documents relating thereto, in accordance with the applicable laws of the Beneficiary Country.

8.2 Other Charges: The Beneficiary Country shall bear its own professional and banking charges as well as any transfer or exchange charges, as applicable, incurred in the execution or implementation of this Agreement.

Article 9

Right to suspend, cancel and demand repayment of the Grant

9.1 Right to suspend, cancel or demand Repayment: The CEB reserves the right to suspend, cancel or request immediate repayment of the Grant in any of the following circumstances:

- (i) *Breach of obligation under this Agreement:* if the Beneficiary Country fails to comply with any obligation imposed on them hereunder within a time reasonably specified in a notice served by the CEB on the Beneficiary Country requiring compliance;
- (ii) *Breach of obligation:* where the Beneficiary Country fails to fulfil an obligation arising out of any loan agreement or guarantee agreement or grant agreement, and where the interests and objectives of the CEB are prejudiced thereby;
- (iii) *Non-payment:* where the Beneficiary Country (as borrower or guarantor) fails to pay any amount of principal, interest or other sum payable under any loan agreement or guarantee agreement between the CEB and the Beneficiary Country on the date upon which the amount is due and payable;
- (iv) *Material adverse change:* where an exceptional situation arises which in the opinion of the CEB makes the fulfilment of the obligations of the Beneficiary Country (as borrower or guarantor or grant recipient) uncertain; and
- (v) *CEB membership:* where the Beneficiary Country (as borrower or guarantor or grant recipient) ceases to be a member of the CEB.

9.2 Other Rights at Law: Paragraph 9.1 of this Article shall not restrict any other right of the CEB to demand repayment of the Grant.

Article 10

Indemnity

The Beneficiary Country shall indemnify the CEB against all damages, losses, costs and expenses suffered or incurred by the CEB, *inter alia*, as a result of any act or omission committed by it, from its failure to comply with any of their respective obligations set out in this Agreement, for its gross negligence, for any act of wilful malfeasance and for any fraudulent act.

Article 11

Confidentiality and Data Protection

11.1 The CEB will treat any information provided to it by the Beneficiary Country pursuant to the latter's obligations hereunder in accordance with its Public Information Policy. The Beneficiary Country shall preserve the confidentiality of any document, information or other material directly related to the implementation of the Project that is communicated by the CEB as "confidential". The confidential nature of a document shall not prevent it from being communicated to a third party when the law binding on the Beneficiary Country so requires.

11.2 The processing of any personal data in connection with the Agreement shall be carried out by the CEB in accordance with the Personal Data Protection Regulation.

Article 12

Representations and warranties

12.1 The Beneficiary Country represents and warrants:

- (i) that it is duly authorised to enter into the Agreement and it has given the signatory(ies) the authorisation therefor, in accordance with the laws, decrees, regulations and other texts applicable to it;
- (ii) that the drawing up and execution of the Agreement does not contravene the laws, decrees, regulations and other texts applicable to it; in particular, that it complies with the laws on fraud, corruption, money laundering and financing of terrorism, prevention of tax avoidance, tax fraud or tax evasion and does not enter into business relationships with Sanctioned Persons;
- (iii) it is not and none of its officers, directors, agent or employees is a Sanctioned Person or is the subject of a final and irrevocable court ruling in connection with Prohibited Practices perpetrated in the exercise of its professional duties and none of them did or does enter into business relationships with Sanctioned Persons;
- (iv) that it has accessed a copy of and is aware of the CEB's Procurement Guidelines, the CEB's Environmental and Social Safeguards Policy, the CEB's Loan and Project Financing Policy, the Public Information Policy, the Personal Data Protection Regulation, the Anti-corruption Charter and the Policy on Non-compliant/Uncooperative Jurisdictions.

12.2 If any of the above representations and warranties is or proves to have been incorrect or misleading in any respect during the life of the Grant, the CEB may exercise any of its rights under Article 9 (*Right to suspend, cancel and demand repayment of the Grant*).

Article 13 **Notices**

13.1 Any notice (including any document or communication) to be given or made under or in connection with this Agreement to the CEB or the Beneficiary Country shall be in writing and unless otherwise stated, may be made by registered letter, electronic mail or facsimile. Such notice shall be deemed to have been received by the other Party:

- (i) on the date of delivery in relation to a hand-delivered or registered letter;
- (ii) in the case of electronic mail, only when actually received in readable form and only if it is addressed in such a manner as the other Party shall specify for this purpose;
- (iii) on receipt of transmission in relation to a facsimile.

13.2 Any notice provided by the Beneficiary Country to the CEB by electronic mail shall:

- (i) mention the Agreement reference in the subject line; and
- (ii) be in the form of a non-editable electronic image (pdf, tif or other common non-editable file format agreed between the Parties) of the notice signed by the person or persons authorised to sign such notice on behalf of the Beneficiary Country, attached to the electronic mail.

13.3 Without affecting the validity of notices by electronic mail or facsimile made in accordance with this Article, the following notices shall also be sent by registered letter to the other Party at the latest on the immediately following Business Day:

- (i) Disbursement Request(s);
- (ii) any communications in respect of the suspension, cancellation or repayment of the Grant; and
- (iii) any other communication required by the CEB.

13.4 The Parties agree that any above notice (including via electronic mail) is an accepted form of communication, shall constitute admissible evidence in court and shall have the same evidential value as an agreement under hand.

13.5 The postal address, fax number and electronic mail address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication to be given or made under or in connection with this Agreement is:

For the Beneficiary:

Ministry of Infrastructure and Regional Development
1, Piața Marii Adunări Naționale

MD 2001, Chisinau
Republic of Moldova
Attention: Minister
e-mail: andrei.spinu@midr.gov.md, secretariat@midr.gov.md;

Project Implementation Unit
1, Piata Marii Adunari Nationale
MD 2001, Chisinau
Republic of Moldova
Attention: PIU Manager
e-mail: iunona.lungul@midr.gov.md

and

Ministry of Finance
7, Constantin Tanase Street
MD 2005, Chisinau
Republic of Moldova
Attention: Minister
e-mail: cancelaria@mf.gov.md

For the CEB:

Council of Europe Development Bank
55, avenue Kléber
75784 Paris Cedex 16 – France

Attention: Deputy Director, Directorate for Loans and Social Development

Fax: + 33 1 47 55 37 52
E-mail: projects@coebank.org

13.6 The CEB and the Beneficiary Country shall promptly notify the other Party in writing of any change in their respective communication details.

13.7 All notices to be given or made under or in connection with the Agreement shall be in English or French or, if in another language, shall be accompanied by an English or French certified translation thereof, when so required by the CEB.

13.8 All notices to be given or made by the Beneficiary Country under or in connection with this Agreement shall, where required by the CEB, be delivered to the CEB together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Beneficiary and the authenticated specimen signature of such person or persons.

Article 14
Illegality

If it is or becomes unlawful in any jurisdiction for the CEB to make, maintain or fund the Grant or perform any of its obligations under this Agreement, the CEB may exercise any of its rights under Article 10 (*Recovery, right to suspend, cancel and demand repayment of the Grant*).

Article 15
Amendments

This Agreement may be modified by written amendment by the CEB and the Beneficiary Country. Such amendment shall enter into force in accordance with Beneficiary Country's laws.

Article 16
Dispute settlement

16.1 Any dispute arising out of or in connection with the Agreement, including its existence, validity, interpretation or termination shall be settled amicably between the Parties.

16.2 In default of amicable settlement, disputes between the Parties with respect to the Agreement in relation to the Grant, shall be subject to arbitration under the terms and conditions laid down in Appendix D hereto.

Article 17
Entry into force

The Agreement shall enter into force upon signature by the Parties, on the date on which the CEB receives a notification confirming the completion by the Republic of Moldova of the internal procedures necessary for its entry into force.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto, have signed the Agreement in the English language in two (2) originals.

For the Beneficiary Country

Signed in Chisinau, on 26.03.24

Name: Spiru Andrei
Title: _____

For the Council of Europe Development Bank

Paris, on 12/1/24

Name: **Cristian TABACARU**
Title: **L&D Director**

Name: _____
Title: **Jan DE BEL**
General Counsel

APPENDICES

Appendix A: Description of the Project

Appendix B: Disbursement Request (Template)

Appendix C: Monitoring and Completion Report (Template)

Appendix D: Settlement of disputes in respect of Grant

APPENDIX A

Description of the Project

Project	Public Housing III – LD 2152 (2023)
Country	Republic of Moldova
PIE	Ministry of Infrastructure and Regional Development
PIU	Public Housing Project Implementation Unit
Final Beneficiaries	The beneficiaries of the Grant will be eligible individuals/households under the Grant-financed Sub-projects under the Project.
GSIF Grant Approval by the CEB Governor	15 February 2023
GSIF Grant Amount	EUR 1,000,000
GSIF Grant Objective	To increase energy efficiency and reduce the environmental footprint of the target housing units that are planned for reconstruction under the Project, by reducing their energy consumption and diversifying their energy supply, as well as to alleviate energy poverty and improve overall living conditions for final
Planned Project Activities	<p>The Project will mainly involve the repurposing of existing buildings into public rental housing, elderly homes, and student residences for an estimated number of 3,060 beneficiaries, and with a total estimated built area of 56,266 m², reconstructed to high standards of energy efficiency. The Feasibility Study established an indicative list of Sub-projects, containing 32 Sub-projects distributed in 21 localities throughout the country; a reserve list of Sub-projects is available for substituting any Sub-projects unable to proceed.</p> <p>The creditworthiness of local public authorities (LPA) and other relevant public entities (PE) is verified by the Ministry of Finance (MoF) before signing an On-lending Agreement with the participating LPAs/PEs. A Cooperation Agreement is signed between the participating LPAs/PEs and the Ministry of Infrastructure and Regional Development MIRD/PIU, where the Sub-projects are defined and the LPAs entrust the management of works to the PIU.</p> <p>The LPAs/PEs develop the design of their Sub-projects, the PIU contracts the works and ensures the works supervision on behalf of LPAs/PEs. The CEB disburses its loan and the investment grants to the project account in tranches; the PIU administers the project account and processes the payments to the contractors.</p> <p>After completion of works and hand-over of the facilities to the LPAs/Pes, they establish commissions that allocate the housing units, student residences and elderly homes according to the relevant national legislation.</p> <p>The Grant shall exclusively finance energy efficiency measures in a number of</p>

Project Management	<p>The MIDR, as PIE, will have overall responsibility for the Project implementation.</p> <p>The Public Housing III Project will be implemented by the existing PIU, managing the Social Housing II Project, with increased capacities. The PIU will be overseen by a Steering Committee.</p> <p>The PIU will comprise a PIU Manager; Head of Procurement and Legal Section; Chief Accountant; Head of Technical Section (Sub-projects management function); Technical Manager (works supervision function); Financial Specialist; Lawyer; Communication specialist.</p> <p>The PIU Manager, Head of Procurement and Legal Section, and Chief Accountant work on Project preparation since 1 March 2023.</p> <p>As the Project progresses, the PIU will include the rest of the positions mentioned above, and others according to needs.</p> <p>MIDR provides PIU offices and covers all office maintenance and utilities costs. In addition, the PIU will contract dedicated Local Managers to support the</p>				
Completion Date	30 September 2029				
Completion Report Date	31 March 2030				
Estimated Cost Breakdown and Financing Plan of the Project	Uses	EUR million	%	Sources	EUR million
	Existing buildings for repurposing	6.14	17.94	CEB Loan	20.00
	Land			GSIF grant	1.00
	Design			ESP Grant	6.00
	Design verification			LPAs financing	7.22
	Technical expertise				
	Reconstruction works	18.68	54.59		
	Project management, incl. works supervision	1.92	5.61		
	Energy efficiency measures incl. Building envelope, Heating system, Renewable energy production, etc.	7.00	20.46		
	Contingency	0.48	1.40		
	Total	34.22	100.00	Total	34.22
	<p>As energy efficiency measures are expected to represent around 20% of each Sub-project costs, each Sub-project will be imparted an equal share of grant element as a proportion of its total costs (around 20%) provided that the Sub-project includes energy efficiency measures verifiably amounting to this share of total costs. The grant element will be financed from either the GSIF or the ESP grant. Subject to the CEB prior approval, the grant sources could be blended where needed to reach the necessary grant element share per Sub-project.</p>				

Eligible Costs	<p>Energy efficiency and renewable energy production investment costs under the Project as follows:</p> <ul style="list-style-type: none"> • thermal insulation of the building envelope including all external parts of the building (roof, walls, windows); • automatic temperature regulators in rooms, including day/night mode, and installation of thermal energy meters in each home; • replacement of incandescent light bulbs with energy efficient bulbs; • solar installations for the production of domestic hot water; • photovoltaic installations connected to the grid for the production of electricity; • low, medium and high capacity heat pumps, • other such measures to be defined in the design of the Grant-financed
Expected impact	<p>Grant-financed investments are expected to:</p> <ul style="list-style-type: none"> • Improve energy efficiency of the selected buildings; • Reduce CO2 emissions; • Enable optimal operation and increase the comfort and air quality levels in the selected buildings; • Improve building quality and extend building lifetime; • Reduce the household energy burden on the long term; • Increase awareness of the benefits of energy efficiency projects for the general public, construction sector staff, as well as local media; • Renewable energy production for own consumption.

APPENDIX B

Disbursement Request (Template)

<Date> place>

To the attention of:

CEB

Council of Europe Development Bank

55 avenue Kléber

F – 75116 Paris

Title of the Grant Agreement: "Preparatory activities for a Social Housing project"

Reference number:

GSIF-1-G-MDA/ LD 2152

Request for disbursement number: <Enter number>

Dear Sir/Madam,

I hereby request disbursement of the <Enter number of the tranche> under the Grant Agreement mentioned above.

The amount requested is EUR <...>.

Please find attached the following supporting documents:

The disbursement of the Grant Tranche should be made to the Special Account with the following bank details:

Holder's name:

Account n° IBAN:

SWIFT BIC:

I hereby certify that the information contained in this Request for Grant disbursement is complete and reliable and that this Request for Grant disbursement is substantiated by appropriate and verifiable supporting documents.

Yours faithfully,

<Authorised Signatory>

APPENDIX C

Progress Report and Completion Report Template

TABLE 1 - COSTS, EXPENDITURES AND FINANCING PLAN (in EUR, VAT excluded)

Country: Republic of Moldova
Project: FIP 18495 - LD 2152 (2023)
Project title: Social Housing III

Date of the Progress report:

Project description

PROJECT DESCRIPTION												COSTS & EXPENDITURES						FINANCING							
PROJECT COSTS		Initially estimated costs (at loan approval)	Date of financing agreement with municipality [**] (DD/MM/YYYY)	Implementation schedule		Resettlement required	Number of housing units to be		Total living surface area sq.m		Number of beneficiaries		Incurred Expenditure				Forecasted Expenditure		TOTAL COSTS (Effective)	PROGRESS in % (Total spent/ Total costs)	CEB loan [**]	CEB GSIF grant	ESP grant	LOCAL contribution	
Municipality				Start [**] (MM/YYYY)	End (MM/YYYY)		Yes/No	Planned	Achieved	Planned	Achieved	Planned	Achieved	2023	2024	2025	TOTAL SPENT	Up to the Completion of which in the next 12 months						(3) = (1) + (2)	(4) = (3) / (5)
															(1)	(2)									
Sub-project no.	COMPONENT 1: HOUSING FOR LOW-INCOME PERSONS																								
UPA II	1	Oruleni																							
	2	Calarasi																							
	3	Straseni																							
	4	Riscani																							
	5	Canemir																							
	6	Cahul																							
	7	Glodeni																							
	8	Singerei																							
	9	Falesti																							
UPA I	10	Nisporeni																							
	11	Anenii Noi																							
	12	Hincesti																							
	Sub-total Component 1																								
COMPONENT 2: HOUSING FOR ELDERLY PERSONS																									
UPA II	1	Ocnita																							
	2	Straseni																							
	3	Soroca																							
	4	Riscani																							
	5	Canemir																							
	6	Basarabasca																							
	7	Cahul																							
	8	Ungheni																							
	9	Ungheni																							
UPA I	10	Singerei																							
	11	Rezina																							
	12	Telenesti																							
	13	Nisporeni																							
	14	Anenii Noi																							
	15	Rezina																							
	16	Soroca																							
	Sub-total Component 2																								
COMPONENT 3: STUDENT ACCOMODATION																									
UPA II	1	Calarasi																							
	2	Canemir																							
UPA I	3	Nisporeni																							
	4	Calarasi																							
	Sub-total Component 3																								
	TOTAL COMPONENTS (1-3)		32 303 000																						
	Project management and technical supervision costs		1 920 000																						
	TOTAL		34 223 000																						

[*] Sub-projects are eligible if they have been contracted or their implementation has started maximum one year prior to the disbursement date of the CEB loan tranche under which they are financed.

[**] The amount financed from the CEB loan shall not exceed 70% of total programme eligible costs.

TABLE 3A - UTILISATION OF FUNDS RECEIVED

Country: Republic of Moldova										
Project: LD 2152 (2023)										
Project title: Social Housing III										
Date of the Progress report:										
CEB LOAN GSIF ESP	N° TRANCHE	DISBURSEMENT DATE	AMOUNT OF THE TRANCHE DISBURSED in EUR	EXCHANGE RATE (at the date of payment)	EQUIVALENT in MDL	On-lending agreement date	Name of the Municipality	AMOUNT in MDL	% Tranche Utilisation	COMMENTS
	1	2	3	4	5	6	7	8	9	10
CEB LOAN										
SUB-TOTAL (CEB LOAN)										
CEB GSIF GRANT										
SUB-TOTAL (CEB GSIF GRANT)										
ESP GRANT										
SUB-TOTAL (ESP GRANT)										

APPENDIX D

Settlement of disputes in respect of grant from the CEB

ARTICLE 1.1

Arbitration

Any dispute between the Parties to the grant agreement in respect of the interpretation or execution of such agreement or in respect of a claim by one of the said parties against another arising out of the grant agreement, which has not been settled by agreement between the Parties shall be submitted for arbitration in the manner prescribed below.

ARTICLE 1.2

Commencement of arbitration proceedings

Arbitration proceedings may be instituted by any one of the Parties specified in the preceding section by means of a request notified to all the other Parties; the request shall state the nature and subject of the dispute and set forth the claims to be submitted for arbitration.

ARTICLE 1.3

Appointment of the arbitral tribunal

In any arbitration proceedings instituted in pursuance of this article, the Beneficiary Country may be a party.

For any dispute submitted for arbitration in pursuance of this article, an arbitral tribunal shall be set up. It shall consist of three arbitrators appointed as follows:

- a) one arbitrator shall be appointed by the CEB;
- b) a second arbitrator shall be appointed by the Beneficiary Country;
- c) a third arbitrator, called the umpire, who shall act as President of the arbitral tribunal, shall be appointed by common consent between the Parties or, failing such consent, by the President of the European Court of Human Rights or, should the latter have the nationality of the Beneficiary Country, by the Vice-President of the Court or, if the latter is in the same situation, by the senior of those Judges of the Court who does not have the nationality of the Beneficiary Country;
- d) the procedure described in the preceding paragraph shall take place, at the instance of one of the Parties to the dispute, if, within one month after notice has been given of the request for arbitration, no agreement has been reached regarding the appointment of an umpire;
- e) where one of the Parties appoints no arbitrator, the umpire shall appoint the said arbitrator.

ARTICLE 1.4

Place of arbitration

The arbitral tribunal shall hold its first sitting on such date and at such place as shall be appointed by the umpire. Thereafter, the tribunal shall decide itself where and when it shall sit

ARTICLE 1.5

Law applicable to arbitration proceedings

The arbitral tribunal shall decide all questions relating to its competence. It shall lay down its own rules of procedure and shall choose the law which shall be applicable, unless that law is specified in the contracts or in the arbitration agreement, bearing in mind the provisions of Article 1 (3) of the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe. All decisions of the tribunal shall be by majority vote.

Domestic law may apply in a particular case provided that it does not derogate from the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe and from the Articles of Agreement.

ARTICLE 1.6

Award of the arbitral tribunal

All awards of the arbitral tribunal shall set out the grounds for the decision. They shall be final and binding upon all the Parties referred to in Article 1.3 of the present Appendix. They may be rendered in default of submissions.

ARTICLE 1.7

Cost of arbitration

The party against whom the award is made shall bear the costs of the arbitration proceedings unless the arbitral tribunal decides otherwise or the Parties have agreed otherwise by a clause in the grant agreement. The arbitral tribunal shall give a final ruling on any dispute in respect of costs.

ARTICLE 1.8

Enforcement of arbitral awards

The grant agreement shall contain whatever provisions are required to ensure, in respect of the CEB and in respect of the Beneficiary Country, compliance with any awards made in pursuance of the present Appendix.

If, within one month after the originals of the award have been delivered to the Parties, the award has not been complied with, any of the Parties specified in Article 1.3 may institute proceedings for the enforcement of the award. The court which shall have jurisdiction for such proceedings shall be that designated by the rules of civil procedure of the State concerned.

[Handwritten signature]
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