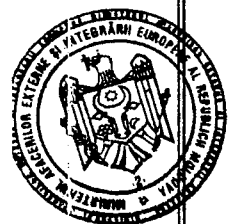




ACORD DE GRANT
dintre Republica Moldova și Banca Internațională
pentru Reconstrucție și Dezvoltare în vederea
realizării Proiectului "Agricultura Competitivă în
Moldova"

Chișinău, 15 noiembrie 2013



COPIE CERTIFICATĂ
TEXT ÎN LIMBA ENGLEZĂ

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

November 15, 2013

H.E. Mr. Anatol Arapu
Minister
Ministry of Finance
7, Cosmonautilor Street
MD-2005, Chisinau

H.E. Mr. Vasile Bumacov
Minister
Ministry of Agriculture and Food Industry
162, Stefan cel Mare Blvd.
MD-2004, Chisinau

Republic of Moldova

Re: SIDA Grant No. TF014946 for Agriculture Competitiveness Project (P118518)

Excellences:

In response to the request for financial assistance made on behalf of the Republic of Moldova ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by the Swedish International Development Cooperation Agency ("Donor"), proposes to extend to the Recipient a grant in an amount not to exceed eighteen million seven hundred sixty six thousand eight hundred ninety eight Swedish Krona (SEK 18,766,898) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall

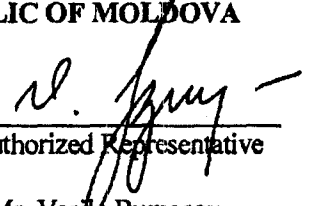
become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT


By _____
Authorized Representative

Abdoulaye Seck
Country Manager
Moldova
Europe and Central Asia Region

AGREED:
REPUBLIC OF MOLDOVA

By: 
Authorized Representative

Name: Mr. Vasile Bumacov

Title: Minister of Agriculture and Food Industry

Date: November 15, 2013

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions"), with the modifications set forth in Section I of the Appendix to this Agreement, constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to enhance the competitiveness of the Recipient's agro-food sector through: (i) supporting the modernization of the food safety management system; and (ii) facilitating market access for farmers.

The Project consists of the following parts:

Part A: Enhancing Food Safety Management

Provision of goods, works, consultants' services and training for:

A.1. Providing regulatory and institutional support to the Recipient for enhancing its food safety management system through:

- (i) supporting the process of legislative harmonization of the national legislation with the relevant EU regulations;
- (ii) strengthening the institutional capacity of the Recipient and its food safety management institutions.

A.2. Providing technical enhancement support to the Recipient for the food safety management.

Part B: Enhancing Market Access Potential

Provision of goods, works, consultants' services and training to the Recipient for:

B.1. Providing business development support for productive partnerships for primary horticultural producers through:

- (i) public information and promotion campaign;

- (ii) development support for identifying, setting up and providing training for new productive partnerships;
- (iii) specialized technical assistance support for newly created productive partnerships.

B.2. Carrying out Sub-projects on emerging productive partnerships for the modernization of post-harvest technologies in the horticultural sector.

Part C: Project Management

Provision of goods, consultants' services (including audit) training, and operational costs for purposes of Project management and implementation, including monitoring and evaluation.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Consolidated Agricultural Project Management Unit ("CAPMU"), within MAFI, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 ("Anti-Corruption Guidelines") and (c) Project Operational Manual.

2.03. ***Institutional and Other Arrangements.*** (a) The Recipient shall maintain the Steering Committee during the Project implementation, with a composition and terms of reference acceptable to the World Bank, which shall provide overall supervisory, coordination, and strategic guidance for carrying out the Project.

(b) Except as the World Bank shall otherwise agree, the Recipient shall, through MAFI, ensure that the CAPMU is maintained until the completion of the Project in a manner and with staffing and budgetary resources necessary and appropriate for implementation of the Project.

(c) The Recipient shall maintain the Project Operational Manual in form and content satisfactory to the Bank, shall duly perform all its obligations under said Manual, and shall not assign, amend, abrogate or waive the Project Operational Manual without obtaining the prior approval of the World Bank.

(d) The Recipient shall, and shall cause the Beneficiaries to ensure that the Project activities are implemented in accordance with the EMF, and that specific environmental management plans are developed for each of the respective Sub-projects, as needed, in accordance and as required under the EMF.

2.04. The Recipient, through MAFI, shall provide Matching Investment Grants to Beneficiaries for the implementation of Sub-projects in accordance with the respective Sub-project agreement, which shall be entered into between each Beneficiary and MAFI before implementation of any Sub-project and under terms and conditions approved by the World Bank and include, *inter alia*:

(a) a Beneficiary's obligation to: (i) carry out a Sub-project in accordance with the requirements of the Project Operational Manual and the Anti-Corruption Guidelines; and (ii) procure goods, works and services in accordance with the provisions of this Agreement;

(b) the right of the Recipient to make remedial actions (including restitution of funds) against a Beneficiary or Beneficiaries in case such Beneficiary or Beneficiaries shall have failed to comply with the obligations under the respective Sub-project agreement.

2.05. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor's support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the Donor to visit any part of the Recipient's territory for purposes related to the Project.

2.06. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than forty five (45) days after the end of the period covered by such report. (b) The Recipient shall prepare the completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.07. Financial Management.

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period and shall be made publicly available in a timely fashion and in a manner acceptable to the Association.

2.08. Procurement

(a) General. All goods, works, non-consulting services, and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

- (i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Procurement Guidelines"), in the case of goods, works and non-consulting services;
- (ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines") in the case of consultants' services; and
- (iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods, Works and Non-consulting Services

- (i) Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
- (ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts which are specified in the Procurement Plan: (A) National Competitive Bidding, subject to the following additional provisions; (B) Shopping; (C) Direct Contracting; (D) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank.

Additional provisions for National Competitive Bidding:

Eligibility: Eligibility to participate in a procurement process and to be awarded an Association-financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Procurement Guidelines.

Registration of Contractors and Suppliers: Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid, and a foreign bidder recommended for contract award shall be

given a reasonable opportunity to register, with the reasonable cooperation of the Borrower, prior to contract signing.

Bidding Documents: Bidding documents acceptable to the Association shall be used, and shall be prepared so as to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines.

Qualification: Qualification criteria shall be clearly specified in the bidding documents. All criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a "pass or fail" basis, and merit points shall not be used. Such assessment shall be based entirely upon the bidder's or prospective bidder's capability and resources to effectively perform the contract, taking into account objective and measurable factors, including: (i) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period; (ii) financial position; and where relevant (iii) capability of construction and/or manufacturing facilities.

Prequalification procedures and documents acceptable to the Association shall be used for large, complex and/or specialized works. The verification of the information upon which a bidder was prequalified, including current commitments, shall be carried out at the time of contract award, along with the bidder's capability with respect to personnel and equipment.

In the procurement of goods and works where pre-qualification is not used, the qualification of the bidder who is recommended for award of contract shall be assessed by post qualification, applying the qualification criteria stated in the bidding documents.

Cost Estimate: The detailed cost estimates shall be confidential and shall not be disclosed to prospective bidders. No bids shall be rejected on the basis of comparison with the cost estimates without the Association's prior written concurrence.

Bid Submission and Bid Opening: Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids shall be opened in public, immediately after the deadline for submission of bids. Bids received after the deadline for bid submission shall be rejected and returned to bidders unopened. A copy of the bid opening minutes shall be promptly provided to all bidders who submitted bids, and to the Association with respect to contracts subject to the Association's prior review.

Bid Evaluation: Evaluation of bids shall be made in strict adherence to the evaluation criteria specified in the bidding documents. Evaluation criteria other than price shall be quantified in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation.

No domestic preference shall be granted in bid evaluation on the basis of bidder nationality, origin of goods or services, and/or preferential programs.

Contracts shall be awarded to the qualified bidder whose bid has been determined: (i) to be substantially responsive to the bidding documents, and (ii) to offer the lowest-evaluated cost. No negotiations shall be permitted. A bidder shall not be required, as a

condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted. A bidder shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

Rejection of All Bids and Re-bidding: All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Association's prior written concurrence.

Bid Validity: The bid validity period required by the bidding documents shall be sufficient to account for any period that may be required for the approval and registration of the contract as contemplated in the PPL. If justified by exceptional circumstances, an extension of bid validity may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation, award a contract, and/or complete the registration process; a corresponding extension of any bid guarantee also shall be required in such cases. A Bidder may refuse the request for extension of bid validity without forfeiting its bid guarantee. No further extensions shall be requested without the prior written concurrence of the Association.

Guarantees: Guarantees shall be in the format included in the bidding documents. The bid guarantee shall be valid for twenty-eight days (28) beyond the original validity period of the bid, or beyond any period of extension if requested. No advance payments shall be made to without a suitable advance payment guarantee.

Fraud and Corruption: The bidding documents and contract as deemed acceptable by the Association shall include provisions stating the Bank's policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.

Inspection and Audit Rights: In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the Association to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Association. Acts intended to materially impede the exercise of the Association's inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Guidelines.

Contract Modifications: With respect to contracts subject to the Association's prior review, the Borrower shall obtain the Association's no objection before agreeing to: (a) a material extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than 15 percent; or (d) the proposed termination of the contract. A copy of all contract amendments shall be provided to the Association.

(d) Particular Methods of Procurement of Consultants' Services

- (i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
- (ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan : (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection of consulting firms; (F) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (F) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (H) Selection of Individual Consultants; and (I) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant, and the percentage of expenditures to be financed for Eligible Expenditures:

Category	Amount of the Grant Allocated (expressed in SEK)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consultants' services(including audit), Training and Operating Costs	18,766,898	100%
TOTAL AMOUNT	<u>18,766,898</u>	

For purposes of this paragraph

- (a) the term "Operating Costs" means expenditures (none of which would have been incurred by the Recipient absent the Project) incurred by the Recipient on account of implementation, coordination and supervision of the Project's including travel costs (i.e. accommodation, transportation, travel insurance, and *per diem*); operation and maintenance of office equipment; rental of offices; office supplies; communication costs; bank charges; utilities; car fuel; printing and publications (electronic and/or paper); translation services; insurance for goods, and such other expenditures as may be agreed upon by the World Bank; and
- (b) the term "Training" means expenditures (other than those for consultants' services) incurred by the Recipient to finance workshops, study tours and other training activities, including reasonable travel costs (i.e. accommodation, transportation, travel insurance and *per diem, inter alia*) of trainees and trainers (if applicable), training registration fees, catering, rental of training facilities and equipment, logistics and printing services, as well as training materials, all for the purposes of and directly related to the activities described in the Project; and such other expenditures as may be agreed upon by the World Bank

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2015.

Article IV Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
7, Cosmonautilor Street
MD-2005, Chisinau
Republic of Moldova

Facsimile:
(373-220 240055)

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable:

Telex:

Facsimile:

INTBAFRAD

Washington, D.C.

248423 (MCI) or
64145 (MCI)

1-202-477-6391

APPENDIX

Section I. Definitions

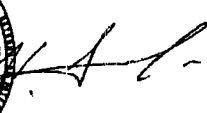
1. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants," dated October 15, 2006 and revised in January 2011.
2. "Beneficiary(s)" means any private farmer or private rural business eligible for assistance under Part 2 of the Project.
3. "CAMPU" means Consolidated Agricultural Project Management Unit within MAFI established by the Recipient for purposes of Project coordination and management.
4. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" published in January 2011.
5. "EMF" means Environmental Management Framework prepared by the Recipient for the benefit of the Project based, *inter alia*, on the analysis of both the Recipient's legislation and guidelines; and the World Bank safeguard policies, that outlines environmental assessment procedures and mitigation requirements for the Project's activities and Sub-projects and provides details on procedures, criteria and responsibilities for Sub-projects screening, pertinent environmental management plans, in accordance with its terms and in a manner acceptable to the World Bank. .
6. "MAFI" means the Recipient's Ministry of Agriculture and Food Industry or any successor thereto.
7. "Matching Investment Grant" means a grant to be made to a Beneficiary for a Sub-project in accordance with the requirements set forth or referred to in the Project Operational Manual.
8. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" published in January 2011;
9. "Procurement Plan" means the procurement plan for the Project, dated April 12, 2013, endorsed by the Recipient, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
10. "Project Operational Manual" means the Project Operational Manual approved by the Project steering Committee and adopted by the Recipient pursuant to Section 5.01 (a) and satisfactory to the World Bank, setting forth the operational and administrative responsibilities, procedures and rules for the implementation of the Project, and including the Environmental Management Framework, and financial management arrangements for

the Project, as the same may be amended and supplemented from time to time with the World Bank's prior written approval.

11. "Steering Committee" means the steering committee established through Governmental Decision No. 878 dated September 29, 1999.
12. "Sub-project(s)" means specific investment project to be carried out by a Beneficiary utilizing the proceeds of a Matching Investment Grant in accordance with the requirements set forth or referred to in the Project Operational Manual.

Prin prezenta confirm că textul alăturat este o copie certificată de pe Acordul de grant dintre Republica Moldova și Banca Internațională pentru Reconstrucție și Dezvoltare în vederea realizării Proiectului "Agricultura Competitivă în Moldova" (Chișinău, 15 noiembrie 2013), originalul căruia este depozitat la Arhiva Tratatelor a Ministerului Afacerilor Externe și Integrării Europene.




Dumitru SOCOLAN,
Șef al Direcției Generale Drept
Internațional a Ministerului Afacerilor
Externe și Integrării Europene al
Republicii Moldova