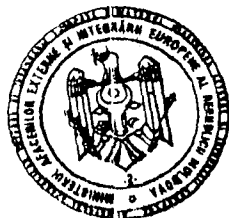


ACORD
dintre Republica Moldova și Banca Internațională
pentru Reconstrucție și Dezvoltare privind
acordarea grantului nr. TF 015873 din Fondul de
Carbon pentru Dezvoltare Comunitară Plus (CDCF
Plus) în vederea realizării suportului pentru
operațiunile de proiect ale Oficiului Finanțării de
Carbon

Chișinău, 4 aprilie 2014



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

_____, 2014

H.E. Anatol Arapu
Minister of Finance
Ministry of Finance
7, Cosmonautilor Str.
Chisinau
Republic of Moldova

Re: Republic of Moldova: CDCF Plus (Technical Assistance Facility)
Grant for the Support to CFU Operations Project (Grant No. TF015873)

Excellency:

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 various donors ("Donors") under the Community Development Carbon Fund Plus (Technical Assistance Facility), proposes to extend to the Recipient a grant from the CDCF Plus in an amount not to exceed one hundred seventy thousand United States Dollars (US\$170,000) ("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 Donors. 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 Donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

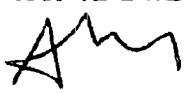
The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

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 specified by the World Bank in accordance with Section 4.02 of the Annex to this Agreement.


Very truly yours,

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By 
Abdoulaye Seck
Country Manager for Moldova
Europe and Central Asia Region

AGREED:

REPUBLIC OF MOLDOVA

By 
(Authorized Representative)
Name: Anatal Alapi
Title: Minister of Finance
Date: April 2, 2014

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.
- (3) "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.
- (4) "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011.
- (5) "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011.

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") 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. For the purposes of this Agreement the following terms have the meaning given to them as follows:

(a) "Annual ER Report" means a report provided by the Recipient under ERPA, setting out the number of GHG Reductions generated by the Project during the previous Year as monitored in accordance with the CDM Operations Plan (as defined in the ERPA) and which includes all other data as may be required to be collected and recorded by the CDM Operations Plan and which shall serve as the monitoring report required to be provided under the International UNFCCC/Kyoto Protocol Rules.

(b) "Annual Payment" means the payment by the World Bank, acting as a trustee of the Community Development Carbon Fund each reporting year (as defined in the ERPA) for delivered of emission reduction units calculated in accordance with the ERPA.

(c) "CFU" means Carbon Finance Unit, the Recipient's unit established within the Ministry of Environment through Government Decree No 899 of August 25, 2005, to elaborate, co-ordinate and/or implement CDM projects.

(d) "Clean Development Mechanism" or "CDM" means the mechanism established under Article 12 of the Kyoto Protocol.

(e) "Community Development Plan" means the plan, as set forth in Schedule 6 to the ERPA, through which a series of measures will be implemented to achieve Local Community Benefits (as defined in this Agreement).

(f) "ERPA" means the emission reductions purchase agreement under the CDCF, between the IBRD, as the trustee of the CDCF, and the Recipient dated February 24, 2006, as amended on April 11, 2013.

(g) "Kyoto Protocol" means the protocol to the UNFCCC (as hereinafter defined), adopted at the Third Conference of the Parties to the UNFCCC in Kyoto, Japan on December 11, 1997.

(h) "Local Community Benefits" means identifiable and quantifiable improvement in the quality of life of Local Communities (as defined in ERPA), as set out in the Community Development Plans.

(i) "United Nations Framework Convention on Climate Change" or "UNFCCC" means the United Nations Framework Convention on Climate Change, adopted in New York on May 9, 1992.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to assist the Recipient in carrying out its responsibilities under the ERPA by supporting the operations of the CFU. The Project consists of the following activities:

(a) Provision of support to the CFU to carry out management and administration of activities under the ERPA, including, *inter alia*: (i) maintaining the CFU's project database; (ii) supervising and monitoring CDM projects; and (iii) coordinating with the World Bank and the operational entity (as defined in ERPA), to ensure that activities related to the verification and monitoring of greenhouse gas reductions are carried out in accordance with the International UNFCCC/Kyoto Protocol Rules.

(b) Carrying out of training activities to build the capacity of CDM project beneficiaries to understand and implement their responsibilities under the ERPA.

(c) Provision of support to the CFU for the carrying out of an audit of the activities financed by the Grant.

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 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) this Article II.

2.03. 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 Donors 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, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

2.04. 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 set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report. The first Project Report shall cover the period from September 1, 2013 to March 1, 2014.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

- (i) Preparation of the Annual ER Reports from July 2013 to January 2016, in accordance to the provisions of ERPA. By: July 31 of each year from 2014 through 2016 (inclusive).
- (ii) Collection of all necessary data for the preparation of the Annual ER Report from July 2008 to June 2013. By: the date agreed with the World Bank as trustee of the CDCF.
- (iii) Provision of information and data for the following projects under the Community Development Carbon Fund in order to carry out the completion of: (A) the second and subsequent verifications of the Biomass Heating Project No. 1 and the Energy Conservation Project; and (B) the first and subsequent verifications of the Biomass Heating Project No. 2, if the World Bank as trustee of the CDCF makes a decision to conduct such verifications By: the date agreed between the Recipient and the World Bank as Trustee of the CDCF.

- (iv) Preparation of the progress report on the Community Benefit Plan. By: July 31 of every year from 2014 through 2016 (inclusive).
- (v) Carrying out of other tasks, as required, in agreement with the World Bank as trustee of the CDCF.

(c) 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 (6) six months after the Closing Date.

2.05. 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 a financial audit is carried out by an independent auditor in a manner satisfactory to the World Bank. The scope of such audit shall include the withdrawals and use of Grant funds and confirmation that the Recipient has forwarded the Annual Payments: (i) from July 1, 2012 to June 30, 2013; (ii) from July 1, 2013 to June 30, 2014; (iii) from July 1, 2014 to June 30, 2015; and (iv) from July 1, 2015 to June 30, 2016, to beneficiaries of carbon reduction emission payments, in accordance with Section 5.03 (b) of the ERPA. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than (6) six months after the end of such period. The Recipient shall ensure that the audited financial statements are made publicly available in a timely fashion in a manner acceptable to the World Bank.

(c) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than (1) one month after the end of each calendar year, in form and substance satisfactory to the World Bank.

Procurement.

(a) **General.** All goods, 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 provisions 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 and non-consulting services; and
- (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.

(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, shall 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 and Non-consulting Services.** Goods and non-consulting services (including related logistical and organizational services for Training and Workshops) shall be procured under contracts awarded on the basis of Shopping.

(d) Particular Methods of Procurement of Consultants' Services. The following methods may be used for the procurement of consultants' services: (A) Selection based on Consultants' Qualifications; (B) Single source selection of firms; (C) Selection of Individual Consultants; and (D) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. All Terms of References and single-source contracts for the Selection of Consultants, and first contract for the Selection based on Consultants' Qualifications and first Shopping contract will be subject to Prior Review by the World Bank. All other contracts shall be subject to Post Review by the World Bank.

Article III Withdrawal of Grant Proceeds

Eligible Expenditures. (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) 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 100% of Eligible Expenditures consisting of goods, consultants' services and Training (including audits) and Operating Costs exclusive of Taxes.

(b) For the purposes of this paragraph, the term: (i) "Training" means the reasonable costs, as shall have been approved by the World Bank, for training conducted under the Project, including tuition, and subsistence costs for training participants, costs associated with securing the services of trainers, training facilities, preparation and reproduction of training materials, and other costs directly related to training course preparation and implementation (but excluding goods and consultants' services); (ii) "Operating Costs" means the reasonable costs, as shall have been approved by the World Bank, for operational expenses incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and *per diem* for staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding consultants' services and salaries of officials of the Recipient's civil service).

Withdrawal Conditions. (a) Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient, except that withdrawals up to an aggregate amount not to exceed \$34,000 equivalent may be made for payments made prior to this date but on or after September 1, 2013, for Eligible Expenditures.

(b) The proceeds of the Grant available for withdrawal by the Recipient may be reduced by an amount equivalent to eight percent (80%) of the Annual Payments received by the Recipient to cover CFU financing costs under the ERPA.

Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2016.

Article IV Effectiveness; Termination

Effectiveness. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized by all necessary governmental actions.

4.02 Effectiveness Date. Except as the Recipient and the World Bank shall otherwise agree, the date on which this Agreement shall enter into effect shall be the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 of the Annex to this Agreement ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03 Termination. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred twenty (120) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

4.04 Early Termination. Notwithstanding the provisions of Section 3.03 of the Annex to this Agreement, this Agreement and all the obligations of the parties under it shall terminate if the ERPA is terminated. The audited Financial Statements and the Completion Report shall be furnished to the World Bank no later than (6) six months after the termination of the ERPA.

Article V

Recipient's Representative; Addresses

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

Recipient's Address. The Recipient's Address referred to in Section 7.01 of the Standard

Ministry of Finance
7, Cosmonautilor str.
MD 2005
Chisinau,
Republic of Moldova

Bank's Address. The World Bank's Address referred to in Section 7.01 of the Standard

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

Prin prezenta confirm că textul alăturat este o copie certificată de pe Acordul dintre Republica Moldova și Banca Internațională pentru Reconstrucție și Dezvoltare privind acordarea grantului nr. TF 015873 din Fondul de Carbon pentru Dezvoltare Comunitară Plus (CDCF Plus) în vederea realizării raportului pentru operațiunile de proiect ale Oficiului Finanțării de Carbon (înșisău, 4 aprilie 2014), originalul căruia este depozitat la Arhiva Tratatelor Ministerului Afacerilor Externe și Integrării Europene.

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

