

FIFTEENTH AMENDMENT

TO THE

DEVELOPMENT OBJECTIVE GRANT AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA

AND

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

FOR

SUSTAINABLE ECONOMIC GROWTH ROOTED IN EUROPEAN INTEGRATION

USAID Grant Agreement 117-0002-EG-DOAGDATE: JUNE 30, 2023

**FIFTEENTH AMENDMENT
TO THE DEVELOPMENT OBJECTIVE GRANT AGREEMENT FOR
SUSTAINABLE ECONOMIC GROWTH ROOTED IN EUROPEAN INTEGRATION**

BETWEEN

The Government of the Republic of Moldova, represented by the Prime Minister (hereinafter referred to as the "Grantee" or the "GoM")

AND

The Government of the United States of America, acting through the United States Agency for International Development ("USAID")

1. Purpose of the Amendment

The purpose of this Amendment No. 15 (this "Amendment") to the Development Objective Agreement #117-0002-EG-DOAG (hereinafter, the "Agreement") by and between the Grantee and USAID (collectively the "Parties") is to (i) provide parameters for USAID's second budget support contribution to the GoM through the World Bank, as discussed in greater detail below; and (ii) add Two Hundred Twenty Million U.S. Dollars (\$220,000,000.00) in incremental Grant funding, which brings the total funds granted to date under the Agreement to Three Hundred Ninety Two Million, Seven Hundred Twenty Eight Thousand and Two Hundred Ninety Seven U.S. Dollars (\$392,728,297.00). All capitalized terms contained herein shall have the same meaning ascribed to them in the Agreement, unless otherwise defined in this Amendment.

2. Terms and Conditions for Second Contribution via World Bank

Reference is hereby made to that certain draft agreement by and between the Government of the United States of America, acting through USAID, and the World Bank ("WB"), pursuant to which USAID intends to provide the GoM, via the World Bank's Multi-Donor Trust Fund for Co-financing of the Moldova Development Policy Program - TF073849, an additional \$76,800,000.00 (after payment of all WB fees and expenses) (the "Contribution"). For the avoidance of doubt, for the purposes of Section IX of Annex 1 to the Agreement, USAID intends to obligate the Contribution to the WB outside of this Agreement and therefore the Contribution amount will not count against the Total Estimated Contribution set forth in Section 3.1 of the Agreement, but the Parties intend for all other provisions of the Agreement, unless otherwise stated herein, to apply to the Contribution.

In accordance with the last sentence of Annex 1, Section V of the Agreement ("Activities/Activity Selection"), the Parties hereby agree to the following terms and conditions pursuant to which the GoM will receive and use the Contribution.

- a. Purpose: The Parties intend for the Contribution to support the GoM's request to the U.S. Government ("USG") for energy assistance to respond to the budgetary pressures resulting from Russia's reinvasion of Ukraine.
- b. Permitted Use of the Contribution: The Parties intend for the Contribution (and any local currency generated therefrom) to be used to reimburse the GoM for \$76,800,000 of the \$109,790,000 in payments made by Energocom for purchases of electricity from suppliers in Ukraine and ENTSO-E countries for the months of September 2022 through March 2023 (collectively, the "Purchases"), as set forth in more detail in the table below.

Moldova Electricity Imports

Months	Total MWh of imports only (all sources)	Average price per MWh	Cost of imports, USD mil.
Sep-22	111560	79.22	8.838
Oct-22	93641	88.70	8.306
Nov-22	282686	220.95	62.459
Dec-22	119260	173.17	20.65
Jan-23	23720	115.06	2.729
Feb-23	38620	134.96	5.212
Mar-23	16271	98.25	1.599
Total Winter 2022-2023	685758		109.79

- c. Prohibited Uses of the Contribution: The GoM represents, warrants and covenants that it will use the intended Contribution only in accordance with the terms of the Agreement, including this Amendment, and will not use it for the prohibited uses set forth below.
- (i) Payment of any customs, valued-added or other import taxes, fees or duties in connection with the Purchases.

- (ii) Purchases, directly or indirectly, from Moldavskaya GRES (MGRES), any affiliate of MGRES, or from any entity that is Russian-controlled.
- (iii) Both the GoM and USAID are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of USAID and the GoM to seek to ensure no funds are used, directly or indirectly, to provide support to natural or legal persons associated with terrorism. In accordance with this policy, the GoM undertakes to take all possible measures to ensure that none of the intended Contribution is used to provide support to any natural or legal person that advocates, plans, sponsors, engages in or has engaged in or is associated with terrorism, armed hostilities or other acts of violence, or any entity effectively controlled by such natural person or legal person.
- (iv) The intended Contribution may not be used for military or paramilitary purposes, including to finance, reimburse or service debts related to the purchase of services, commodities, equipment, or payment of salaries, for the use of any military or paramilitary purpose. In addition, the intended Contribution may not be used to finance the purchase of surveillance or weather modification equipment, abortion equipment or activities described in Article F.3. of Annex 2 of the Agreement, luxury goods and gambling equipment, nor may the intended Contribution be used in a manner which would contribute to a violation of internationally recognized rights of workers.
- (v) The intended Contribution may not be used to finance any activity that involves investment promotion, assistance for police or prisons, or other law enforcement forces, or the procurement of agricultural commodities, pesticides, or fertilizer, motor vehicles not manufactured in the United States, pharmaceuticals or contraceptives, or used equipment.

d. Certification on Use of Contribution Funds: The GoM hereby certifies that:

- (i) each of the Purchases intended to be reimbursed with the Contribution were arms-length commercial transactions made in accordance with all applicable Moldovan law and regulations and free of any corrupt, fraudulent, collusive, coercive or obstructive practices, including but not limited to bribery or gratuity violations;
- (ii) neither the GoM nor Energocom have been otherwise reimbursed for the Purchases, other than via consumer tariffs collected by Energocom in the ordinary course of business; and
- (iii) all of the documentation necessary to effect and evidence the validity of the Purchases, including the receipt by Moldova of the purchased electricity, and evidence of contribution of capital from the GoM to Energocom to effect the

Purchases, will be provided to USAID (and for verification purposes can be shared by USAID with its third-party implementing partners), and all that documentation is true, accurate and complete. The GoM understands and agrees that USAID will not disburse the intended Contribution to the WB until (i) USAID notifies the GoM that it is satisfied with all such documentation and has accepted it, and (ii) this Amendment has entered into effect for both Parties in accordance with Section 4(a) below.

- e. Refund: In the case of any disbursement or expenditure of any part of the Contribution that is not supported by valid documentation in accordance with this Amendment, or that is not made or used in accordance with this Amendment, or in the event that this Amendment does not enter into effect for both Parties in accordance with Section 4(a) below, USAID may require the Grantee, and the Grantee hereby agrees, to refund the amount of such disbursement in U.S. Dollars as USAID may direct in writing, within sixty (60) days after receipt of a request therefor.
- f. Taxation: This Amendment and the intended Contribution are governed by the taxation provisions set forth in Section B.4 of Annex 2 of the Agreement.
- g. Fraud and Corruption: The GoM and USAID have a zero tolerance approach toward fraud and corruption. The GoM is firmly committed to take all necessary precautions to avoid and address such prohibited conduct. The GoM must disclose, within three days of becoming aware, in writing to the USAID Office of the Inspector General and with a copy to the USAID representatives specified in Section 3.k. below, all credible allegations of corrupt, fraudulent, collusive, coercive or obstructive practices, including but not limited to bribery or gratuity violations, potentially affecting the Purchases or the intended Contribution.
- h. Accounting Books and Records: The GoM shall maintain, or cause to be maintained, in accordance with its laws and regulations, and generally accepted international accounting principles and practices, documents in support of deposit of the Contribution, the conversion of the Contribution into local currency, the uses of such local currency to reimburse Energocom for the Payments, and all documentation relating to the Payments themselves. Such documents shall be available for review and audit by USAID or its designees at the end of each fiscal year of the GoM and at other such times as USAID may request, and for up to three (3) years following the last withdrawal from the applicable accounts. Additional review and audit requirements may be established in Implementation Letters.
- i. Financial Management; Financial Statements; Audits: The GoM shall ensure that: (a) a financial management system is maintained, and financial statements ("Financial Statements") are prepared, in accordance with consistently applied accounting standards acceptable to USAID, both in a manner adequate to reflect the operations, resources and expenditures related to the intended Contribution, as may be further specified in additional instructions as USAID may specify from time to time by notice

to the GoM; (b) if so required in accordance with the provisions of the additional instructions: (i) the Financial Statements are periodically audited by independent auditors acceptable to USAID, in accordance with consistently applied auditing standards acceptable to USAID; (ii) no later than the date specified in the additional instructions, the Financial Statements so audited, and such other information concerning the audited Financial Statements and such auditors, as USAID may from time to time reasonably request, are furnished to USAID or its designees; and (iii) if requested by USAID, the audited Financial Statements be made publicly available in a timely fashion and in a manner acceptable to USAID.

- j. Representatives: For all purposes relevant to this Amendment and the intended Contribution, the GoM will be represented by the natural person holding or acting in the capacity of the Minister of Finance of Moldova and USAID will be represented by the natural person holding or acting in the capacity of either the USAID Administrator, the Assistant Administrator or the Deputy Assistant Administrator for the USAID Bureau for Europe and Eurasia, or the USAID/Moldova Mission Director, each of whom, by written notice, may designate additional representatives for all purposes.
- k. Communications: Any notice, request, document, or other communication submitted by either Party to the other under this Amendment regarding the intended Contribution will be in writing or by electronic mail ("e-mail"), and will be deemed duly given or sent when delivered to such Party at the following address:

To the GoM:

Ministry of Finance of the Republic of Moldova
Attention: Minister of Finance
Constantin Tănase 7 str., Chişinău 2005
Republic of Moldova
Tel.: + (373) 22 262-600
E-mail: cancelaria@mf.gov.md

To USAID:

USAID/Moldova Acting Mission Director
United States Agency for International Development
57/1, M. Bănulescu Bodoni str.
Chişinău MD 2005
Republic of Moldova
Tel.: + (373) 22 201-800 Fax.: +(373) 22 237-277
Email: chisinau_reception@usaid.gov

With a copy to:

Program Office Director
Bureau for Europe and Eurasia
United States Agency for International Development
1300 Pennsylvania Ave., NW
Washington, DC 20004
U.S.A.
E-mail: mpavlovic@usaid.gov

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

- I. **Covenant relating to Integration into European Energy Markets:** The GoM commits to remain aligned with the EU energy agenda and to undertake all efforts and actions to achieve full integration into EU energy markets within the shortest possible time frame. For this purpose, the GoM commits to undertake the following activities to harmonize the Moldovan legal framework with the EU acquis, and will provide official letters confirming each action (citing evidence, such as published decisions, official Ministry of Energy correspondence, etc.) as means of verification:
 - (i) Amendments to the Energy Law no.174/2017, transposing Regulation EU 2018/1999 on the Governance of the Energy Union and Climate Action and Regulation EU 347/2013 on guidelines for trans-European energy infrastructure, to be approved by the Government of Moldova and sent to Parliament by the end of June 2023;
 - (ii) Amendments to the Law no.10/2016 on the Promotion of Use of Renewable Energy Sources to align with the Clean Energy Package (Renewable Directive 2018/2001) to be approved by the Government of Moldova and sent to Parliament by the end of June 2023;
 - (iii) Draft Law on Energy Performance of Buildings, transposing the Energy Performance of Buildings Directive (EU) 2018/844, to be approved by the Government of Moldova by the end of July 2023
 - (iv) The National Energy and Climate Plan for 2030 timeline to be sent by the Government to the Energy Community Secretariat by the end of August 2023 and then approved by the Government of Moldova not later than June 2024;
 - (v) The 2050 Energy Strategy of the Republic of Moldova, to be approved by the Government of Moldova no later than June 2024;
 - (vi) The first auctions for renewable energy sources (wind and solar PV) in the context of the support scheme, to be launched by the Government of Moldova by the end of December 2023; and

- (vii) The Electricity Market Operator to be designated by the Government of Moldova by the end of December 2023.

3. Incremental Grant Funding

- a. Article 3, Section 3.1, paragraph (a) of the Agreement, "The Grant," is hereby deleted in its entirety and replaced by the following:

- a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of the Agreement an additional amount of Two Hundred Twenty Million U.S. Dollars (\$220,000,000.00), which brings the total funds granted to date under the Agreement to Three Hundred Ninety Two Million, Seven Hundred Twenty Eight Thousand and Two Hundred Ninety Seven U.S. Dollars (\$392,728,297.00) (the "Grant").

- b. Financial Plan: The Financial Plan is hereby deleted in its entirety and replaced with a new Financial Plan, attached hereto as Tab 1.

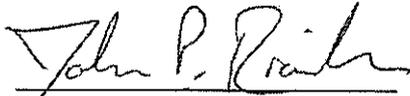
4. General

- a. Effective Date. This Amendment shall become effective on the date of the last notification, that will be communicated to each other Party, through diplomatic channels, on the fulfillment of the internal legal procedures necessary for its entry into force. Except as set forth in this Amendment, all remaining provisions of the Agreement shall remain unchanged.
- b. Relation to Bilateral Agreement. This Amendment is concluded within the framework of the 1994 Bilateral Agreement between the Government of the United States of America and the Government of Moldova regarding Cooperation to Facilitate the Provision of Assistance dated March 21, 1994.
- c. Implementation Letters. USAID may from time to time issue Implementation Letters elaborating on terms of this Amendment and the intended Contribution, further describing applicable procedures, or recording the agreement of the Parties on details of implementation. Implementation Letters will not be used to amend the text of this Amendment, but can be used to record revisions and exceptions which are permitted by this Amendment.
- d. Non-Waiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with this Amendment will be construed as a waiver of such right or remedy.
- e. Consultation & Cooperation. The Parties will cooperate to ensure that the purposes of this Amendment are accomplished. To this end, the Parties at the request of either, will exchange views on the progress of this Amendment and the intended Contribution, and other matters related thereto. The Parties further

commit to supporting USAID's designees and third party partners in ensuring strong oversight over U.S. taxpayer funds, which comprise the intended Contribution.

IN WITNESS WHEREOF, the Government of the United States of America and the Government of Moldova, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

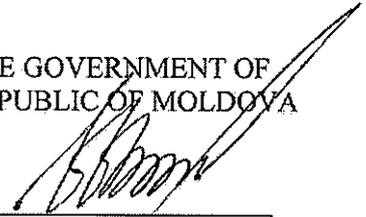
FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA



John P. Riordan
USAID/Moldova Acting Mission Director

Date: JUNE 30, 2023

FOR THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA



Veronica Sireteanu
Minister of Finance

Date: June 30, 2023

Tab 1:**Financial Plan (U.S. Dollars)**

	Previously Obligated	By this Amendment	Total Obligations to Date
Result 1: Access to the EU and other International Markets Increased	\$43,172,756.00	\$220,000,000.00	\$263,172,756.00
Program Area: Private Sector Competitiveness	\$33,845,566.00	\$220,000,000.00	\$253,845,566.00
Program Area: Fiscal Policy	\$9,327,190.00	-	\$9,327,190.00
Result 2: Competitiveness in Transformative Sectors Enhanced	\$122,680,371.00	-	\$122,680,371.00
Program Area: Private Sector Competitiveness	\$122,680,371.00	-	\$122,680,371.00
Program Support	\$6,875,170.00	-	\$6,875,170.00
Total Estimated Budget	\$172,728,297.00	\$220,000,000.00	\$392,728,297.00