

**Agreement
between
the Government of the Republic of Moldova
and
the Government of the Republic of Poland
on extending a tied aid credit**

The Government of the Republic of Moldova and the Government of the Republic of Poland, henceforth called the “Contracting Parties” seeking to promote and deepen economic co-operation between the Republic of Moldova and the Republic of Poland, have agreed as follows:

Article 1

1. The Government of the Republic of Poland shall extend a credit in the amount not exceeding 100 million euro (say: one hundred million euro), henceforth called “the Credit”, to the Government of the Republic of Moldova for the financing of projects in the Republic of Moldova in the area of agriculture, food processing including related infrastructure and others agreed between Contracting Parties. The Credit shall be used to finance 95 % (say: ninety five percent) of the value of the contracts for deliveries of goods and services from the Republic of Poland to the Republic of Moldova.
2. The total value of the deliveries of goods and services from the Republic of Poland to the Republic of Moldova, financed under this Agreement, shall not exceed the amount 105 263 157,89 euro (say: one hundred five million two hundred sixty three thousand one hundred fifty seven euro 89/100) which constitutes the value of the Credit, increased by the value of advance payment referred to in Article 4 paragraph 1 point 1).

Article 2

1. This Agreement, all projects as well as individual contracts financed under this Agreement are assumed to be in accordance with the OECD regulations concerning tied aid, as defined in the Arrangement on Officially Supported Export Credits and other relevant OECD documents.
2. The Government of the Republic of Moldova confirms its readiness to utilise the Credit in conformity with the OECD regulations on tied aid and shall provide its support to the Government of the Republic of Poland in ensuring the compliance with such OECD regulations.
3. The Republic of Poland shall notify to the OECD this Agreement, all projects as well as the contracts to be financed under the Credit in accordance with the procedure outlined in the Arrangement on Officially Supported Export Credits. In case of any objections of OECD as to accordance of the projects or individual contracts financed

under this Agreement with the provisions of the Arrangement on Officially Supported Export Credits, the contracts will not be financed under the Agreement, irrespective of the fact that individual contracts within the projects have been accepted by both Contracting Parties according to Article 3.

4. The Contracting Parties will inform entrepreneurs of both sides about the OECD regulations and procedures concerning tied aid.

Article 3

1. The individual contracts implementing the projects financed under the Credit must be concluded in accordance with the provisions of this Agreement. The export documents, especially invoices, presented by the parties to the contract shall include the clause “under the Agreement between the Government of the Republic of Moldova and the Government of the Republic of Poland on extending a tied aid credit done on14.05.2014.....”.

2. The contracts referred to in Article 1 paragraph 1 shall be concluded by entrepreneurs having their seats in the Republic of Poland, henceforth called “Polish entrepreneurs”, and the importers from the Republic of Moldova not later than 2 years after the date this Agreement enters into force.

3. In order to accelerate and review the Credit utilisation, annual meetings will be held between the Contracting Parties.

4. The minimum value of single contract subject to this Agreement is 0.5 million euro (say: zero point five million euro).

5. The contracts, concluded in accordance with this Agreement, must be approved by the Contracting Parties according to the following procedure:

1) the Ministry of Finance of the Republic of Moldova will inform the Ministry of Finance of the Republic of Poland in writing about the approval of the contract by the appropriate authorities of the Republic of Moldova;

2) subsequently, the Ministry of Finance of the Republic of Poland will provide the Ministry of Finance of the Republic of Moldova with its written approval of the contract;

3) the contract will enter into force 15 days after the date the written approval of the Ministry of Finance of the Republic of Poland has been sent to the Ministry of Finance of the Republic of Moldova;

4) the approval procedure can not exceed 45 days for each Contracting Party.

6. Each of the Contracting Parties may additionally make the approval of the conditions dependent, in particular, on good financial standing of the parties to the contract, settlements of taxes and public fees, properly proven realisation of

international transactions and declaration of obeying provisions of this Agreement and OECD regulations according to Article 2.

Article 4

1. Payments to the Polish entrepreneurs resulting from the contracts signed and realised under this Agreement shall be made as follows:

1) 5 % (say: five percent) of the value of contract shall be paid in euro by the importers from the Republic of Moldova as an advance payment, according to the stipulations of the contract;

2) The remaining payments to the Polish entrepreneurs shall be made by the Government of the Republic of Poland represented by the Minister of Finance, by the agency of the bank authorised to service the Credit, according to Article 10 paragraph 1 of this Agreement, from the State Budget of the Republic of Poland, according to the terms of the contracts.

2. All prices, fixed in accordance with the world market prices, and value of contracts will be denominated in euro.

3. All the goods exported from the Republic of Poland to the Republic of Moldova under this Agreement cannot be re-exported to other countries without the written permission of the Minister of Finance of the Republic of Poland.

4. The value of goods and services of Polish origin within the contract, financed under this Agreement, cannot be less than 60 % (say: sixty percent) of the value of this contract. Detailed information on fulfilment of this requirement, including presentation of the relevant documents e.g. certificates of origin, may be demanded by the Contracting Parties from the exporter.

Article 5

The date of each Credit utilisation shall be the date of disbursement of the funds to the Polish entrepreneur in accordance with the terms of the contracts. The payment will be made to the Polish entrepreneur only upon receipt by Bank Gospodarstwa Krajowego, appointed to service the Credit according to Article 10 paragraph 1 of this Agreement, of the appropriate payment authorisation from the Ministry of Finance of the Republic of Moldova appointed to service the Credit by the Government of the Republic of Moldova according to Article 10 paragraph 1 of this Agreement.

Article 6

1. The repayment of each Credit utilisation by the Government of the Republic of Moldova in favour of the Government of the Republic of Poland shall take place in 40

equal, semi-annual, consecutive instalments paid in euro on every 15 March and 15 September of a given year after a 5-year grace period from the date of the respective credit utilisation.

2. The first instalment shall be paid on the first payment date after a 5-year grace period from the date of credit utilisation.

Article 7

1. The Credit utilised as in Article 5 above shall bear interest at the rate of 0.15 % (say: zero point fifteen percent) p.a. The interest shall be calculated from the date referred to in Article 5.

2. Interest shall be paid in euro, in semi-annual consecutive instalments, from the date of each credit utilisation, for interest periods ending on 15 March and 15 September each year.

3. The first interest is payable at the end of an interest period in which utilisation of credit has been made.

4. Due interest for each interest period is calculated on the basis of 360 days a year taking into consideration the effective number of days (365[366]/360).

5. In the event the Government of the Republic of Moldova fails to make any payment resulting from this Agreement on respective maturity dates, the unpaid amount shall bear default interest at the rate of 3 % (say: three percent) p.a. above the contractual rate as defined in paragraph 1. Default interest shall be calculated for the period from the maturity date to the date of actual payment.

6. In the event of late payment or if an amount paid under this Agreement is not sufficient to cover the total amount due, the amount paid shall be applied against amounts due in chronological order and in the first instance against interest accrued after the due date, in the second instance against interest accrued up to the due date and thereafter against principal.

Article 8

Payments to the Polish entrepreneurs resulting from the contracts realised under this Agreement shall be made under the stipulations of the Agreement until the date of the execution of these contracts, according to the terms of the relevant contracts, but for no longer than 5 years from the date the contract enters into force.

Article 9

In case any payment resulting from this Agreement falls due on a day that is not a business day in the country through which payment will be made, such payment shall be made on the next succeeding business date after the originally stipulated payment date.

For the purpose of this Agreement, business date means a date on which banks are open for domestic and foreign exchange settlements in a given country as above.

Article 10

1. In order to make possible the realisation of payments within the framework of this Agreement, Bank Gospodarstwa Krajowego, acting on behalf of the Government of the Republic of Poland, shall open in its books an account in euro in the name of the Ministry of Finance of the Republic of Moldova styled „Tied Aid Credit to the Government of the Republic of Moldova” to record utilisation of the Credit as well as subsequent payments of due principal instalments and interests. The Ministry of Finance of the Republic of Moldova, acting on behalf of the Government of the Republic of Moldova, shall open in its books a counter account in the name of Bank Gospodarstwa Krajowego. The Credit accounts shall be free from any charges.
2. Bank Gospodarstwa Krajowego and the Ministry of Finance of the Republic of Moldova shall conclude within 30 days from entering into force of this Agreement a Settlement Arrangement that is necessary for the implementation of this Agreement.

Article 11

1. Any taxes, obligations, charges and other fees, which may arise in connection with the execution of contracts concluded under this Agreement, will be paid by each side of a contract in its respective country and will not be financed by the Credit.
2. Any bank commissions as well as any other payments, which may be due for any reason whatsoever related to the repayments under this Agreement, will be paid by each side of a contract in its respective country outside of the framework of the Credit.
3. All repayments of principal and payments of interest instalments under this Agreement shall be made without deduction of any fees or taxes that may be imposed by the authorities of the Republic of Moldova.

Article 12

Any differences between the Contracting Parties relating to the interpretation and application of this Agreement shall be settled in direct negotiations between both Contracting Parties.

Article 13

Changes to this Agreement can be introduced only in writing as Annex which will be the integral part of the Agreement. The Annex will enter into force according to the Article 15 of the Agreement.

Article 14

All correspondence and documentation relating to this Agreement shall be conducted in English.

Article 15

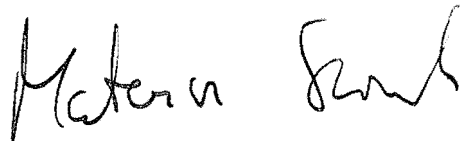
This Agreement shall be approved according to internal laws of each of the Contracting Parties, which shall be confirmed by exchange of notes. It shall come into force on the date of the receipt of the later note. This Agreement remains valid until all obligations of both Contracting Parties arising from this Agreement are fulfilled.

Done at Warsaw on 14.05.2014 in two identical originals, each in the Romanian, Polish and English languages, all texts being equally authentic.

In case of any divergences of interpretation, the English text shall prevail.



**For the Government
of the Republic of Moldova**



**For the Government
of the Republic of Poland**