

ACORD DE FINANȚARE
dintre Republica Moldova și Asociația Internațională
pentru Dezvoltare în vederea realizării Proiectului
"Suport de urgență pentru agricultura Moldovei"

Chișinău, 29 mai 2013



COPIE CERTIFICATĂ
TEXT ÎN LIMBA ENGLEZĂ

CREDIT NUMBER 5219-MD

Financing Agreement

(Emergency Agriculture Support Project)

between

REPUBLIC OF MOLDOVA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *May 29*, 2013

FINANCING AGREEMENT

AGREEMENT dated *May 29*, 2013, entered into between the REPUBLIC OF MOLDOVA ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to six million five hundred thousand Special Drawing Rights (SDR 6,500,000) (variously, "Credit" and "Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.
- 2.06. The Payment Dates are January 15 and July 15 in each year.

- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is USD.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project, through the MAFI, in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely that any of the Recipient's Resolutions have been amended, suspended, abrogated, repealed or waived, so as to affect materially and adversely, in the opinion of the Association, the ability of the Recipient to carry out the Project or to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely that any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Service Agreement has been signed on behalf of the Recipient, through the AIPA, and the *Posta Moldovei*; and
 - (b) the Recipient, through the MAFI, has adopted the Operational Manual in a manner acceptable to the Association
- 5.02. The Additional Legal Matter consists of the following, namely that the Service Agreement has been duly authorized by the Recipient and the *Posta Moldovei*

and is legally binding upon the Recipient and the *Posta Moldovei* in accordance with its terms.

- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is seven (7) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Minister of Finance.

6.02. The Recipient's Address is:

Ministry of Finance
Cosmonautilor Street, 7
MD2005 Chisinau
Republic of Moldova

Facsimile:

(37322) 225393

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

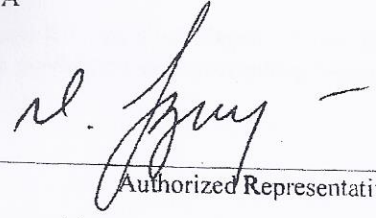
248423 (MCI)

1-202-477-6391

AGREED at Chisinau, Republic of Moldova, as of the day and year first above
written.

REPUBLIC OF MOLDOVA

By



Authorized Representative

Name: Vasile Bumacov

Title: Minister of Agriculture

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Carolina Odobescu

Title: Acting Country Manager

SCHEDULE 1

Project Description

The objective of the Project is to mitigate the negative effects of the 2012 drought by helping to restore the corn and wheat production and preventing livestock destocking in the most Affected Districts.

The Project consists of the following parts:

Part A: Cash Grants to Affected Farmers

Provision of Cash Grants to Affected Farmers.

Part B: Training and Awareness

1. Provision of support for: (i) the design and implementation of a public information campaign to inform the potential Affected Farmers about the Cash Grants program, including its eligibility criteria and application procedures; and (ii) the establishment and implementation of a grievance redress mechanism.
2. Strengthening the capacity of Affected Farmers through: (i) the provision of training on animal feeding, including, livestock dietary requirements; and (ii) the preparation of a feasibility study on small-scale corn silage production.

Part C: Project Management

Provision of support to the CAPMU and the AIPA for: (a) the preparation, implementation, supervision and auditing of the Project; and (b) the establishment of a monitoring system to monitor the implementation of the Cash Grants program under Part A of the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest the overall responsibility for the implementation of the Project in the MAFI, and to this end, shall, through the MAFI:
 - (a) operate and maintain, throughout the Project implementation, the CAPMU to manage overall Project implementation with structure, functions and responsibilities (including Project financial management, and procurement) acceptable to the Association, and set forth in the Operational Manual;
 - (b) operate and maintain, throughout the Project implementation, the AIPA responsible for: (i) the implementation of Part A of the Project, including the defrayment of the Cash Grants to those Affected Farmers who have a bank account; and (ii) the financial management of the Cash Grants; and
 - (c) operate and maintain, throughout the Project implementation, a Steering Committee vested with the responsibility to oversee and coordinate Project implementation.
2. For purposes of carrying out Part A of the Project, the Recipient shall:
 - (a) cause local authorities of the Affected Districts to maintain, throughout the Project implementation, the Special Local Committees, each with structure, functions and responsibilities acceptable to the Association and set forth in the Operational Manual; said functions and responsibilities to include, *inter alia*, the preparation and submission to the Ministerial Committee of a list of potential Affected Farmers located within their respective jurisdiction;
 - (b) maintain, throughout the Project implementation, a Ministerial Committee, with structure, functions and responsibilities acceptable to the Association and set forth in the Operational Manual; said functions and responsibilities to include, *inter alia*: (i) the approval of the list of Affected Farmers based on the lists of potential Affected Farmers proposed by the Special Local Committees; and (ii) the calculation and approval of the Cash Grant amount for each Affected Farmer; all in accordance with the criteria, requirements, selection procedures and compensation criteria set forth in the Operational Manual;
 - (c) (i) enter, through the AIPA, into an agreement with the *Posta Moldovei* under terms and conditions acceptable to the

Association (the "Service Agreement"), for purposes of defraying the Cash Grants to the Affected Farmers who have no bank account; said Service Agreement to include, *inter alia*.

(A) *Posta Moldovei's* obligation to distribute the Cash Grants to the Affected Farmers in a manner acceptable to the Association;

(B) *Posta Moldovei's* obligation to: (I) defray the Cash Grants to the Affected Farmers within thirty (30) days after receiving said Cash Grants from the AIPA; and (II) submit, within ten (10) days after defraying the Cash Grants to the Affected Farmers, a report to the AIPA containing the list of Cash Grant payments, including a copy of the Cash Grant payment receipts signed by the Affected Farmers;

(C) *Posta Moldovei's* obligation to comply with the Anti-Corruption Guidelines; and

(D) the conditions for the Recipient's payment, out of the proceeds of the Credit, of a fee to reimburse the *Posta Moldovei's* service charge for the defrayment of the Cash Grants.

(ii) exercise its rights and carry out its obligations under the Service Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce the Service Agreement or any provision thereof.

(d) no later than forty five (45) days after the Effective Date, establish and implement, throughout the Project implementation, an easily accessible grievance redress mechanism, acceptable to the Association, to address grievances relating to the selection of Affected Farmers and provision of Cash Grants; and

(e) carry out public awareness/information campaigns, including public disclosure of the list of Affected Farmers and Cash Grant payments, all under terms and in a manner acceptable to the Association.

3. Without limitations to the provisions of Section 4.01 of the General Conditions, the Recipient shall, through the MAFI, carry out the Project in accordance with the provisions of an operational manual acceptable to the Association (the Operational Manual) which shall include, *inter alia*: (a) the structure, functions and responsibilities for the personnel of the CAPMU; (b) the structure, functions and responsibilities for the personnel of the AIPA; (c) the structure, functions and responsibilities of the Ministerial Committee and the Special Local Committees;

(d) the eligibility criteria, requirements and procedures for the selection of the Affected Farmers and provision of the Cash Grants; (e) the mechanisms for verification of compliance with the provision of Cash Grants; (f) the procedures for the procurement of goods, non-consulting and consultants' services and the terms of reference for the provision of training under Parts B and C of the Project, as well as for financial management and audits of the Project; and (g) the indicators to be used in the monitoring and evaluation of the Project. The Recipient shall not amend, waive or abrogate any provisions of the Operational Manual without the Association's prior approval. In case of any conflict between the provision of this Agreement and those of the Operational Manual, the provisions of this Agreement shall prevail.

4. The Recipient, through the MAFI, shall ensure that Cash Grants under Part A of the Project are provided to the Affected Farmers in accordance with the criteria, requirements and procedures set forth in the Operational Manual.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Management Information System

No later than three (3) months after the Effective Date, the Recipient, through the AIPA, shall establish, and thereafter operate and maintain throughout the Project implementation, a management information system acceptable to the Association, which shall provide information on, *inter alia*, Cash Grant payments, Affected Farmers, and grievance complaints and related settlements.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) calendar days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient, through the CAPMU, shall prepare and furnish to the Association not later than forty-five (45) calendar days after the end of each calendar quarter, interim

unaudited financial reports for the Project covering the quarter, in form and substance acceptable to the Association.

3. Notwithstanding the provisions of paragraph B.2. of this Section II, the Recipient, through the ALPA, shall prepare and furnish to the CAPMU not later than (30) calendar days after the end of each calendar quarter, interim unaudited financial reports on the activities under Part A of the Project. The CAPMU shall consolidate the overall Project financial information and furnish it to the Association pursuant to the provisions of paragraph B.2 above.
4. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of Financial Statements shall cover the period of one fiscal year of the Recipient. Audited Financial Statements for each such period shall be: (i) furnished to the Association not later than six (6) months after the end of such period; and (ii) made publicly available in a timely fashion and in a manner acceptable to the Association.
5. The Recipient shall have the Cash Grant payments subject to regular independent operational reviews assessing the efficiency and effectiveness of fund use, appropriateness of Cash Grant amounts and compliance of the Affected Farmers with the eligibility criteria. The operational reviews shall be carried out under terms of reference and periodicity proposed by the Recipient and approved by the Association.
6. Upon completion of each of the independent operational reviews, the Recipient shall afford the Association the opportunity to exchange views on the results of such operational reviews and shall take all measures required to ensure the efficient execution of the Project and to achieve the Project's objectives, based on the conclusions and recommendations of said operational reviews, and taking into account the Association's views on the matter.

Section III. Procurement

A. General

1. **Goods and Non-consulting Services.** All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3 **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association 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.

B. Particular Methods of Procurement of Goods and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of **International Competitive Bidding**.

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions specified below; (b) Shopping; and (c) Direct Contracting.

3. **Additional Provisions for National Competitive Bidding.** Without limitation upon the provisions of Section B.1 and B.2 of Schedule 2 of Section III to this Agreement or the Procurement Guidelines, the following additional provisions shall apply to all goods and non-consulting services procured for the Project under contracts awarded on the basis of National Competitive Bidding:

a) 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.

b) 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.

c) 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.

d) 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 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.

- e) 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.
- f) 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.
- g) 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.

- h) 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.
- i) 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.
- j) 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.
- k) 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.
- l) 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 Procurement Guidelines.
- m) 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.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts 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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Cash Grants under Part A of the Project	5,850,000	100%
(2) Goods, non-consulting services, consultants' services (including audits and the fee for <i>Posta Moldovei's</i> service charge under the Service Agreement), Training and Operating Costs under Part B and C of the Project	650,000	100%
TOTAL AMOUNT	6,500,000	

3. For the purposes of this Schedule:

- (i) the term "Training" means expenditures (other than those for consultants' services) incurred by the Recipient to finance the 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
- (ii) the term "Operating Costs" means reasonable expenditures (none of which would have been incurred by the Recipient absent the Project), for the implementation, coordination and supervision of the Project, including, *inter alia*, 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 salaries (including social charges) of staff working for the Project; but excluding the Recipient's civil servants and/or permanent employees; and such other expenditures as may be agreed upon by the Association.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed two hundred and thirty thousand SDR (SDR 230,000) equivalent may be made for payments prior to this date but on or after February 6, 2013, for Eligible Expenditures under Category (2).
2. The Closing Date is September 1, 2014.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each January 15 and July 15:	
Commencing July 15, 2018 to and including January 15, 2028	1.65%
Commencing July 15, 2028 to and including January 15, 2038	3.35%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. "Affected District" means any of the districts in the Recipient's territory affected by the 2012 drought listed in the Operational Manual and selected in accordance with the criteria and procedures set forth in the Operational Manual; and any other affected district/municipalities as the Recipient and the Association shall agree.
2. "Affected Farmers" means any farmer who meets the eligibility criteria set forth in the Operational Manual to benefit from a Cash Grant, including: (i) legally owning or leasing a farmland in any of the Affected Districts; and (ii) having planted at least: (A) 1 hectare of wheat in the 2012 autumn campaign and/or (B) 0.5 hectare of corn in the 2013 spring campaign, in said arable land; as selected in accordance with the procedures set forth in the Operational Manual.
3. "AIPA" means the Agency for Payments and Interventions in Agriculture within the MAFI established by the Recipient pursuant to Government Decision No. 60, dated February 4, 2010 and published in the Official Gazette No. 20-22, dated February 9, 2010.
4. "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.
5. "CAPMU" means the Consolidated Agriculture Project Management Unit within the MAFI established by the Recipient pursuant to Government Decision No. 878, dated September 29, 1999.
6. "Cash Grant" means a single cash transfer payment made by the Recipient (through the AIPA) to the Affected Farmer under Part A of the Project to compensate for corn losses and/or wheat losses, as follows: (i) directly to the bank account of the Affected Farmer; or (ii) through the *Posta Moldovei*, in case the Affected Farmer has no bank account, all pursuant to the provisions of the Operational Manual.
7. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
8. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
9. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II to this Appendix.

10. "MAFI" means the Recipient's Ministry of Agriculture and Food Industry or any successor or successors thereto.
11. "Ministerial Committee" means the committee composed of representatives of the following institutions: the MAFI (including the AIPA) and the Recipient's farmer organizations, established by the MAFI, and referred to in Section I.A. 2 (b) of Schedule 2 to this Agreement.
12. "MOE" means the Recipient's Ministry of Environment or any successor thereto.
13. "MOF" means the Recipient's Ministry of Finance or any successor thereto.
14. "Operational Manual" means the Project manual referred to in Section I.A.3 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written approval of the Association.
15. "*Posta Moldovei*" means the Recipient's post services state-owned company established pursuant the Recipient's Law No. 463, dated May 18, 1995.
16. "Procurement Guidelines" means 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.
17. "Procurement Plan" means the Recipient's procurement plan for the Project, dated January 31, 2013 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be amended from time to time in accordance with the provisions of said paragraphs.
18. "Resolutions" means any of the following Recipient's resolutions: Government Resolutions No. 766 dated of October 15, 2012, No. 978 dated of December 22, 2012, and No. 820 dated of November 6, 2012, on the earmarking of funds to mitigate the consequences of the 2012 drought.
19. "Service Agreement" means the agreement referred to in Section I.A.2 (c) of Schedule 2 to this Agreement, as said agreement may be amended from time to time with the agreement of the Association.
20. "Special Local Committee" means any of the committees established at the local level pursuant to the Government Resolutions No. 766, dated October 15, 2012 and No. 978, dated December 22, 2012, referred to in Section I.A.2 (a) of Schedule 2 to this Agreement.
21. "State Chancellery" means the Recipient's State Chancellery or any successor thereto.
22. "Steering Committee" means an inter-ministerial committee composed of representatives of the following institutions: the MAFI, the MOE, the MOF, the State Chancellery and the Recipient's farmer organizations, referred to in Section

I.A.1 (c) of Schedule 2 to this Agreement, and established pursuant to Government Decision No 878, dated September 29, 1999.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 3.02 is modified to read as follows:

“Section 3.02. *Service Charge and Interest Charge*

(a) *Service Charge.* The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) *Interest Charge.* The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.”

2. Paragraph 28 of the Appendix (“Financing Payment”) is modified by inserting the words “the Interest Charge” between the words “the Service Charge” and “the Commitment Charge”.
3. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the remaining paragraphs accordingly:

“32. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b).”
4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by inserting the words “Interest Charges” between the words “Service Charges” and “Commitment Charges”.
5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02 (a).

Prin prezenta confirm că textul alăturat este o copie certificată de pe Acordul de finanțare dintre Republica Moldova și Asociația Internațională pentru Dezvoltare în vederea realizării Proiectului "Suport de urgență pentru agricultura Moldovei" (Chișinău, 29 mai 2013), originalul căruia este depozitat la Arhiva Tratatelor a Ministerului Afacerilor Externe și Integrării Europene.



Emilian BRENICI,
Șef al Direcției Generale Drept
Internațional a Ministerului Afacerilor
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