



ACORD DE GRANT
între Republica Moldova și Asociația Internațională
de Dezvoltare privind finanțarea proiectului
"Consolidarea capacității Curții de Conturi a
Republicii Moldova"

Chișinău, 14 august 2013



COPIE CERTIFICATĂ
TEXT ÎN LIMBA ENGLEZĂ

July 26, 2013

H.E. Veaceslav Negruta
Minister of Finance
Ministry of Finance
Cosmonautilor str. 7
Chisinau
Republic of Moldova

Re: MTRF Grant No. TF014332
Multi-Donor Trust Fund for Europe and Central Asia Public Finance Management to
the Strengthening Capacity of the Courts of Accounts of Moldova

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/International Development Association ("World Bank"), acting as administrator of grant funds provided under the Multi-Donor Trust Fund for Europe and Central Asia Public Finance Management, proposes to extend to the Recipient a grant in an amount not to exceed one million United States Dollars (U.S.\$1,000,000) ("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 on which

the World Bank receives notice of completion of internal approval procedures under the laws of the Recipient.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By 
Qimiao Fan
Country Director

AGREED:
REPUBLIC OF MOLDOVA

By 
Authorized Representative
Name Veaceslav Negruța
Title Minister
Date: August 14, 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") 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 Republic of Moldova's public external audit function by increasing the effectiveness of audit work and strengthening the capacity of the Court of Accounts. The Project consists of the following parts:

Part A: Strengthening the capacity to conduct performance audits in specialized areas

- (a) Development and implementation of methodological guidelines for the financial and performance audits of the state budget, state social insurance budget, compulsory health insurance funds, accounting for reforms undertaken by the Government of Moldova.
- (b) Provision of training in specialized performance audits and different types of information technology audits.
- (c) Measurement of impact of the audit reports produced by the Court of Accounts;
- (d) Establishment of work planning and administrative framework to promote the cost-effective implementation of work.

Part B: Enhancing performance systems for effective development and deployment of human resources on audit engagements

- (a) Establishment of effective system of quality control to assist the Court of Accounts and its personnel to comply with professional standards and applicable legal and regulatory requirements;
- (b) Establishment of an internal training function to provide training to existing and new staff in the conduct of audit work.

Part C: Project Management

Provision of technical assistance in conducting project management activities, including procurement, financial management, audit, and other operating costs.

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 Court of Accounts ("CoA", hereinafter defined as "Project Implementing Entity" or "PIE") 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. ***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 indicators agreed with the World Bank. Each Project Report shall cover the period of one calendar semester, 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.

2.04. ***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 semester, covering the semester, 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.

2.05. ***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 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 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 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**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, and non-consulting services shall be procured under contracts awarded on the basis of Shopping.

(ii) The following methods, other than Shopping, may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Direct Contracting.

(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) Selection of Individual Consultants; and (G) 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 to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, consultants' services, training and incremental operating costs under the Project	1,000,000	100%
TOTAL AMOUNT	<u>1,000,000</u>	

For purposes of this paragraph

- (a) the term "incremental operating costs" means expenditures incurred by the Recipient on account of management of Grant implementation including office supplies, communication, local transportation and study visits, minimum office equipment,

interpretation costs, and such other expenditures as may be agreed upon by the World Bank; and

- (b) the term "training" means expenditures incurred by the Recipient on account of training for the implementation of the Grant and the Project, including: workshops, training services from qualified local and international training providers, 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 countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is November 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 Recipient's Minister of Finance.

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

Cosmonautilor str. 7

Chisinau
Republic of Moldova

Facsimile:

(373) 2222 5393

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions 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) or
64145 (MCI)

1-202-477-6391

Prin prezenta confirm că textul alăturat este o copie certificată de pe Acordul de grant între Republica Moldova și Asociația Internațională de Dezvoltare privind finanțarea proiectului "Consolidarea capacității Curții de Conturi a Republicii Moldova" (Chișinău, 14 august 2013), originalul căruia este depozitat la Arhiva Tratatelor a Ministerului Afacerilor Externe și Integrării Europene.



Emilian BRENICI
Emilian BRENICI,
Șeful Direcției Generale Drept
Internațional al Ministerului Afacerilor
Externe și Integrării Europene al
Republicii Moldova