
LOAN NUMBER 9536-MD
GCFF TF NUMBER TF0C1762

Loan Agreement

(Education Quality Improvement Project)

between

REPUBLIC OF MOLDOVA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between the REPUBLIC OF MOLDOVA ("Borrower") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

WHEREAS:

- (A) following an international effort to provide development support to countries facing challenges in the education sector and most affected by refugees; and having satisfied itself to the feasibility and priority of the Project, aimed, in part, at providing support for the improvement of the learning environment and refugee response, as further described in Schedule 1 to this Agreement, the Borrower has requested the Bank to extend a loan to assist in the financing of the Project;
- (B) funding from the Global Concessional Financing Facility was received by the Bank for purposes of providing concessional financing to this Agreement;
- (C) under the terms of a Financial Procedures Arrangement with the Trustee of the Global Concessional Financing Facility dated August 10, 2016, the Bank has agreed to provide additional funds to the Borrower (the Concessional Portion of the Loan as defined in the Appendix to this Agreement) as part of an integrated lending operation under the terms of this Agreement (the Financing as hereinafter defined);
- (D) the Bank has agreed to provide an ELP Grant in an amount up to five million United States Dollars (\$5,000,000) to assist in financing the Project, under the Early Learning Partnership Multi-Donor Trust Fund, under terms and conditions set forth in the ELP Grant Agreement; and
- (E) the Bank has agreed to provide a GPE Grant in an amount up to four million eight hundred thousand United States Dollars (\$4,800,000) to assist in financing the Project, under the Global Partnership for Education Fund, under terms and conditions set forth in the GPE Grant Agreement.

NOW THEREFORE, the Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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 Bank agrees to extend to the Borrower on the terms and conditions set forth or referred to in this Agreement, a loan to assist in the financing of the Project, such Loan consisting of the following:
- (a) a non-concessional portion of the Loan in an amount of thirty-six million five hundred thousand Euros (€36,500,000), as such amount may be converted from time to time through a Currency Conversion (“Non-Concessional Portion of the Loan”); and
 - (b) a concessional portion of the Loan in an amount of ten million United States Dollars (\$10,000,000) (the “Concessional Portion of the Loan”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Non-Concessional Portion of the Loan amount.
- 2.04. (a) The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance of the Non-Concessional Portion of the Loan.
- (b) The Commitment Charge shall not be applied to the Concessional Portion of the Loan.
- 2.05. (a) The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- (b) The Concessional Portion of the Loan shall be made on a grant basis. The interest rate shall not be applied to the Concessional Portion of the Loan.
- 2.06. The Payment Dates are June 1 and December 1 in each year.
- 2.07. The principal amount of the Non-Concessional Portion of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, through MoER, shall carry out Parts 1, 2.1, 3.1, 3.2(a), and 4 of the Project; and cause Parts 2.2 and 2.3, and 3.2(b) of the Project to be carried out by NORLD, in accordance with the provisions of Article V of the General Conditions, and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Events of Suspension consist of the following:
- (a) That the operation and functions of NORLD as set forth NORLD Legislation, has been amended, abrogated, suspended repealed or waived as to affect, in the opinion of the Bank, materially and adversely, its ability to perform any of its obligations under the Project.
 - (b) That NORLD shall have failed to comply with any of its obligations under the Subsidiary Agreement so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to carry out is 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 ninety (90) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) that the ELP Grant Agreement and the GPE Grant Agreement have been executed, and all conditions precedent to their effectiveness or the right of the Recipient to make withdrawals under them (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02 The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI - AMENDMENTS

- 6.01. Without limitation to Section 10.01(b) of the General Conditions, any modification to this Agreement shall be executed by written instrument agreed by the Parties hereto. Such amendment shall become effective once the Borrower has furnished evidence satisfactory to the Bank that the amendment has been duly authorized and

ratified by all necessary governmental action, and any other condition specified in the amending agreement has been fulfilled.

ARTICLE VII — REPRESENTATIVE; ADDRESSES

7.01. Except as provided in Section 2.02 of this Agreement, the Borrower's Representative is its Minister of Finance.

7.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Ministry of Finance
Constantin Tanase Street, 7
MD-2005 Chisinau
Republic of Moldova; and

(b) the Borrower's Electronic Address is:

Facsimile:

E-mail:

(373 22) 262661

cancelaria@mf.gov.md

7.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

E-mail:

248423(MCI) or
64145(MCI)

1-202-477-6391

abanerji@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF MOLDOVA

By



Authorized Representative

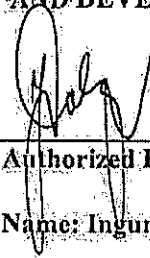
Name: Anatolie Topală

Title: Minister of Education and Research

Date: June 30, 2023

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Inguna Dobraja

Title: Country Manager

Date: June 30, 2023

SCHEDULE 1

Project Description

The objectives of the Project are to: (i) improve the learning environment in Participating Institutions, with an emphasis on supporting Disadvantaged Students; and (ii) strengthen the capacity of the Ministry of Education and Research for sector management and refugee response.

The Project consists of the following parts:

Part 1. Improve Quality of Teaching Practices

Improving the quality of teaching through, *inter alia*:

- 1.1. (a) the development and implementation of: (i) in-service training for Selected Teachers and Managers on the Professional Standards for Teachers and School Managers; and (ii) scale-up of the assessment of the quality of teaching practices; and
 - (b) the development and implementation of in-service training for Selected ECE Teachers and Educators on the ECE Curriculum, including indoor, outdoor, and play-based teaching and learning, and provision of related materials; and carrying out quality assessments of Selected ECEC Service Providers.
- 1.2. Development, piloting, and implementation of: (a) a rapid formative assessment in Key Subject Areas for the identification of students and students' learning challenges; (b) a Learning Recovery Program; and (c) supplemental tutoring for Disadvantaged Students performing in the bottom 20 percent.
- 1.3. Development of School Subprojects through the provision of School Grants to support in-service teacher professional development opportunities, including the set-up of a professional learning network among Moldovan teachers, as well as teachers from other countries; and school projects promoting innovative pedagogical practices.

Part 2. Improve the Quality of Learning Environment in Participating Institutions

Improving the learning environment of Participating Institutions through, *inter alia*:

- 2.1. *Equipping Participating Institutions*
 - (a) equipping the Participating Institutions with furniture, IT and STEM equipment, and teaching and learning materials for students with disabilities;

- (b) providing training to teachers and managers of the Participating Institutions, including through user guides and demonstration videos on operating and maintaining IT and STEM equipment, and the use of such equipment with modern teaching methodologies and digital learning materials in the classrooms; and
 - (c) equipping the new constructed high schools under Part 2.3(a) with furniture and equipment for classrooms, canteens, and sport facilities, and any other provisions required to ensure full functionality of such high schools.
- 2.2. *Carrying out civil works for the rehabilitation of:*
- (a) Participating Institutions; and
 - (b) Selected ECEC Facilities.
- 2.3. *Building Modern High Schools*
- (a) construction of three (3) high schools in Priority Areas of the Borrower's territory; and
 - (b) preparing and carrying out training modules and adopting manuals on schools' maintenance, including operation and maintenance of clean technologies, in the new constructed high schools.

Part 3. Strengthening the Capacity for Education Sector Management and Refugee Response

- 3.1. *Improving planning, management, and evaluation of education reforms through, inter alia:*
- (a) upgrading and expanding the existing EMIS for making better use of data to support management decisions at all levels;
 - (b) strengthening the national capacity for administration, data analysis, and dissemination, of the national and international student assessments;
 - (c) upgrading the teacher and managers professional standards;
 - (d) revising the nationwide education infrastructure investments planning, including climate change adaptation of the education sector;
 - (e) supporting national and subnational capacity building to lead upper secondary sector reforms and ECEC expansion; and

- (f) conducting an impact evaluation of the Learning Recovery Program and the ECCE expansion.

3.2. *Project Management*

(a) Supporting the PMT with management, monitoring, and evaluation activities, including, *inter alia*: (i) project supervision and implementation; (ii) compliance with Project requirements, such as financial management, procurement, environmental and social, and other required technical areas; and (iii) implementing outreach activities related to the Project; and

(b) Supporting NORLD's Team with management, monitoring, and evaluation activities, including, *inter alia*: (i) project supervision and implementation; (ii) compliance with Project requirements, such as financial management, procurement, environmental and social, and other required technical areas; and (iii) implementing outreach activities related to the Project.

Part 4. Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through MoER, shall no later than thirty (30) days after the Effective Date, establish and thereafter maintain throughout Project implementation, a PMT, with core staffing, functions, and resources as set forth in the Project Operations Manual.
2. The Borrower, through MoER, shall cause NORLD, no later than thirty (30) days after the Effective Date, to establish and thereafter maintain throughout Project Implementation, the NORLD's Team, with core staffing, functions, and resources as set forth in the Project Operations Manual.
3. The Borrower, through MoER, shall no later than twelve (12) months after the Effective Date, establish and thereafter maintain throughout Project implementation, as applicable, the School Grants Selection Committee, to facilitate the carrying out of Part 1.3 of the Project, with core staffing, functions, and resources as set forth in the School Grants Operations Manual.

B. Operations Manual.

1. The Borrower, through MoER, shall no later than thirty (30) days after the Effective Date, adopt, and thereafter carry out the Project, and cause the Project to be carried out by NORLD, in accordance with the provisions of a manual (the Project Operations Manual) satisfactory to the Bank, which shall include, *inter alia*:
 - (a) the detailed description of Project activities;
 - (b) institutional arrangements for the oversight, coordination, management, and day-to-day implementation of the Project;
 - (c) functions, responsibilities and composition of the PMT and NORLD's Team;
 - (d) the Project's administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures;

- (e) arrangements for preventing, detecting, reporting, investigating, remediating and otherwise addressing fraud and corruption, including compliance with the Anti-Corruption Guidelines;
 - (f) environmental and social management systems, including the grievance redress mechanism, gender-based violence and sexual exploitation, and abuse (“GBV/SEA”); and
 - (g) the selection criteria for teachers and managers, ECE teachers and educators, ECEC service providers, Priority Areas, Schools, and Participating Institutions.
2. Except as the Bank may otherwise agree in writing, the Borrower, through MoER, shall not amend, waive, suspend, or abrogate, or otherwise fail to enforce the Project Operations Manual, or any provisions thereof.
 3. In case of any conflict between the terms of the Project Operations Manual, and this Agreement, the provisions of this Agreement shall prevail.

C. Subsidiary Agreement.

1. To facilitate the carrying out of Parts 2.2, 2.3 and 3.2(b) of the Project, the Borrower, through MoER, shall make part of the proceeds of the Loan available to NORLD under a subsidiary agreement between the Borrower, through MoER, and NORLD, (“Subsidiary Agreement”) under terms and conditions approved by the Bank, which shall include, *inter alia*:
 - (a) the right of the Borrower, through MoER, to take remedial actions against NORLD in case NORLD has failed to comply with any of its obligations under the Subsidiary Agreement (which actions may include, *inter alia*, the partial or total suspension and/or cancellation (as the case may be) of the proceeds of the Loan transferred to NORLD); and
 - (b) NORLD's obligation to carry out the Project in accordance with the provisions of this Agreement, including the provisions set forth in the General Conditions, the Project Operations Manual, the ESCP, the Procurement Regulations and the Anti-Corruption Guidelines.
2. The Borrower, through MoER, shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.
3. Except as the Bank shall otherwise agree, the Borrower, through MoER, shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

D. School Subprojects.

1. For the purposes of carrying out School Subprojects under Part 1.3 of the Project, the Recipient, through MoER, will provide School Grants of up to thirty six thousand United States Dollars (\$36,000), to each School, as said amount may be revised from time to time by mutual agreement between the Recipient and the Bank and reflected in the School Grants Operations Manual; all according to the terms, conditions, eligibility criteria and procedures acceptable to the Bank as further detailed in the School Grants Operations Manual.
2. To facilitate the carrying out of Part 1.3 of the Project, and prior to the provision of any School Grant, the Recipient, through MoER, shall enter into a School Grant Agreement with each School, such agreement to be made in accordance with terms and conditions acceptable to the Bank and as set forth in the School Grants Operations Manual, including *inter alia*:
 - (a) the obligation of the Recipient, through MoER, to transfer part of the proceeds of the GPE Grant to Schools on a grant basis;
 - (b) the School's obligation to carry out its respective School Subproject in accordance with the Anti-Corruption Guidelines, the relevant provisions of the School Grants Operations Manual, the Procurement Regulations, the ESS, the ESCP, and all the pertinent provisions of this Agreement;
 - (c) the School's obligation to use goods and services to be financed out of the proceeds of the corresponding grant exclusively to carry out the School Subproject activities;
 - (d) the right of the Recipient to suspend and terminate the right of the School to use the proceeds of the School Grant upon failure of the School to perform any of its obligations under the School Grant Agreement;
 - (e) the ability of the Recipient to inspect, by itself or jointly with representatives of the Bank, if the Bank so requests, the School, and any relevant records and documents; and
 - (f) the obligation of the School to provide all such information as the Bank and the Recipient shall reasonably request related to the School Subproject.
3. The Recipient shall exercise its rights and carry out its obligations under each School Grant Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Project.

4. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate or waive any School Grant Agreement or any of its provisions.

E. Contingent Emergency Response.

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project ("Contingent Emergency Response Part"), the Borrower shall ensure that:

- (a) a manual ("CERC Manual") is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
- (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
- (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Bank.

2. The Borrower shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Bank.

3. The Borrower shall ensure that:

- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

F. Environmental and Social Standards.

1. The Borrower, through MoER, shall, and shall cause NORLD to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower, through MoER, shall, and shall cause NORLD to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower, through MoER, shall, and shall cause NORLD to, ensure that:
- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower, through MoER, shall, and shall cause NORLD to, ensure that:
- (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP,

and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Borrower, through MoER, shall, and shall cause NORLD to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
6. The Borrower, through MoER, shall cause NORLD to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring Reporting and Evaluation

The Borrower, through MoER, shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

Section III. Withdrawal of Financing Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount

allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Non-Concessional Portion of the Loan Allocated (expressed in EUR)	Amount of the Concessional Portion of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Training, and Operating Costs for Parts 1.1(a), 2.1., 3.1, and 3.2(a) of the Project	16,425,000	4,500,000	100%
(2) Goods, works, non-consulting services, consulting services, Training, and Operating Costs for Parts 2.2.(a), 2.3, and 3.2(b) of the Project	20,075,000	5,500,000	100%
(3) Emergency Expenditures	0	0	
TOTAL AMOUNT	36,500,000	10,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date;
 - (b) from the Loan Account unless each withdrawal is made on a *pari passu* basis and at 80%: 20% ratio between the amount of the Non-Concessional Portion of the Loan allocated to the pertinent Category and the amount of the Concessional Portion of the Loan allocated to said Category; and
 - (c) For Emergency Expenditures under Category (3), unless and until all of the following conditions have been met in respect of said expenditures:

- (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Categories (1) and (2); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
- (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.

2. The Closing Date is December 31, 2029.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share").

Level Principal Repayments

Principal Payment Date	Installment Share
On each June 1 and December 1 Beginning June 1, 2038 through December 1, 2047	5%

APPENDIX

Section I. Definitions

1. "Anti-Corruption Guidelines" means, for purposes of paragraph 6 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
2. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. "COVID-19" means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
4. "CERC Manual" means the manual referred to in Section II(1)(a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank, and which is an integral part of the Project Operations Manual.
5. "Concessional Portion of the Loan" means the amount of the Loan referred to in Section 2.01(b) of this Agreement, which has been contributed for the Project from the GCFF on grant basis.
6. "Contingent Emergency Response Part" means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
7. "Disadvantaged Students" means the students who meet the eligibility criteria, as set forth in the Project Operations Manual.
8. "ECE" means early childhood education.
9. "ECE Curriculum" means the curriculum of the same name approved by - 18 -ore through Order № 1699 of November 15, 2018.
10. "ECEC" means early childhood education and care.
11. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.

12. "ELP Grant" means the grant provided by the Bank as administrator of the Early Learning Partnership to assist in the financing of the Project, together with the Loan.
13. "ELP Grant Agreement" means the agreement referred to in the *Preamble* to this Agreement (ELP Grant TFOC1507) of the same date of this Agreement, entered into between the Bank, acting as administrator of the ELP, and the Recipient to assist in the financing of the Project, as the same may be amended from time to time.
14. "Emergency Action Plan" means the plan referred to in Section II(1)(a) of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
15. "Emergency Expenditures" means any of the eligible expenditures set forth in the CERC Manual referred to in Section II(1)(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
16. "EMIS" means the education management information systems.
17. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated May 2, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
18. "Environmental and Social Standards" or "ESSs" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities"; (viii) "Environmental and Social Standard 8: Cultural Heritage"; (ix) "Environmental and Social Standard 9: Financial Intermediaries"; and (x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Bank.

19. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022), with the modifications set forth in Section II of this Appendix.
20. “Global Concessional Financing Facility” and “GCFF” each means the financing facility established with a focus on providing concessional financing to middle income countries most affected by the presence of large numbers of refugees, and referred to in the *Preamble* to this Agreement, as having contributed the Concessional Portion of the Loan of the Project.
21. “GPE Grant” means the grant provided by the Bank as a Grant Agent of the Global Partnership for Education Fund to assist in the financing of the Project, together with the Loan.
22. “GPE Grant Agreement” the agreement referred to in the *Preamble* to this Agreement (GPE Grant TF0C1484) of the same date of this Agreement, entered into between the Bank, acting as a Grant Agent of the Global Partnership for Education Fund, and the Recipient, to assist in the financing of the Project, as the same may be amended from time to time.
23. “IT” means information technology.
24. “Key Subject Areas” means reading, math, and any other subject area as agreed with the Bank.
25. “Ministry of Education and Research” and “MoER” each means the Borrower’s ministry of the same name, or any legal successor or successors thereto acceptable to the Bank.
26. “Non- Concessional Portion of the Loan” means the amount of the Loan referred to in Section 2.01(a) of this Agreement, provided to the Borrower on non-concessional terms.
27. “NORLD” means the Borrower’s National Office of Regional and Local Development, or any legal successor or successors thereto acceptable to the Bank.
28. “NORLD Legislation” means the Borrower’s Government Decision No. 271/2022 dated April 20, 2022, which establishes the organizational structure and operational terms of NORLD.

29. "NORLD's Team" means NORLD's dedicated staff charged with the project coordination and implementation of Parts 2.2 and 2.3 of the Project and referred to in Section I.A. of Schedule 2 to this Agreement.
30. "Learning Recovery Program" means an educational program designed under the Project to assist students who have fallen behind in their academic progress due to disruptions caused by the COVID-19 pandemic, including school closures and extended absences, in order to overcome academic losses, all as set forth in the Project Operations Manual.
31. "Operating Costs" means the reasonable incremental costs incurred by the MoER and NORLD on account of Project implementation, for travel, lodging and per diem, rent of premises and utilities, office supplies, communication and information, office equipment and furniture, bank charges, printing and publications (electronic and/or paper), translation and interpretation, consumables, and salaries including the relevant social charges, but excluding salaries for civil servants, and other expenditures to be agreed upon between the MoER and the Bank.
32. "Participating Institutions" means any educational institution, from preschool to secondary school, that meets the eligibility criteria set forth in the POM.
33. "PMT" means the Project Management Team within MoER charged with the overall project coordination and management and referred to in Section I.A of Schedule 2 to this Agreement, or any legal successor or successors thereto acceptable to the Bank.
34. "Priority Areas" means the eligible territorial areas in which the new high schools are to be constructed under the Project as referred to in Part 2.3 of Schedule 1 to this Agreement, following the criteria and processes set forth in the POM.
35. "Procurement Regulations" means, for purposes of paragraph 84 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
36. "Professional Standards for Teachers and School Managers" means the standards of the same name approved by the MoER Order № 1124 dated July 20, 2018.
37. "Project Operations Manual" and "POM" each means the manual to be prepared, approved and adopted by the Borrower, through MoER, referred to in Section I.B of Schedule 2 to this Agreement, as such manual may be amended from time to time with the prior written approval of the Bank.
38. "Recipient" means the Republic of Moldova, to whom the Bank acting as administrator of the ELP and as grant agent of the GPE, has issued an ELP Grant

and a GPE Grant, respectively, to assist in the financing of the Project together with the Loan.

39. "School" means a school in the Borrower's territory, whose School Subproject has been found eligible in accordance with the criteria set forth in the School Grants Operations Manual, has applied for financing, and has received or is to receive a School Grant under a School Grant Agreement to be executed under Part 1.3 of the Project; "Schools" means each of such school.
40. "School Grants" means grants to be made by the Recipient, through MoER, to Schools for the financing of eligible School Subprojects.
41. "School Grants Operations Manual" means the manual to be prepared, approved, and adopted by the Recipient, through MoER, to facilitate the carrying out of Part 1.3 of the Project, as the same may be amended from time to time with the prior written approval of the Bank.
42. "School Grants Selection Committee" means the committee of the same name to be established under MoER for the selection of School Subprojects, referred to in Section I.A.3 of Schedule 2 to this Agreement.
43. "School Subprojects" means eligible subprojects for Schools as approved by the School Grants Selection Committee, and the Bank, in accordance with the provisions of the School Grants Operations Manual.
44. "Selected ECEC Facilities" means the early childhood education and care facilities which meet the eligibility criteria set forth in the POM.
45. "Selected ECEC Service Providers" means the early childhood education service providers which meet the eligibility criteria set forth in the POM.
46. "Selected ECE Teachers and Educators" means the early childhood teachers and educators who meet the eligibility criteria set forth in the POM to receive in-service training as set forth in Part 1.1(b) of Schedule 1 to this Agreement.
47. "Selected Teachers and Managers" means the teachers and school managers who meet the eligibility criteria set forth in the POM to receive in-service training as set forth in Part 1.1(a) of Schedule 1 to this Agreement.
48. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.
49. "STEM" means science, technology, engineering, and mathematics.

50. "Training" means expenses incurred for Project-related studies, training courses, seminars, workshops, and other training activities, not included under goods or service providers' contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers and trainers' fees, and other training related miscellaneous costs, all based on an annual budget agreed with the Bank.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Wherever used throughout the General Conditions (other than throughout the Appendix) the term "Loan Payment" and "Loan Payments" are modified to read "Payment of the Non-Concessional Portion of the Loan" and "Payments of the Non-Concessional Portion of the Loan", respectively. Furthermore, wherever used in Sections in Section 2.05; Sections 3.01 to 3.07; Section 4.01; Sections 4.02 to 4.05 (including the Title); Sections 7.05 to 7.08; Section 8.02; and Section 9.05, the term "*Loan*" is modified to read "*Non-Concessional Portion of the Loan*"; the term "*Unwithdrawn Loan Balance*" is modified to read "*Unwithdrawn Balance of the Non-Concessional Portion of the Loan*"; and the term "*Withdrawn Loan Balance*" is modified to read "*Withdrawn Balance of the Non-Concessional Portion of the Loan*".
3. In the Appendix, **Definitions**, wherever used in the following definitions of the terms "Automatic Conversion to Local Currency"; "Automatic Rate Fixing Conversion"; "Commitment Linked Repayment Amortization Schedule"; "Conversion"; "Currency Conversion"; "Default Interest Period"; "Default Interest Rate"; "Default Variable Rate"; "Disbursed Amount"; "Disbursement-Linked Amortization Schedule"; "Fixed Rate"; "Fixed Referenced Rate"; "Fixed Spread"; "Installment Share"; "Interest Rate Cap"; "Interest Rate Collar"; "Interest Rate Conversion"; "Principal Payment Date"; "Reference Rate Reset Date"; "Variable Spread"; the term "*Loan*" is modified to read "*the Non-Concessional Portion of the Loan*"; the term "*Unwithdrawn Loan Balance*" is modified to read "*the Unwithdrawn Balance of the Non-Concessional Portion of the Loan*"; and the term "*Withdrawn Loan Balance*" is modified to read "*Withdrawn balance of the Non-Concessional Portion of the Loan*".
4. In the Appendix, **Definitions**, the term "Withdrawn Loan Balance" in the definition of "Commitment Linked Repayment Amortization Schedule" is

modified to read "*Withdrawn Balance of the Non-Concessional Portion of the Loan*".

5. In the Appendix, **Definitions**, the definition of "Loan Account" is modified to read as follows:

"Loan Account" means the account or accounts opened by the Bank in its books in the name of the Borrower to which the amount of the Loan is credited."

6. In the Appendix, **Definitions**, the definition of "Loan Payment" is deleted in its entirety, and all subsequent paragraphs are renumbered accordingly.

7. In the Appendix, **Definitions**, a new paragraph is inserted with the following definition of "Non-Concessional Portion of the Loan", and the remaining paragraphs are renumbered accordingly:

"Non-Concessional Portion of the Loan" means portion of the Loan provided to the Borrower on non-concessional terms in the Loan Agreement".

8. In the Appendix, **Definitions**, a new paragraph is inserted with the following definition of "Payment of the Non-Concessional Portion of the Loan" and the and the remaining paragraphs are renumbered accordingly:

"Payment of the Non-Concessional Portion of the Loan" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Balance of the Non-Concessional Portion of the Loan, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower."

9. In the Appendix, **Definitions**, a new paragraph is inserted with the following definition of "Unwithdrawn Balance of the Non-Concessional Portion of the Loan", and the remaining paragraphs are renumbered accordingly:

"Unwithdrawn Balance of the Non-Concessional Portion of the Loan" means the amount of the Non-Concessional Portion of the Loan remaining unwithdrawn from the Loan Account from time to time."

10. In the Appendix, **Definitions**, a new paragraph is inserted with the following definition of "Withdrawn Balance of the Non-Concessional Portion of the Loan", and the remaining paragraphs are renumbered accordingly:

““Withdrawn Balance of the Non-Concessional Portion of the Loan” means the amounts of the Non-Concessional Portion of the Loan withdrawn from the Loan Account and outstanding from time to time.”