

Embassy of Japan
CHISINAU

Chisinau, July 10, 2023

Excellency,

I have the honour to confirm the following understanding recently reached between the representatives of the Government of Japan and of the Government of the Republic of Moldova concerning a Japanese loan to be extended with a view to promoting the economic stabilisation and development efforts of the Republic of Moldova:

1. A loan in Japanese yen up to the amount of thirteen billion five hundred million yen (¥13,500,000,000) (hereinafter referred to as "the Loan") will be extended as the Economic Recovery Development Policy Loan, in accordance with the relevant laws and regulations of Japan, to the Government of the Republic of Moldova by the Japan International Cooperation Agency (hereinafter referred to as "JICA") for the purpose of supporting the Government of the Republic of Moldova in its program to respond to the economic crisis due to the influence of the situation in Ukraine (hereinafter referred to as "the Program").

2. (1) The Loan will be made available by a loan agreement to be concluded between the Government of the Republic of Moldova and JICA. The terms and conditions of the Loan as well as the procedures for its utilisation will be governed by the said loan agreement, within the scope of the present understanding, which will contain, inter alia, the following principles:

(a) The repayment period will be thirty (30) years after the grace period of ten (10) years;

(b) The rate of interest will be the applicable Tokyo Term Risk Free Rate applied for six months lending plus one point three per cent (1.3%) per annum;

(c) Notwithstanding sub-paragraph (b) above, if the rate of interest mentioned in sub-paragraph (b) above is lower than nought point one per cent (0.1%), the rate of interest will be nought point one per cent (0.1%) per annum;

H.E. Veronica SIRETEANU
Minister of Finance
of the Republic of Moldova

(d) The disbursement period will be two (2) years after the date of coming into force of the said loan agreement; and

(e) A front-end fee will be imposed on the amount of the Loan at the rate of nought point one per cent (0.1%).

(2) The disbursement period mentioned in sub-paragraph (1)(d) above may be extended with the consent of the authorities concerned of the two Governments.

3. (1) The Loan will be made available to cover budget expenditures already made and/or to be made by the competent authorities of the Government of the Republic of Moldova, for the purpose of promoting the economic stabilisation and development efforts of the Republic of Moldova, except those for such products as will be enumerated in a list to be mutually agreed upon between the authorities concerned of the two Governments.

(2) The list mentioned in sub-paragraph (1) above may be modified by an agreement between the authorities concerned of the two Governments.

4. The Government of the Republic of Moldova shall take measures to have the equivalent in Moldovan currency of the amount of yen disbursements of the Loan transferred to the state budget account opened in the name of the Government of the Republic of Moldova. The amount thus transferred shall be included in the state budget of the Government of the Republic of Moldova.

5. The Government of the Republic of Moldova shall ensure that the procurement of products and/or services under the Loan is carried out in accordance with the guidelines for procurement of JICA, which set forth, inter alia, the procedures of international competitive bidding to be followed except where such procedures are inapplicable or inappropriate.

6. With regard to the shipping and marine insurance of the products purchased under the Loan, the Government of the Republic of Moldova shall refrain from imposing any restrictions that may hinder fair and free competition among the shipping and marine insurance companies.

7. The Government of the Republic of Moldova shall exempt JICA from all fiscal levies and taxes imposed in the Republic of Moldova on and/or in connection with the Loan as well as interest accruing therefrom.

8, The Government of the Republic of Moldova shall take necessary measures to ensure that the Loan is used properly and exclusively for the budget expenditures mentioned in sub-paragraph (1) of paragraph 3, and is not used for military purposes.

9. The Government of the Republic of Moldova shall, upon request, furnish the Government of Japan and JICA with:

(a) information and data concerning the use of the Loan and the progress of the implementation of the Program; and

(b) any other information related to the Loan and the Program.

10. The two Governments shall consult with each other with respect to any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Government of the Republic of Moldova the foregoing understanding shall constitute an agreement between the two Governments, which shall become effective on the date of receipt by the Government of Japan of the written notification from the Government of the Republic of Moldova of the completion of necessary domestic procedures for the entry into force of such agreement.

I avail myself of this opportunity to extend to Your Excellency the assurance of my highest consideration.

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YAMADA Yoichiro
Ambassador Extraordinary
and Plenipotentiary of Japan
to the Republic of Moldova



MINISTRY OF FINANCE OF
THE REPUBLIC OF MOLDOVA

Chisinau, July 10, 2023

YAMADA Yoichiro
Ambassador Extraordinary
and Plenipotentiary of Japan
to the Republic of Moldova

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"Excellency,

I have the honour to confirm the following understanding recently reached between the representatives of the Government of Japan and of the Government of the Republic of Moldova concerning a Japanese loan to be extended with a view to promoting the economic stabilisation and development efforts of the Republic of Moldova:

1. A loan in Japanese yen up to the amount of thirteen billion five hundred million yen (13,500,000,000) (hereinafter referred to as "the Loan") will be extended as the Economic Recovery Development Policy Loan, in accordance with the relevant laws and regulations of Japan, to the Government of the Republic of Moldova by the Japan International Cooperation Agency (hereinafter referred to as "JICA") for the purpose of supporting the Government of the Republic of Moldova in its program to respond to the economic crisis due to the influence of the situation in Ukraine (hereinafter referred to as "the Program").

2. (1) The Loan will be made available by a loan agreement to be concluded between the Government of the Republic of Moldova and JICA. The terms and conditions of the Loan as well as the procedures for its utilisation will be governed by the said loan agreement, within the scope of the present understanding, which will contain, *inter alia*, the following principles:

- (a) The repayment period will be thirty (30) years after the grace period of ten (10) years;
- (b) The rate of interest will be the applicable Tokyo Term Risk Free Rate applied

for six months lending plus one point three per cent (1.3%) per annum;

(c) Notwithstanding sub-paragraph (b) above, if the rate of interest mentioned in sub-paragraph (b) above is lower than nought point one per cent (0.1%), the rate of interest will be nought point one per cent (0.1%) per annum;

(d) The disbursement period will be two (2) years after the date of coming into force of the said loan agreement; and

(e) A front-end fee will be imposed on the amount of the Loan at the rate of nought point one per cent (0.1%).

(2) The disbursement period mentioned in sub-paragraph (1)(d) above may be extended with the consent of the authorities concerned of the two Governments.

3. (1) The Loan will be made available to cover budget expenditures already made and/or to be made by the competent authorities of the Government of the Republic of Moldova, for the purpose of promoting the economic stabilisation and development efforts of the Republic of Moldova, except those for such products as will be enumerated in a list to be mutually agreed upon between the authorities concerned of the two Governments.

(2) The list mentioned in sub-paragraph (1) above may be modified by an agreement between the authorities concerned of the two Governments.

4. The Government of the Republic of Moldova shall take measures to have the equivalent in Moldovan currency of the amount of yen disbursements of the Loan transferred to the state budget account opened in the name of the Government of the Republic of Moldova. The amount thus transferred shall be included in the state budget of the Government of the Republic of Moldova.

5. The Government of the Republic of Moldova shall ensure that the procurement of products and/or services under the Loan is carried out in accordance with the guidelines for procurement of JICA, which set forth, *inter alia*, the procedures of international competitive bidding to be followed except where such procedures are inapplicable or inappropriate.

6. With regard to the shipping and marine insurance of the products purchased under the Loan, the Government of the Republic of Moldova shall refrain from imposing any restrictions that may hinder fair and free competition among the shipping and marine insurance companies.

7. The Government of the Republic of Moldova shall exempt JICA from all fiscal levies and taxes imposed in the Republic of Moldova on and/or in connection with the Loan as well as interest accruing therefrom.

8. The Government of the Republic of Moldova shall take necessary measures to ensure that the Loan is used properly and exclusively for the budget expenditures mentioned in

sub-paragraph (1) of paragraph 3, and is not used for military purposes.

9. The Government of the Republic of Moldova shall, upon request, furnish the Government of Japan and JICA with:

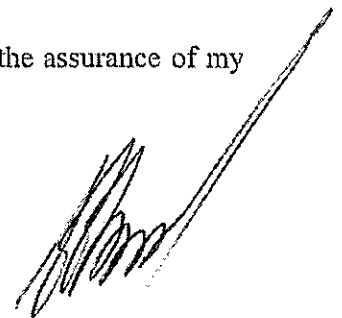
- (a) information and data concerning the use of the Loan and the progress of the implementation of the Program; and
- (b) any other information related to the Loan and the Program.

10. The two Governments shall consult with each other with respect to any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Government of the Republic of Moldova the foregoing understanding shall constitute an agreement between the two Governments, which shall become effective on the date of receipt by the Government of Japan of the written notification from the Government of the Republic of Moldova of the completion of necessary domestic procedures for the entry into force of such agreement."

I have further the honour to confirm on behalf of the Government of the Republic of Moldova the foregoing understanding and to agree that Your Excellency's Note and this Note in reply shall constitute an agreement between the two Governments, which shall become effective on the date of receipt by the Government of Japan of the written notification from the Government of the Republic of Moldova of the completion of necessary domestic procedures for the entry into force of such agreement.

I avail myself of this opportunity to extend to Your Excellency the assurance of my highest consideration.



Veronica SIRETEANU
Minister of Finance
of the Republic of Moldova

Record of Discussions

In connection with the Exchange of Notes between the Government of Japan and the Government of the Republic of Moldova dated July 10, 2023 concerning a Japanese loan to be extended with a view to promoting the economic stabilisation and development efforts of the Republic of Moldova (hereinafter referred to as "the Exchange of Notes" and "the Loan" respectively), the representatives of the Japanese Delegation and of the Moldovan Delegation wish to record the following:

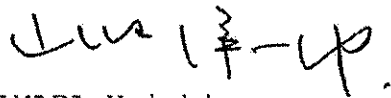
1. With regard to the Loan, the representative of the Japanese Delegation stated that the Loan could be characterized as the co-financing with the International Bank for Reconstruction and Development to the Republic of Moldova.
2. With regard to sub-paragraph (1) of paragraph 3 of the Exchange of Notes, the representative of the Japanese Delegation stated that the Loan may be made available to cover budget expenditures already made and/or to be made since January 1, 2023.
3. With regard to paragraph 8 of the Exchange of Notes, the representative of the Japanese Delegation stated that:
 - (a) the necessary measures referred to in the said paragraph include measures preventing any offer, gift or payment, consideration or benefit which would be construed as a corrupt practice in the Republic of Moldova from being made as an inducement to or reward for the award of the contracts for purchase of products and/or services under the Loan; and
 - (b) the Government of the Republic of Moldova will take all necessary measures to enable and facilitate ex-post procurement audit to be carried out by independent auditors which the Japan International Cooperation Agency (hereinafter referred to as "JICA") will designate and to be paid at JICA's expense, in order to ensure the fairness and competitiveness of the procurement process, in cases where JICA considers such audit to be necessary.
4. With regard to paragraph 9 of the Exchange of Notes, the representative of the Japanese Delegation stated that the Government of Japan understands that:
 - (a) other information mentioned in sub-paragraph (b) of the said paragraph includes information on corrupt

practice related to the Loan and the program mentioned in paragraph 1 of the Exchange of Notes; and

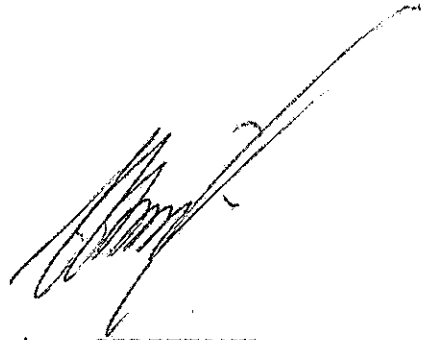
(b) the Government of the Republic of Moldova will ensure fair treatment of sources of such information and data.

5. The representative of the Moldovan Delegation stated that the Moldovan Delegation had no objection to the above-mentioned statements by the representative of the Japanese Delegation.

Chisinau, July 10, 2023



YAMADA Yoichiro
Ambassador Extraordinary
and Plenipotentiary of Japan
to the Republic of Moldova



Veronica SIRETEANU
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Record of Discussions

In connection with the Exchange of Notes between the Government of the Republic of Moldova and the Government of Japan dated July 10, 2023 concerning a Japanese loan to be extended with a view to promoting the economic stabilisation and development efforts of the Republic of Moldova (hereinafter referred to as “the Exchange of Notes” and “the Loan” respectively), the representatives of the Moldovan Delegation and of the Japanese Delegation wish to record the following:

1. With regard to the Loan, the representative of the Japanese Delegation stated that the Loan could be characterized as the co-financing with the International Bank for Reconstruction and Development to the Republic of Moldova.

2. With regard to sub-paragraph (1) of paragraph 3 of the Exchange of Notes, the representative of the Japanese Delegation stated that the Loan may be made available to cover budget expenditures already made and/or to be made since January 1, 2023.

3. With regard to paragraph 8 of the Exchange of Notes, the representative of the Japanese Delegation stated that:

(a) the necessary measures referred to in the said paragraph include measures preventing any offer, gift or payment, consideration or benefit which would be construed as a corrupt practice in the Republic of Moldova from being made as an inducement to or reward for the award of the contracts for purchase of products and/or services under the Loan; and

(b) the Government of the Republic of Moldova will take all necessary measures to enable and facilitate ex-post procurement audit to be carried out by independent auditors which the Japan International Cooperation Agency (hereinafter referred to as “JICA”) will designate and to be paid at JICA’s expense, in order to ensure the fairness and competitiveness of the procurement process, in cases where JICA considers such audit to be necessary.

4. With regard to paragraph 9 of the Exchange of Notes, the representative of the Japanese Delegation stated that the Government of Japan understands that:

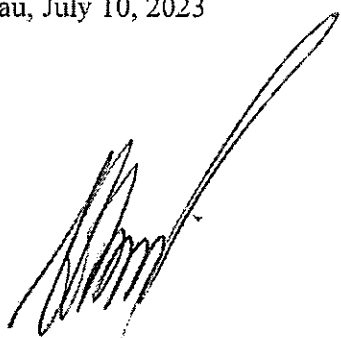
(a) other information mentioned in sub-paragraph (b) of the said

paragraph includes information on corrupt practice related to the Loan and the program mentioned in paragraph 1 of the Exchange of Notes; and

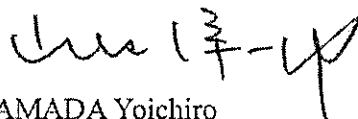
(b) the Government of the Republic of Moldova will ensure fair treatment of sources of such information and data.

5. The representative of the Moldovan Delegation stated that the Moldovan Delegation had no objection to the above-mentioned statements by the representative of the Japanese Delegation.

Chisinau, July 10, 2023



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