
LOAN NUMBER 9646-MD

Loan Agreement

(Modernization and Improvement of Rehabilitation Services Project)

between

REPUBLIC OF MOLDOVA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF MOLDOVA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of thirty-six million two hundred thousand Euros, (€36,200,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 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 Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. 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.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount 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 shall:

- (a) through MoH, carry out Parts 1, 2, 3 and 4 of the Project, and
- (b) carry out Part 5 of the Project,

all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) that the PIU referred to in Section I.A.1 of Schedule 2 to this Agreement has been established and staffed in a manner acceptable to the Bank, and
 - (b) that the Project Operations Manual referred to in Section I.B. of Schedule 2 has been prepared and adopted in a manner acceptable to the Bank.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is its Minister of Finance.
- 5.02. 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:

Telex:	E-mail:
373-22262600	cancelaria@mf.gov.md

5.03. 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	idobraja@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF MOLDOVA



By

Ala Nemerenco

Authorized Representative

Name: Ala Nemerenco

Title: Minister

Date: 17-Jun-2024

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

I. Dobraja

Authorized Representative

Name: Iuguna Dobraja

Title: Country Manager

Date: 17-Jun-2024

SCHEDULE 1

Project Description

The objectives of the Project are to (i) strengthen NCDs care by improving prevention and rehabilitation services, with a focus on stroke and heart attacks, at all levels of the health system, and (ii) in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

Part 1: Integrated care at hospital level for NCD patients.

Strengthening the capacity of Selected Hospitals to provide Integrated Care to patients facing Catastrophic Health Events through, *inter alia*: (i) strengthening their emergency care capabilities; (ii) developing and upgrading health facilities and equipment, including diagnostic, curative, and rehabilitation equipment and emergency transport services; (iii) providing technical assistance to determine the required, works, equipment, infrastructure improvements, and transportation services; and (iv) implementing works to improve accessibility and conditions of facilities providing rehabilitation care for Selected Service Lines.

Part 2: Integrated prevention and rehabilitation services at the primary care and population-level

1. Implementing NCD prevention and disease management programs for the Borrower's citizens and refugee populations, including: (i) screening and treatment; (ii) the provision of Training to healthcare workers to better manage chronic disease conditions and to detect, triage, assess and manage the care of patients after a Catastrophic Health Event; (iii) deploying public awareness campaigns to address the major risk factors for Catastrophic Health Events; (iv) scaling up the existing and developing new telemedicine and digital health programs; and (v) the development of materials, guidance notes and protocols to support healthcare workers in supporting NCD prevention and management.
2. Providing preventive and rehabilitation services including, *inter alia*: (i) developing materials and Training to support utilization of protocols for the integration of multidisciplinary care for cardiac and stroke patients; (ii) strengthening of the digital infrastructure between Facilities to support the integration of rehabilitation services; (iii) discharge planning and protocols from secondary to primary care; (iv) developing rehabilitation support materials; (v) developing home-based care models; and (vi) enhancing Primary Care Facilities to improve their physical accessibility.

Part 3: Pandemic preparedness

Enhancing pandemic preparedness in Selected Regional Facilities through, *inter alia*: (i) refurbishing the National Agency for Public Health infrastructure and its additional Storage Facilities, (ii) refurbishing and procuring Surveillance Equipment for the Public Health Laboratory Network infrastructure, and (iii) the provision of technical assistance and Training to strengthen emergency preparedness.

Part 4: Project Management

Providing support for project management, coordination, and monitoring and evaluation activities, including third party monitoring, Training and Operating Costs.

Part 5: Contingent Emergency Response

Providing 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 MoH, shall establish and thereafter operate and maintain throughout Project implementation a Project Implementation Unit ("PIU") with functions, resources and staffing acceptable to the Bank, including, *inter alia*: a Project coordinator, a procurement specialist, a financial management specialist, an environmental specialist and a social specialist, as further detailed in the Project Operations Manual.

B. Project Operations Manual.

1. Without limitation upon the provisions of Article V of the General Conditions, the Borrower shall, through MoH, carry out the Project in accordance with the Project Operations Manual, which shall include, *inter alia*: (a) a detailed description of the activities and institutional arrangements for the Project, including the technical, administrative and fiduciary functions of the relevant agencies; (b) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (c) the monitoring indicators for the Project; (d) the grievance mechanism; (e) the PIU's functions and terms of reference; (f) a detailed description of the Excluded Activities; and (g) the Anti-Corruption Guidelines.
2. Except as the Bank may otherwise agree in writing, the Borrower shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Project Operations Manual or any provision 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. Environmental and Social Standards

1. The Borrower, through MoH, shall 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 MoH, shall 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 MoH, shall 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 MoH, shall 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 MoH, shall 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 shall, through MoH, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractor,

subcontractors and supervising entities 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.

D. Contingent Emergency Response

- I. In order to ensure the proper implementation of contingent emergency response activities under Part 5 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 Contingent 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 Contingent Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring Reporting and Evaluation

The Borrower 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 Loan 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 Loan 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 Loan Allocated (expressed in EURO)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Parts 1, 2 and 4 the Project	36,200,000	100%
(2) Emergency Expenditures	0	100%
TOTAL AMOUNT	36,200,000	

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) under Category 2, unless and until:
 - (i) 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 Category (2);
 - (ii) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
 - (iii) the Borrower has adopted the CERC Manual, ESMF Addendum and Emergency Action Plan, in form and substance acceptable to the Bank.
2. The Closing Date is December 31, 2029.

SCHEDULE 3

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 April 15 and October 15 Beginning April 15, 2029 through October 15, 2053	2.0%

APPENDIX

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. "Catastrophic Health Events" means acute health conditions developed in patients that require hospitalization and urgent medical interventions, primarily strokes and heart attacks.
3. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. "CERC Manual" means the manual referred to in Section I.D 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. "Contingent Emergency Response Part" means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
6. "Emergency Action Plan" means the plan referred to in Section I.D, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
7. "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.
8. "Emergency Expenditures" means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.D of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
9. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated January 11, 2024, 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.

10. "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.
11. "ESMF" means the environmental and social management framework to be prepared, disclosed, consulted upon, adopted, and implemented throughout Project implementation, as set out in the ESCP, in accordance with the Environmental and Social Standards.
12. "ESMF Addendum" means the Addendum to the ESMF that the Borrower shall prepare, disclose, consult upon, adopt, and implement for the CERC Part.
13. "Excluded Activities" means investments or activities classified as substantial or high risk in respect to potential environmental and social impacts, in accordance with the provisions of the Project Operations Manual and the ESCP.
14. "Facilities" means any physical infrastructure and resources that are used to provide medical services and care to individuals or implement public health functions. These facilities can include various types of healthcare settings, such as hospitals, clinics, health centers, and specialized treatment centers.
15. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing", dated December 14, 2018 (Last revised on July 15, 2023).
16. "Integrated Care" means an approach characterized by a high degree of collaboration and communication among health professionals at all levels of health service delivery.
17. "MoH" means the Borrower's Ministry of Health, established pursuant to Borrower's Government Decree No. 148 of dated August 25, 2021, and published in the Official Gazette on September 1, 2021, or any successor thereto acceptable to the Bank.

18. "NAPH" or "National Agency for Public Health" means Borrower's national-level organization responsible for public health, infectious disease control, occupational health, epidemiology, control of medical devices, quality of medicines, parapharmaceutical products and their circulation, established pursuant to Borrower's Government Decree No. 1090, dated December 18, 2017, and published in the Official Gazette on December 20, 2017, or any successor thereto acceptable to the Bank.
19. "NCD" or noncommunicable disease means a medical condition or disease that is not caused by infectious agents and is chronic in nature.
20. "Operating Costs" means the reasonable incremental expenses incurred by the Borrower on account of Project implementation, including costs related to office supplies, shipping costs, office rentals, communication costs, office administration costs, bank charges, utilities, transport costs, travel, per diem and supervision costs, but excluding salaries of officials of the Borrower's civil service, and any other reasonable incremental expenditures agreed by the Bank.
21. "PIU" means the Project Implementation Unit referred to in Section I.A. of Schedule 2 to this Agreement.
22. "Project Operations Manual" means the operations manual for the Project, acceptable to the Bank, referred to in Section I.B. of Schedule 2 to this Agreement.
23. "Primary Care Facilities" means healthcare centers and clinics that provide the first point of contact for individuals seeking medical care. These facilities are responsible for delivering primary healthcare services, which include preventive care, health promotion, diagnosis, treatment of common illnesses, and management of chronic conditions.
24. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated September 2023.
25. "Public Health Laboratory Network" means a network of laboratories that are part of the NAPH and are responsible for conducting various diagnostic tests and analyses related to public health.
26. "Selected Hospitals" means Clinical Hospital of the Ministry of Health, Republican Children's Rehabilitation Center, Balti Clinical Hospital, as well as District Hospitals in Edineț, Șoldănești, Tefenești, Hîncești, Leova, Căușeni, and Călărași, Anenii Noi, Briceni, Cahul, Călărași, Cantemir, Căușeni, Cimișlia, Comrat, Criuleni, Donduseni, Drochia, Edineț, Florești, Fălești, Glodeni, Hîncești, Ialoveni, Leova, Nisporeni, Ocnîța, Orhei, Rezina, Rîșcani, Sîngerei, Șoldănești,

Soroca, Ștefan Vodă, Strășeni, Telenești, Ungheni, and any other as agreed by the Bank.

27. "Selected Service Lines" means pediatric trauma, physiotherapy, neurology, cardiology, speech therapy, nutrition, oncology services for patients with NCDs, psychiatry, geriatrics, and any other as agreed by the Bank.
28. "Selected Regional Facilities" means healthcare facilities that meet the eligibility criteria set forth in the Project Operations Manual to become beneficiaries under Part 3 of the Project.
29. "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.
30. "Storage Facilities" means the buildings needed to adequately and safely store public health equipment, vaccines, devices, medication and office supplies relevant to the functions of the health system.
31. "Surveillance Equipment" means the tools and technologies used to monitor and track the occurrence and spread of diseases within a population, including informational patient management systems, telehealth platforms, medical equipment, laboratory and diagnostic equipment and devices and kits, and any other as agreed by the Bank.
32. "Training" means the reasonable costs associated with training under the Project, as agreed between the Borrower and the Bank, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers' contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees, training fees, and other training related miscellaneous costs acceptable to the Bank.



Date: 17-Jun-2024

H.E. Mr. Petru Rotaru
Minister of Finance
Ministry of Finance
7 Constantin Tănase St.
MD-2005, Chişinău
Republic of Moldova

**Re: IBRD Loan No. 9646-MD (Modernization and Improvement
of Rehabilitation Services Project)
Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Loan Agreement between the Republic of Moldova (the "Borrower") and the International Bank for Reconstruction and Development (the "Bank") for financing the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time-to-time request withdrawals of Loan Amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter ("DFIL"), and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the DFIL may set out Project specific financial management and reporting requirements. This letter constitutes such Disbursement and Financial Information Letter and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds

(i) Disbursement Arrangements

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017 ("Disbursement Guidelines"), are available on the Bank's secure website "Client Connection" at <https://clientconnection.worldbank.org> and its public website at <https://www.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, information on registration of authorized signatories, processing of Withdrawal Applications (including the minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account(s).

(ii) Withdrawal Applications (Electronic Delivery)¹

The Borrower shall submit applications for withdrawal or for special commitment ("Applications") with supporting documents electronically through the Bank's web-based portal "Client Connection" at <https://clientconnection.worldbank.org>. This option shall be effected after the officials designated in writing

¹ Section 10.01 (c) of the General Conditions



by the Borrower, who are authorized to sign and deliver Applications, have registered as users of "Client Connection." The designated officials shall deliver Applications electronically by completing Form 2380, which is accessible through "Client Connection." By signing the Authorized Signatory Letter, which can be delivered manually or electronically, the Borrower confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by these means. The Borrower may exercise the option of preparing and delivering Applications in paper form on exceptional cases (including those where the Borrower encounters legal limitations) and which were previously agreed with the Bank. By designating officials to use SIDC and deliver the Applications electronically, the Borrower confirms through the Authorized Signatory Letter its agreement to (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with the Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank's public website at <https://www.worldbank.org> and "Client Connection" at <https://clientconnection.worldbank.org>; and (b) to cause such officials to abide by those terms and conditions.

II. Financial Reports and Audits ²

(i) Financial Reports

The Borrower, through MoH, shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter interim unaudited financial reports ("IFRs") for the Project covering the quarter. The Borrower, through MoH, shall cause the UN agency to provide financial reports as stipulated in the agreement between the Borrower and the UN agency in a timely manner.

(ii) Project Audits

Each audit of the Project Financial Statements shall cover the period of one (1) fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Bank by the Borrower, through MoH, not later than six (6) months after the end of such period. The Borrower, through MoH, shall cause the UN agency to provide the project audit report as stipulated in the agreement between the Borrower and the UN agency in a timely manner.

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's public website at <https://www.worldbank.org> and "Client Connection" at <https://clientconnection.worldbank.org>, the Bank recommends that you register as a user of "Client Connection." From this website, you will be able to prepare and deliver Authorized Signatory Letters and Withdrawal Applications, monitor the near real-time status of the Loan and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Bank by email at askloans@worldbank.org using the above reference.

² Section 5.09 of the General Conditions



THE WORLD BANK
IBRD • IFC • IDA | WORLD BANK GROUP

Yours sincerely,

Inguna Dobraja
Country Manager
Moldova

Attachments

1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditure (SOE)

With copies: Project Implementation Unit established within the Ministry of Health (MOH)
2, V. Alecsandri str.
MD-2009, Chişinău

Schedule I : Disbursement Provisions

Basic Information				
IBRD Loan No.	9646-MD	Country	Republic of Moldova	
		Borrower	Republic of Moldova	
		Name of the Project	Modernization and Improvement of Rehabilitation Services Project	Closing Date
			Disbursement Deadline Date	Four (4) months after the Closing Date
<i>Subsection 3.7 **</i>				
Disbursement Methods and Supporting Documentation				
Disbursement Methods	Methods	Supporting Documentation		
<i>Section 2 (**)</i>		<i>Subsections 4.3 and 4.4 (**)</i>		
Direct Payment	Yes	Records (Supplier Invoices/Copy of Receipts)		
Reimbursement	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL		
Advance (into a Designated Account)	Yes	SOE in the format provided in Attachment 2 of the DFIL		
Special Commitments	Yes	Copy of Letter of Credit (including pro forma invoice(s), if cited in the Letter of Credit)		
Designated Account (Sections 5 and 6 (**))				
Type	Segregated – To be managed by the Project Implementation Unit within the Ministry of Health (MOH)		Ceiling	Fixed
Financial Institution - Name	National Bank of Moldova		Currency	Euro
Frequency of Reporting	Monthly		Amount	1,000,000
<i>Subsection 6.3 (**)</i>				
Minimum Value of Applications (subsection 3.5)				
The minimum value of applications for Direct Payment, Reimbursement and Special Commitment Issuance is Euro 200,000 equivalent.				
Authorized Signatures (Subsection 5.1 and 5.2 (**)) The form for Authorized Signatory Letter is provided in Attachment 1 of this letter.				
Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 (**))				
The form for Authorized Signatory Letter is provided in Attachment 1 of this letter.				
The ASL and all Withdrawal Applications with their supporting documentation will be submitted electronically via the Bank's "Client Connection" system.				
Additional Information				
Payments to UN Agencies (if any) may be made through UN Advances (with or without a UN Commitment) disbursement mechanism. In case of a contract with a UN Agency requiring a UN Commitment, an application for issuance of UN Commitment is to be submitted by the Borrower. Subsequent payments and documentation of expenditures under the contract must be made in accordance with the Commitment letter to be issued by the Bank and the contract between the Borrower and the UN agency. In case of a UN Advances (without UN Commitment), documentation of expenditure should be made once the final invoice is issued and based on the UN Financial Report.				

** Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing", dated February 2017.

Attachment 1 – Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]

[Date]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director]

Dear [Country Director]:

**Re: IBRD Loan No. 9646-MD (Modernization and Improvement
of Rehabilitation Services Project)**

I refer to the Loan Agreement (Agreement³) between the Republic of Moldova (the "Borrower") and the International Bank for Reconstruction and Development (the "Bank"), providing the above Loan. For the purposes of Section 2.03(b) of the General Conditions as defined in the Agreement, any [one/two/three]³ of the persons whose authenticated specimen signatures appear below is/are authorized on behalf of the Borrower to sign and submit an application to request a withdrawal from the Loan Account ("Applications").

For the purpose of delivering the Applications to the Bank, [one/two/three]³ of the persons whose authenticated specimen signatures appear below is/are authorized on behalf of the Borrower, acting [individually / jointly]³ to deliver the Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

This Authorization also confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank, including by electronic means. The Bank shall rely upon such representations and warranties, including the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of SIDC"), the Borrower represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Bank records with respect to the Agreement(s) referred to in the subject line of this Authorization.

³ Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in the final letter that is sent to the Bank.*

⁴ Instruction to the Borrower: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in the final letter that is sent to the Bank.*

⁵ Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete it. *Please delete this footnote in the final letter that is sent to the Bank.*

Signatory Details

Name	Position	Email ID
[Signatory Name]	[Title]	[Email]

Specimen Signatures

Signatory Name	Signature 1	Signature 2	Signature 3

Yours truly,

/ signed /

[Position]

Attachment 2 – Statement of Expenditures

**Statement of Expenditures (SOE)
For
Goods, Works, Non-Consulting, Consulting Services, Training, Operating Costs**

Payments made during the period from _____ to _____

Loan No.: _____
Application No.: _____
Category No.: _____
SOE No.: _____

1	2	3	4	5	6	7	8	9	10	11
Supplier's Name	WB Contract Number in Client Connection	Type of Good or Service (GO/CW/CS/Non-CS/OC/TR) Brief Description	Currency and Total Amount of Contract	Currency and Total Amount of Invoice Covered by Application (Inclusive of Taxes)	% Financed by IBRD	Amount Eligible for Financing (5 x 6)	Currency and Amount Paid from Designated Account	Exchange Rate	Date of Payment	Remarks
TOTAL										

Supporting documents for this SOE retained at (location).

**AGREED MINUTES OF NEGOTIATIONS BETWEEN
THE REPUBLIC OF MOLDOVA
AND
THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)
REGARDING
MODERNIZATION AND IMPROVEMENT OF REHABILITATION SERVICES PROJECT
January 11, 2024**

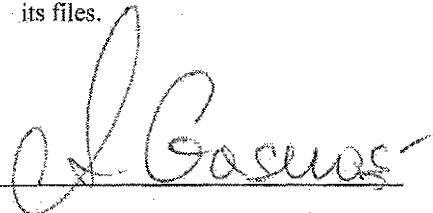
1. **Introduction.** Negotiations for a proposed loan in the amount of EUR 36,200,000 (the equivalent of US\$40 million) for the Modernization and Improvement of Rehabilitation Services Project were held between representatives of the Republic of Moldova, including representatives of the Ministry of Finance (MoF) and Ministry of Health (MoH) (the "Borrower Delegation"), and representatives of the IBRD (the "World Bank Delegation") through videoconference connections between Chisinau, Sarajevo, Zagreb, and Washington D.C. on January 11, 2024. Members of the Borrower Delegation and the World Bank Delegation are listed in Annex 1 to these Minutes. These Minutes record and clarify key understandings regarding the proposed Project.
2. **Authorization to Negotiate.** The Borrower Delegation provided to the World Bank Delegation the Government Decision No. 1051, from 21 December 2023 (Annex 2), published in the Official Gazette on December 22, 2023, appointing Alexandru Gasnas, State Secretary at Ministry of Health, as the head of the Borrower Delegation with authorization to negotiate the Loan Agreement and related documents for the Project, and to sign the Minutes of Negotiations on behalf of the Republic of Moldova.
3. **Documents Discussed.** The Borrower Delegation and the World Bank Delegation discussed and agreed on the following documents: (a) the draft Project Appraisal Document ("PAD"; Annex 3); (b) the draft Loan Agreement (Annex 4); (c) the draft Disbursement and Financial Information Letter ("DFIL", Annex 5); (d) the draft Environmental and Social Commitment Plan ("ESCP"; Annex 6), and (e) the draft Project Procurement Strategy for Development. The Parties confirmed that the discussed Loan Agreement, DFIL and ESCP, all dated January 11, 2024, reflect the Parties' understandings. The World Bank Delegation clarified that as part of the preparation for the Board presentation and signing, the aforementioned documents will be reviewed and may be subject to formatting and minor editorial changes. Any substantive changes will be validated with the Borrower Delegation.
4. **PAD.** The scope of the objectives of the Project were confirmed. The indicator on hypertension was updated to align with World Health Organization (WHO) and national protocols.
5. **Environmental and Social Commitment Plan (ESCP).** The parties agreed on the ESCP, dated January 11, 2024.
6. **Loan Amount and Financial Terms.** The Republic of Moldova confirmed selections of the IBRD loan terms as per the Loan Choice Worksheet (LCW) signed and dated November 24, 2023, for an IBRD Flexible Loan of EUR 36.2 million (equivalent to USD 40 million). The exchange rate used to convert the loan amount from USD to EUR was 1 USD=0.90277151 EUR as of December 31, 2023, the last day of the month preceding negotiations, rounded up

to the nearest hundredth thousand. The Borrower Delegation confirmed that the total repayment term is 30 years, including a five-year grace period. The repayment schedule is linked to commitment, and a level repayment amortization profile is chosen. The front-end fee will be paid from the Borrower's own resources. The payment dates selected are April 15 and October 15. The World Bank Delegation confirmed that, based on the expected Board Approval of March 5, 2024, the loan Average Repayment Maturity (ARM) is 17.36 years, which falls under the "15+ to 18 yrs" maturity bucket for Euro loans. The Borrower Delegation, by signing these Minutes, confirms that the Loan choices selected by the Borrower and spelled out in the Loan Choice Worksheet attached as Annex 7 to these Minutes are consistent with the amortization schedule incorporated in the Loan Agreement. The amortization schedule is valid for an expected Board date of March 5, 2024. Should there be a change in the Board date, the amortization schedule may need to be updated, and the Borrower will be informed accordingly. The World Bank Delegation also confirmed December 31, 2029, as the Closing Date as reflected in Schedule 2 of the Loan Agreement.

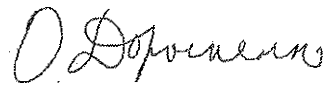
7. **Financial Management, Financial Reporting, and Auditing Arrangements.** The Parties agreed on the financial arrangements for the Project and the timeline for submission of interim financial reports and audit reports, as described in the DFIL and the PAD.
8. **Procurement Arrangements.** The Parties discussed and agreed on the procurement arrangements and procedures applicable to the Project as set out in the PAD. The Bank confirmed the receipt of the Project Procurement Strategy for Development (PPSD) and the Procurement Plan, acceptable to the Bank, as confirmed on January 11, 2023. The PPSD may require updates during project implementation to reflect possible changes in procurement approaches. Any such update will need to be agreed with the World Bank. The draft Procurement Plan, which is part of the PPSD, was agreed upon between the Parties during the Negotiations. The Procurement Plan can be updated as needed during project implementation. Any updates to the Procurement Plan shall be reviewed and approved by the World Bank. All Procurement Plans will be published on the World Bank's external website. The Borrower's Implementing Agencies will use the Bank's online procurement planning and tracking tool – Systematic Tracking of Exchanges in Procurement (STEP), to manage the exchange of information on procurement.
9. **Co-financing Arrangements.** The Project is being processed with a financing gap. The Borrower indicated that it would require grant funding to cover such financing gap, including funding communicated in the commitment letter from the Pandemic Fund, dated July 19, 2023. The World Bank Delegation acknowledged the request from the Borrower Delegation and agreed to direct efforts to that effect. If donor funding does not materialize as planned for unforeseen reasons, the Parties will consider restructuring the Project commensurate with the reduced available financing amount.
10. **Statutory Committee.** According to Article III, Section 4 (iii) of the IBRD Articles of Agreement and Article V, Section 1 (d) of the IDA Articles of Agreement, an operation proposed to be financed or guaranteed by IBRD/IDA shall be accompanied by a report/recommendation ("Statutory Committee report") to be issued by a competent committee ("Statutory Committee") whose members shall include an expert selected by the Governor representing the member in whose territories the operation in question is located. The Governor representing [name of the Member State] on the IBRD and IDA Boards of Governors agreed, by a letter dated September 29, 2014, that the official designated and authorized by the Government of the Republic of Moldova to represent the Republic of Moldova in the negotiations of IBRD/IDA financing provided to or guaranteed by the

Republic of Moldova shall be considered to be expert on the Statutory Committee, and that said official's signature of the signed Minutes of Negotiations for such IBRD/IDA financing shall be deemed to constitute the signature of the Statutory Committee report. The parties acknowledged the above designation with respect to the IBRD financing for this Project.

11. **Access to Information.** The PAD was reviewed and updated to take into account comments and observations made by the Borrower Delegation during negotiations. Pursuant to the World Bank Policy on Access to Information, the World Bank will disclose the PAD, the related LA, and other information related to the operation and the legal agreements, including any supplemental letters. The Borrower Delegation confirms that the Bank may publicly release this PAD before consideration of the operation by the Bank's Executive Directors.
12. **Legal Opinion.** With respect to the provisions of Section 10.02 of the General Conditions, the Borrower Delegation has informed the World Bank Delegation that internal steps need to be completed prior to considering the Loan Agreement as legally binding upon the Republic of Moldova. The Borrower Delegation confirmed that it will submit, as a condition of effectiveness to the Loan Agreement, a legal opinion issued by the Minister of Justice, satisfactory to the World Bank, to confirm that the Loan Agreement has been duly signed and that is legally binding upon the Republic of Moldova, in accordance with its terms.
13. **Acceptance of Negotiated Documents.** The Borrower Delegation confirmed that in accordance with the Delegation of Authority Letter, the Head of the Borrower Delegation is authorized to negotiate, sign the Minutes of Negotiations, and approve the results of negotiations on behalf of the Republic of Moldova. Hence, no further approval of the negotiated documents will be required to submit this Project to the approval of the World Bank's Board of Executive Directors, which is currently scheduled for March 5, 2024.
14. **Signing of the Legal Agreements.** The Bank Delegation explained that as of July 1, 2023, the Bank has migrated to the use of electronic signatures (e-Signatures) as a default modality for signing all IBRD financing agreements concluded with the Bank where both Bank and Borrower sign electronically via DocuSign. The Borrower Delegation confirmed its agreement to sign the legal agreements using the dual modality where both parties will sign fully electronically, through the DocuSign platform. After concluding said process the Borrower's representative will also sign the legal agreements on wet ink, next to its electronic signature, indicating the same signing date than for the electronic signature. Once this process has concluded, the Borrower will share the final version of the agreements with the Bank for its files.



Alexandru Gasnas, Secretary of State,
Republic of Moldova



Olena Doroshenko, co-Task Team Leader,
World Bank

Annex 1

Members of Borrower Delegation	
Alexandru Gasnas	State Secretary, Ministry of Health, Head of the Borrower Delegation
Andrei Cazacu	Head, Foreign Assistance Department, Ministry of Health
Cristina Leşan	Main consultant, Foreign Assistance Department, Ministry of Health
Elena Matveeva	Head, General Department of Public Sector Debt and External Assistance, Ministry of Finance
Aurelia Porumbescu	Head, Department of Finance in Health and Social Protection, Ministry of Finance
Ion Dodon, Director	National Health Insurance Company

Members of the World Bank Delegation	
Olena Doroshenko	Senior Health Economist, co-Task Team Leader, Head of the World Bank Delegation
Yoshini Naomi Rupasinghe	Senior Health Specialist, co-Task Team Leader
Alexandra Lelouch Loebel	Counsel
Oxana Druta	Senior Financial Management Specialist
Elena Corman	Senior Procurement Specialist
Akiko Kitamura	Health Specialist
Ilie Volovei	Health Economist
Gabriel Francis	Analyst
Tamara Ursu	Program Assistant
Carolina Odobescu	Senior Country Officer
Ma Dessirie Kalinski	Finance Officer
Oksana Rakovych	Senior Environmental Specialist
Deborah Beth Berger	Senior Social Development Specialist, Safeguard Policies