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LOAN NUMBER 9646-MD

# Loan Agreement

(Modernization and Improvement of Rehabilitation Services Project)

between

REPUBLIC OF MOLDOVA

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

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## **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:

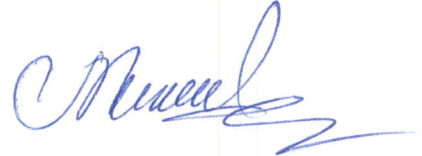
248423(MCI) or  
64145(MCI)

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

Inguna Dobraja

**Authorized Representative**

**Name:** Inguna 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**

1. 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:

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in EURO )</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(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%
<b>TOTAL AMOUNT</b>	<b>36,200,000</b>	

**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**

<b>Principal Payment Date</b>	<b>Installment Share</b>
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, pharmaceutical 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, Telenești, 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, Ocnița, 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.