



09-oct-2024

H.E. Victoria Belous
Minister of Finance
Ministry of Finance
7 Constantin Tanase str.
Chisinau, Republic of Moldova

Dear Minister,

Re: Republic of Moldova – Education Quality Improvement Project
(Loan No. 9536-MD
GCEF TF No. TF0C1762)
Amendment No. 1 to the Loan Agreement

We refer to the Loan Agreement between the Republic of Moldova (“Borrower”) and the International Bank for Reconstruction and Development (“Bank”) dated June 30, 2023 (“Loan Agreement”), for the Education Quality Improvement Project (“Project”), pursuant to which the Bank has extended the above captioned financing. Please note that capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meaning ascribed to them in the Loan Agreement.

Pursuant to your letter No. 11/2-7/203 dated May 20, 2024, and in view of our recent discussions, we are pleased to inform you that the Bank agrees to amend the Loan Agreement as follows:

- 1. Part 1.3 of Schedule 1 to the Loan Agreement is hereby amended to read in its entirety as follows:
 “1.3. Development of School Subprojects through the provision of School In-Kind Grants to the selected Schools to support in-service teacher professional development opportunities, including the set-up of a professional learning network among Moldovan teachers, as well as teachers from other countries, and school activities promoting innovative pedagogical practices.”
- 2. Section 1.A(3) of the Schedule 2 to the Loan Agreement is hereby amended to read in its entirety as follows:
 “3. The Borrower, through MoER, shall, no later than eighteen (18) months after the Effective Date, establish and thereafter maintain through Project implementation, as applicable, the School Subprojects Selection Committee to facilitate the carrying out of Part 1.3 of the Project, with core staffing, functions, and resources as set forth in the School In-Kind Grants Operations Manual.”

3. Section I.D of Schedule 2 to the Loan Agreement is hereby amended to read in its entirety as follows:

"D. School Subprojects.

1. For purposes of carrying out School Subprojects under Part 1.3 of the Project, the Borrower, through MoER, shall ensure that the selection of each School complies with the process and eligibility criteria set forth in the School In-Kind Grants Operations Manual.
2. Upon selection of a School, and before carrying out the corresponding School Subproject of up to thirty-six thousand United States Dollars (\$36,000), the Borrower, through MoER, shall enter into an agreement with each School (the School In-Kind Grant Agreement) under terms and conditions satisfactory to the Bank and set forth in the School In-Kind Grants Operations Manual, including, *inter alia*:

(a) MoER's:

- i. obligation to provide a School In-Kind Grant to the School on the terms and conditions set forth in said agreement;
- ii. the ability to inspect, by itself or jointly with representatives of the Bank, if the Bank so requests, the School, and any relevant records and documents; and
- iii. the right to suspend or terminate the right of the School to use or benefit from the School In-Kind Grant; or to seek the return of the School In-Kind Grant, if applicable, upon the School's failure to perform any of its obligations under the School In-Kind Grant Agreement concerned.

(b) the School's obligation to:

- i. carry out the School Subproject in accordance with the School In-Kind Grants Operations Manual; the Anti-Corruption Guidelines; the relevant financial management; and environmental and social standards provisions of this Schedule; and
 - ii. use the School In-Kind Grant for the intended purpose of the School Subproject, as provided under the School In-Kind Grant Agreement.
3. The Borrower, through MoER, shall exercise its rights and carry out its obligations under each School In-Kind Grant Agreement in such a manner as to protect the interests of the Borrower, through MoER, and the Bank and to accomplish the purposes of this Agreement.
 4. Except as the Bank shall otherwise agree, the Borrower, through MoER, shall not assign, amend, abrogate, waive, or fail to enforce any School In-Kind Grant Agreement or any provision thereof.

5. In case of any conflict between the terms of the School In-Kind Grant Agreement and this Agreement, the provisions of this Agreement shall prevail.”
4. The Appendix to the Loan Agreement is hereby amended as follows:
 - (a) The following definitions are hereby amended to read as follows:

““Operating Costs” means the reasonable incremental costs incurred by MoER and NORLD on account of Project implementation, for travel, lodging and per diem, rent of premises and utilities, office supplies, communication cost, bank charges, publications (electronic and/or paper), translation and interpretation, consumables, and salaries including the relevant social charges, but excluding salaries of civil servants, and other expenditures to be agreed upon between the MoER and the Bank.

“School” means a school in the Borrower’s territory, whose School Subproject has been found eligible to receive a School In-Kind Grant in accordance with the criteria set forth in the School In-Kind Grants Operations Manual, and has received or is to receive a School In-Kind Grant under a School In-Kind Grant Agreement to be executed under Part 1.3 of the Project; “Schools” means each of such School.

“School Subprojects” means eligible subprojects for Schools approved by the Borrower, through MoER, and the Bank in accordance with the provisions of the School In-Kind Grants Operations Manual.”
 - (b) The definitions on paragraphs 40-42 are hereby deleted; and
 - (c) The following definitions are hereby added (and the remaining definitions are reordered to maintain alphabetical order):

““School In-Kind Grant Agreement” means any of the agreements referred to in Section I.D of Schedule 2 to GPE Grant Agreement.

“School In-Kind Grants Operations Manual” means the manual to be prepared, approved, and adopted by the Borrower, through MoER, to facilitate the carrying out of Part 1.3 of the Project, as the same may be amended from time to time with the prior written approval of the Bank.

“School In-Kind Grant” means goods, non-consulting services, consulting services, and Training financed out of the proceeds of the GPE Grant Agreement, to be provided to the Schools under Part 1.3 of the Project for the purposes of carrying out a School Subproject subject to the specific terms, conditions and procedures set forth in the School In-Kind Grants Operations Manual and the School In-Kind Grant Agreement.

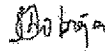
“School Subprojects Selection Committee” means the committee of the same name to be established under MoER for the selection of School Subprojects, referred to in Section I.A.3 of Schedule 2 to this Agreement.”

All other provisions of the Loan Agreement, except as expressly amended herein, shall remain unchanged and shall continue to be in full force and effect.

Please confirm your agreement with the foregoing amendments on behalf of the Republic of Moldova, by signing, dating, and returning to us the enclosed copy of this Amendment Letter. Upon receipt by the Bank of a countersigned copy of this Amendment Letter, this Amendment Letter will become effective as of the date of countersignature.

Finally, please also note that the relevant Project Paper No. RES00146, will be disclosed on the Bank's external website as per the Bank's Policy on Access to Information

Sincerely,

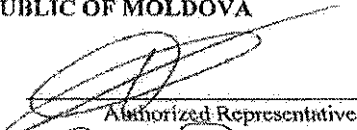


Inguna Dobraja

WBG Country Manager

CONFIRMED AND AGREED:
REPUBLIC OF MOLDOVA

By:


Authorized Representative

Name:

Oleg Păun

Title:

Minister

Date:

10/10/2024