His Excellency
Anatol Arapu
Acting Minister of Finance
Republic of Moldova

Excellency:

Re: Credit No.5196-MD (Moldova Education Reform Project)
First Amendment to the Financing Agreement

We refer to the Financing Agreement between the Republic of Moldova (the “Recipient”) and the International Development Association (the “Association”) dated February 7, 2013, with respect to the above-captioned Project (the “Financing Agreement”). Capitalized terms used in this amendment letter and not defined herein have the meaning ascribed to them in the Financing Agreement.

Pursuant to your letter dated December 29, 2014, as well as the recent discussions between the representatives of the Minister of Education’s office, and the Association’s team, requesting the Association to amend the Financing Agreement, we are pleased to inform you that the Association agrees to amend the terms of the Financing Agreement as follows:

1. Section I of Schedule 2 is hereby amended to include a Section C which shall read as follows:

   “1. The Recipient shall carry out Part A (i) of the Project in accordance with the Environmental Management Framework (EMF). Except as the Association shall otherwise agree, the Recipient shall not assign, abrogate or waive the EMF or any of its provisions.

2. The Recipient shall ensure that no activities to be carried out under the Project involve Involuntary Resettlement.”

2. Section I of the Appendix is hereby amended as follows:

The following definitions are added and placed in alphabetical order, (and the existing definitions are consequently renumbered to keep the alphabetical order) to read as follows:

"“Environmental Management Framework” or “EMF” means the Recipient framework dated April 1, 2015, acceptable to the Association and published on May 7, 2015 which contains, inter alia, the environmental protection measures with respect to the Project, including: (a) guidelines for the identification of existing environmental conditions and potential direct and indirect environmental impacts resulting from the carrying out of works under the Project; (b) guidelines for carrying out environmental assessments and the preparation of environmental management plans/environmental management plan checklists, when applicable..."
(c) the recommendation of mitigation measures for each negative impact identified; and (d) measures for enhancing each identified positive impact; as such framework may be amended from time to time with the Association’s prior written consent.

“Involuntary Resettlement” means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (a) standard of living adversely affected; or (b) right, title or interest in any house, an (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

Please confirm your agreement with the foregoing amendment by signing and dating the letter in the spaces provided below. All other provisions of the Agreement, except as amended through this letter shall remain in full force and effect. This amendment letter shall be executed in two counterparts each of which shall be an original.

Upon confirmation, please return one fully executed original to us. The provisions set forth in this amendment letter shall become effective as of the date of the countersignature.

Please also note that the restructuring paper dated July 7, 2015 will be disclosed on the Association’s external website as per the Association’s policy on Access to Information.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Qimiao Fan
Country Director
Belarus, Moldova and Ukraine
Europe and Central Asia

AGREED:

REPUBLIC OF MOLDOVA

By: 

Authorized Representative

Name: Avadol ARAFIU

Title: Minister of Finance

Date: July 30, 2015