July 8, 2016

H. E. Mr. Octavian Armașu  
Minister  
Ministry of Finance  
Chisinau  
Republic of Moldova

Excellency:

Re: Global Environment Facility Grant No.TF012145  
(Agriculture Competitiveness Project)  
Second Amendment to the Grant Agreement

We refer to the Grant Agreement between the Republic of Moldova (the “Recipient”) and the International Bank for Reconstruction and Development acting as an Implementing Agency of the Global Environment Facility (the “World Bank”) dated May 28, 2012 and amended on August, 19, 2014, with respect to the above-captioned Project (the “Grant Agreement”). Capitalized terms used in this Amendment Letter and not defined herein have the meaning ascribed to them in the Grant Agreement.

Pursuant to the discussions between the Recipient and the World Bank in the context of the preparation of an additional financing for the above-captioned Project, the Bank is proposing to amend the terms of the Grant Agreement to add the activities under a new Part E to the Project as described below.

Accordingly, the description of activities under Schedule 1 to the Grant Agreement is hereby amended and replaced in its entirety to read as follows:

“Part A. Enhancing food safety management

Provision of goods, works, and consultants’ services, including training for:

A.1 Providing regulatory and institutional support to the Recipient for enhancing the food safety management system through:

(i) supporting the process of legislative harmonization of the national legislation with the relevant EU regulations;

(ii) strengthening the institutional capacity of MAFI and the Food Safety Agency (FSA) through: (a) staff training; and (b) support for increasing awareness of relevant private entities regarding the application of the new food safety legislation; and
(iii) developing methodological and analytical work for soil quality and land
degradation risk-assessment, land quality certification, and standard
setting to ensure that best soil management practices are integrated in the
policy and regulatory framework for food safety management.

A.2 Providing technical enhancements support to the Recipient for the food
safety management through:

(i) rehabilitation of the designated building facility for the FSA; procurement
of office, communication and computing equipment for the building; and
design of an integrated IT system for the interoperability of various FSA
divisions;

(ii) strengthening of animal and plant health and food safety laboratory
network and Border Inspection Points (BIPs) through:

   (a) rehabilitation of two (2) central reference laboratories for:
       (i) animal health and food safety for products of animal
           origin, and (ii) food safety for products of vegetable
           origin; and

   (b) rehabilitation of four (4) BIPs, namely: on the Eastern
       border (Tudora); on the Southern border (Giurgiulesti); on the Northern border (Criva) and on the Western border
       (Leuseni).

Part B. Enhancing market access potential

Provision of goods, works, and consultants’ services, including training to MAFI
for:

B.1 Providing for a business development support for productive partnerships
for primary horticultural, beekeepers and milk producers through: (i) public information
and promotion campaign; (ii) development support for identifying, setting up and
providing training for new productive partnerships; and (iii) specialized technical
assistance support on an ad-hoc basis for the newly created productive partnerships.

B.2 Set-up of an investment support for post-harvest technologies for Sub-
projects on emerging productive partnerships for the modernization of post-harvest and
post-collection technologies in the horticultural, beekeepers and milk sectors, all through
competitive scheme and in accordance with the Grant Operational Manual.

Part C. Enhancing land productivity through Sustainable Land Management (SLM)

Provision of goods, works, and consultants’ services, including training to MOE
for:

C.1 Strengthening the sustainable land management capacity building of MOE
through, inter alia: (i) developing a methodological work on general technical and
economic options for farm-based interventions; (ii) strengthening the farmers capacity to
monitor economic and environmental benefits; (iii) organizing awareness raising and
training activities to improve farmers’ land management skills and public policy response with respect to sustainable land management issues.

C.2 Providing financial support for piloting SLM for Sub-projects for farmers for farm-level investments in soil conservation practices and technologies, all in accordance with the Grant Operational Manual.

C.3 Providing support for rehabilitation of shelterbelts by investments in machinery for the creation of two mobile mechanized squads for the rehabilitation of anti-erosion shelterbelts.

Part D. Project management

Provision of support for: (a) Project management and implementation, including monitoring and evaluation and Project audits; (b) the establishment and implementation of a grievance redress mechanism; and (c) the design and implementation of a public information campaign to inform the potential Affected Farmers about Compensatory Sales Support Grants, including its eligibility criteria and application procedures.

Part E. Compensatory Sales Support Grants

Provision of Compensatory Sales Support Grants to Affected Farmers.”

Secondly, the following definitions are added to Section I of the Appendix to the Grant Agreement, placed in alphabetical order, (and the existing definitions are consequently renumbered to keep the alphabetical order) to read as follows:

““Affected Farmers” means any farmer who meets the eligibility criteria set forth in the POM (hereinafter defined) to benefit from a Compensatory Sales Support Grant, including: (i) legally owning or leasing a horticultural plantation of up to fifteen (15) hectares in the Recipient’s territory; and (ii) having sold their production of plums, apples and/or grapes in the fall of 2014; and selected in accordance with the procedures set forth in the POM.”

“Compensatory Sales Support Grant” means a single cash transfer payment grant made out of the proceeds of the Financing by the Recipient (through the AIPA) to the Affected Farmer under Part E of the Project to compensate for the losses due to the export restrictions, all pursuant to the provisions of the POM.”

“Sub-grant Agreement” means any of the agreements referred to in Section I.C.3 of Schedule 2 to this Agreement.””

In addition, the following definition of Section I of the Appendix to the Grant Agreement is hereby amended and replaced in its entirety to read as follows:

““Beneficiary” or “Beneficiaries” means any legally established producer organization eligible for assistance under Parts B.2 and C.2 of the Project, selected pursuant to the criteria and procedures set forth in the GOM.”

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

The provisions set forth in this Amendment Letter shall become effective upon the date of the countersignature and receipt by the World Bank of one fully executed original of this Amendment Letter.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: Alexander Kremer
Acting Country Director
Belarus, Moldova, and Ukraine
Europe and Central Asia

AGREED:

REPUBLIC OF MOLDOVA

By: Authorized Representative

Name: Ionie Moldovc
Title: Deputy Minister
Date: July 8, 2016