July 18, 2012

H E. Veaceslav Negruta
Minister of Finance
Ministry of Finance
7, Cosmonautilor Street
Chisinau
Republic of Moldova

Re: Republic of Moldova: IDF Grant for Strategic Planning of Health Information Management Reform Project
(IDF Grant No. TF012263-MD)

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Moldova ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank") proposes to extend to the Recipient a grant from the World Bank's Institutional Development Fund ("IDF") in an amount not to exceed two hundred seventy-eight thousand United States Dollars (US$278,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by
the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]
Qimiao Fan
Country Director
Europe and Central Asia Region

AGREED:

REPUBLIC OF MOLDOVA

By [Signature]
Authorized Representative

Name: VENCESLAV NEGRUTA
Title: MINISTER OF FINANCE
Date: July 30, 2012

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012; and
(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
Article I
Standard Conditions; Definitions


1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

(i) “MoH” means the Ministry of Health
(ii) “HMIS” means Health Management Information Systems

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to strengthen the capacity of the Recipient’s MoH to identify and plan systemic, long-term reforms of health information management in Moldova through providing support for MoH in preparation of Master Plan for introduction of unified information management in health care. The Project consists of the following parts:

Part 1: Capacity Building

Provision of goods, consultants’ services, including training, workshops and study tours to expose the staff of the MoH and other institutions to key concepts of HMIS reforms through: (i) building an enhanced understanding of HMIS in the MoH and other relevant institutions; and (ii) creating the strategic planning framework.

Part 2: Assessment of HMIS Capacities

Provision of consultants’ services, goods and training and workshops through: (i) an assessment of current human, technical, institutional and legal capacities related to HMIS; and (ii) a review of the current institutional capacity and HMISs, including architectural, connectivity, technical and functional issues, as well as institutional, human resources and other aspects.

Part 3: Strategic Planning and Master Plan for Systemic Introduction of Unified HMIS

Provision of consultants’ services, goods and training and workshops to produce and finalize the Master Plan for a systemic introduction of unified health information management, by: (i) preparation of a draft Master Plan; (ii) expert and public debates on Master Plan; and (iii) review and acceptance of draft Master Plan.
Part 4: Grant Audit

Provision for consultant’s services for conducting an audit for the Grant.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Recipient’s Health Services and Social Assistance Project Coordination Unit (“Project Implementing Entity”) in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. **Institutional and Other Arrangements.** The Recipient shall provide funds for: (i) office facilities; (ii) training facilities; (iii) counterpart staff time; (iv) trainee staff time; (v) local transportation; and (vi) administrative support.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, prepare Project Reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

(i) a MoH-led inter-institutional team for strategic planning of health information management systems reform in Moldova is created and is functional by October 31, 2012;

(ii) first draft of the Master Plan produced by September 30, 2013; and

(iii) the final draft of the Master Plan has been presented and discussed within Recipient’s Government, and with all other stakeholders by September 30, 2013.

(c) The Recipient shall, upon the World Bank’s request, prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than five (5) months after the Closing Date.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.
The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which first disbursement from the Grant Account was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period. The Recipient shall make the audited Financial Statements publicly available in a timely fashion and in a manner acceptable to the World Bank.

2.06. Procurement

(a) General. All goods, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Section III of the Procurement Guidelines, or Sections III, IV and V of the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and non-consulting services:

(i) goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping; and

(ii) the following methods, other than Shopping, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (A) Direct Contracting.
(d) **Particular Methods of Procurement of Consultants’ Services**

The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Selection based on Consultants’ Qualifications; (C) Single-source Selection of consulting firms; (D) Selection of Individual Consultants; and (E) Single-source procedures for the Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

### Article III
**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods and Consultants’ Services, including Audit</td>
<td>225,100</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training and Workshops</td>
<td>52,900</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>278,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section, the term “Training and Workshops” means the expenditures incurred in connection with organizing, conducting or participating at training events such as workshops, seminars, conferences, study tours, purchase and publication of materials, rental of facilities, course fees, travel, per diem, visa, and accommodations, excluding payment of fees for consultant services provided for such training events.
3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.

Article IV
Recipient's Representative; Addresses

4.01. Recipient's Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Ministry of Finance.

4.02. Recipient's Address. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
7, Cosmonautilor Str.
MD 2005
Chisinau
Republic of Moldova

4.03. World Bank’s Address. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391