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**CREDIT NUMBER 4512 GE  
(Amendment)**

# **Agreement Amending Financing Agreement**

**(Second East-West Highway Improvement Project)**

**between**

**GEORGIA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated November 6, 2008**

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**CREDIT NUMBER 4512 GE**

**FINANCING AGREEMENT**

Agreement dated November 6, 2008, entered into between Georgia (the “Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the “Association”).

(A) WHEREAS pursuant to a financing agreement dated December 20, 2007, between Georgia (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) (the “Financing Agreement”), the Association has agreed to extend to the Recipient, a credit in an amount equivalent to twenty-two million four hundred thousand Special Drawing Rights (SDR 22,400,000) in support of financing the Project described in Schedule 1 to the Financing Agreement (the “Project”) (Credit No. 4373-GE);

(B) the Recipient has requested the Association to provide further additional assistance in the support of the Project by increasing the amount made available under the Financing Agreement by an amount equivalent to twelve million eight hundred thousand Special Drawing Rights (SDR 12,800,000); and

(C) WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to provide such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the Parties hereto hereby agree as follows:

**ARTICLE I - AMENDMENTS TO THE FINANCING AGREEMENT**

1.01. Article I of the Financing Agreement is amended to read as follows:

“1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral part of the Financing Agreement and this Amending 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 the Financing Agreement, as amended hereby.”

1.02. Section 2.01 of the Financing Agreement is amended to read as follows:

“2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement an amount equivalent to thirty five million two hundred thousand Special Drawing Rights

(SDR 35,200,000) (variously, “Credit” and “Financing”); which includes: (a) an original amount equivalent to twenty-two million four hundred thousand Special Drawing Rights (SDR 22,400,000) (the Initial Credit); and (b) an additional amount equivalent to twelve million eight hundred thousand Special Drawing Rights (SDR 12,800,000) (the Additional Credit) to assist in financing the project described in Schedule 1 to the Financing Agreement.”

- 1.03. Section 2.06 of the Financing Agreement is amended to read as follows:

“2.06. The principal amount of the Credit shall be repaid in accordance with repayment schedule set forth in the Annex to this Amending Agreement.”

- 1.04. The table under paragraph A.2 of Section IV of Schedule 2 to the Financing Agreement is hereby revised as follows:

<b>“Allocations</b>	<b>Amount of the Initial Credit Allocated (expressed in SDR)</b>	<b>Amount of the Additional Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed</b>
Goods, works, consultants’ services, Training and Incremental Operating Costs for the Project	22,400,000	12,800,000	70%
<b>TOTAL AMOUNT</b>	<b>22,400,000</b>	<b>12,800,000”</b>	

- 1.05. Schedule 3 to the Financing Agreement is hereby revised as indicated in the Annex to this Amending Agreement.

- 1.06. The title “Definitions” under the Appendix to the Financing Agreement is hereby amended to read as follows:

**“Section I: Definitions”**

- 1.07. **Section I:** Definitions under the Appendix to the Financing Agreement is hereby amended by adding a new Sub-section 16 which shall read as follows:

“16. “Amending Agreement” means the agreement amending the Financing Agreement between the Recipient and the Association, dated December 20, 2007.”

- 1.08. A new Section II: Modifications to the General Conditions is added under the Appendix to the Financing Agreement to read as follows:

**“Section II: Modifications to the General Conditions:**

1. Section 3.01(b) is revised to read as follows:

“(b) The Commitment Charge shall accrue from date sixty days after the date of the Financing Agreement to the respective dates, on which amounts are withdrawn by the Recipient from the Financing Account or cancelled, provided however that the commitment charge on the Additional Credit shall accrue from a date sixty (60) days after the date of the Amending Agreement. The Commitment Charge shall accrue at the rate set as of the June 30 immediately preceding the accrual date and at such other rate as may be set from time to time thereafter pursuant to this Section. The rate set as of June 30 in each year shall be applied from the next Payment Date in that year. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date. The Commitment Charge shall be computed on the basis of a 360-day year of twelve 30-day months.”

- 1.09. All other provisions of the Financing Agreement shall remain in full force and effect.

**ARTICLE II - EFFECTIVE DATE; TERMINATION**

- 2.01. This Amending Agreement shall not become effective until evidence satisfactory to the Association shall have been furnished to the Association that the execution and delivery of this Amending Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.
- 2.02. As part of the evidence to be furnished pursuant to Section 2.01 of this Amending Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association showing, on behalf of the Recipient, that this Amending Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms.
- 2.03. This Amending Agreement shall come into force and effect on the date upon which the Association shall dispatch to the Recipient notice of its acceptance of the evidence required by Section 2.01 of this Amending Agreement.

- 2.04. If this Amending Agreement shall not have come into force and effect by a date ninety (90) days after the date of this Amending Agreement, this Amending Agreement and all obligations of the parties hereunder shall terminate, unless the Association establishes a later date for the purposes of this Section. If this Amending Agreement shall terminate under the provisions of this Section, the Financing Agreement shall continue in full force and effect, as if this Amending Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Amending Agreement to be signed in their respective names in Tbilisi, Georgia, as of the day and year first above written.

**GEORGIA**

By /s/ Nikoloz Gilauri

Authorized Representative

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By /s/ Tamara Sulukhia

Authorized Representative

**SCHEDULE 3****A. Repayment Schedule for the Initial Credit**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage) *</b>
On each February 15 and August 15:	
commencing February 15, 2018 to and including August 15, 2027	5%

**B. Repayment Schedule for the Additional Credit**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage) *</b>
On each February 15 and August 15:	
commencing February 15, 2019 to and including August 15, 2028	5%

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\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

