
LOAN NUMBER 9504-GE

Loan Agreement

(Georgia Resilient Agriculture, Irrigation, and Land Project)

between

GEORGIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between GEORGIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this 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 this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of sixty-nine million three hundred thousand Euros (EUR 69,300,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are March 15 and September 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, shall carry out the Project, through MEPA, and shall also cause the Project to be carried out by the Project Implementing Entity in accordance with

the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) (i) the Borrower through MEPA has adopted the MEPA POM; and (ii) the Project Implementing Entity has adopted the NAPR POM; and
 - (b) the Subsidiary Agreement has been executed between MOF (representing the Borrower), MOJ, the Project Implementing Entity, and DGA.
- 4.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is the Minister of Finance.
- 5.02. For purposes of Section 10.01 of the General Conditions:

- (a) the Borrower's address is:

Ministry of Finance
16 Gorgasali Street
0114 Tbilisi
Georgia; and

- (b) the Borrower's Electronic Address is:

E-mail:

publicdebt@mof.ge

- 5.03. For purposes of Section 10.01 of the General Conditions:

- (a) the Bank's address is:

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

- (b) the Bank's Electronic Address is:

Telex:

248423(MCI) or
64145(MCI)

Facsimile:

1-202-477-6391

E-mail

smolineus@worldbank.org

AGREED as of the Signature Date.

GEORGIA

By



Authorized Representative

Name: Lasha Khutsishvili

Title: Minister

Date: 31-Mar-2023

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Sebastian-A Molineus

Title: Country Director, South Caucasus

Date: 31-Mar-2023

SCHEDULE 1

Project Description

The objective of the Project is to: (1) improve irrigation, and drainage services, and agricultural production in project areas; and (2) strengthen national irrigation and land management institutional capacity for climate resilient planning.

The Project consists of the following parts:

Component 1. Resilient Irrigated Agriculture

- 1.1 Rehabilitating and modernizing selected existing irrigation and drainage schemes using a framework approach, which includes main, secondary, and tertiary canals and drains and other ancillary structures; and the development of a national irrigation master plan for planning current and future irrigation investment in Georgia in alignment with economic, environmental, social, and climate parameters.
- 1.2 Increasing agricultural productivity or enabling switch to profitable crops through *inter alia*:
 - (a) financing of Matching Grants administered through the Borrower's RDA;
 - (b) provision of farm-level support packages including through value-chain specific business and market advice, field demonstrations, technical and business training, and optional grants for acquisition of technologies for high-value crop production to farmers;
 - (c) provision of agribusiness firm-level support, including through value-chain specific business and market advice, technical and business training, and financing of Matching Grants for acquisition of technologies;
 - (d) technical advisory support through experienced service providers;
 - (e) strengthening the institutional capacity of the Borrower's RDA.

- 1.3 Enhancing GA's capacity by providing technical advisory support for *inter alia*:
- (a) comprehensive institutional reform assessments and supporting subsequent capacity building activities to improve and strengthen Georgian Amelioration's internal governance structure, including but not limited through organizational audits, internal capability development, training, knowledge development and management, leadership development, technology (hardware and software) development, among other aspects;
 - (b) consultations, and legal and feasibility studies on development of optional tariff models for changes to the irrigation service fee as well as implementation of agreed roll out program for revised tariff;
 - (c) developing tools and action plans for water and irrigation management to respond to adverse impacts of climate change, including through technologies and trainings provided through field schools for project beneficiaries;
 - (d) establishing and strengthening the operations of water management organizations at the local level or strengthening operations of GA service centers or both; and
 - (e) establishment of a new Hydrological and Agricultural Informatics Center within MEPA to upgrade GA and other agencies' capacity in water, climate, and land management and monitoring, and specifically towards climate resistant planning, within respective agencies in MEPA.

Component 2. Improved Land Management Capacity

- 2.1 Supporting the creation of a solid foundation for improved land management, agricultural land market development, and land use efficiency, through *inter alia*:
- (a) providing technical advisory support, designing, developing, and launching a land information system (LIS) including uploading of the data into LIS and training of users; for mass agricultural land valuation: conducting gaps and needs assessment, designing and piloting a methodology and system, interoperable with LIS and administered by LMA;
 - (b) designing and developing the farm registry for Georgia providing for standardization and update of the data pertaining to the farms' records;
 - (c) preparing strategies for sustainable land management and national land consolidation, including developing and piloting of the national land consolidation strategy in selected Project areas;

- (d) redesigning the methodologies of land balance, inventory, and agricultural land management activities, including by leveraging international best practices;
 - (e) strengthening the institutional capacity and providing training for the Borrower's agencies and staff related to land management, agricultural land market development, specifically the Borrower's LMA, as well as related stakeholders, potential partners, and users of LIS.
- 2.2 Enhancing land administration service delivery and building digital governance infrastructure by:
- (a) enhancing NAPR's information technology systems, particularly the IPRS by focusing on upgrading of the core cadastre and registration systems, development of selected e-services through innovative technologies to further improve NAPR customers' experience; and
 - (b) designing, developing, and deploying of the National Spatial Data Infrastructure by NAPR in collaboration with other institutional stakeholders including by focusing on capacity building, training, knowledge sharing and incorporating best international practices.

Component 3. Project Management

- 3.1 Supporting Project management, including coordination and technical supervision of Project implementation, financial management, procurement, monitoring and evaluation, environmental and social standards management and oversight including gender-focused activities, communications and outreach, and progress reporting for Components 1 and 2.1 of the Project.
- 3.2 Supporting Project management, including coordination and technical supervision of Project implementation, financial management, procurement, monitoring and evaluation, environmental and social standards management and oversight including gender-focused activities, communications and outreach, and progress reporting for Component 2.2 of the Project.

Component 4. Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower (primarily through MEPA), and the Project Implementing Entity shall be responsible for the overall implementation, monitoring, and evaluation of the Project.
2. The Borrower shall ensure that the Project Implementing Entity and all such relevant entities or their agencies and affiliates of the Borrower, are maintained throughout the implementation of the Project, with sufficient resources and with adequate staff with experience, qualifications, and responsibilities necessary to carry out its functions under the Project and acceptable to the Bank.
3. Without limiting the generality of paragraphs 1 and 2 above, unless agreed otherwise between the Bank and the Borrower, the Borrower shall carry out and cause the Project to be carried out as follows in accordance with this Agreement, the Project Operations Manuals, and the Subsidiary Agreement:
 - (a) **MEPA.** The Borrower shall carry out:
 - (i) Component 1.1 and 1.3 through MEPA with technical support from GA;
 - (ii) Component 1.2 through MEPA with technical support from RDA;
 - (iii) Component 2.1 through MEPA with technical support from LMA; and
 - (iv) Component 3.1 through MEPA.
 - (b) **Project Implementing Entity.** The Borrower shall cause:
 - (i) the Project Implementing Entity to carry out Component 2.2 with technical support and assistance from DGA as required; and
 - (ii) the Project Implementing Entity to carry out Component 3.2.

B. Project Implementing Units.

1. Unless agreed otherwise between the Bank and the Borrower, the Borrower shall, no later than thirty (30) days after the Effective Date:
 - (a) through MEPA, designate a project implementation unit within MEPA (“MEPA PIU”) and vest the responsibility of implementation of Components 1, 2.1, and 3.1 of the Project with such MEPA PIU;
 - (b) cause the Project Implementing Entity to designate a project implementation unit within the Project Implementing Entity (“NAPR PIU”) and vest the responsibility of implementation of Components 2.2 and 3.2 of the Project with such NAPR PIU.
2. The Borrower shall:
 - (a) ensure through MEPA, that the MEPA PIU is operated and maintained at all times throughout Project implementation with structure, functions, responsibilities, resources sufficient to operate, and with sufficient staff with experience, qualifications, and responsibilities necessary to carry out its functions under the Project; all in accordance with the MEPA POM and acceptable to the Bank; and
 - (b) cause the Project Implementing Entity to ensure that the NAPR PIU is operated and maintained at all times throughout Project implementation with structure, functions, responsibilities, resources sufficient to operate, and with sufficient staff with experience, qualifications, and responsibilities necessary to carry out its functions under the Project; all in accordance with the NAPR POM and acceptable to the Bank.

C. Manuals.

1. The Borrower shall: (a) prepare and adopt the MEPA POM through MEPA; and (b) ensure that the Project Implementing Entity prepares and adopts the NAPR POM (the MEPA POM and the NAPR POM together referred to as the “Project Operations Manuals”).

MEPA POM

2. The MEPA POM shall set forth detailed guidelines and procedures for the implementation of Components 1, 2.1, and 3.1 of the Project, including *inter alia*:
 - (a) for Component 1.2 of the Project, a Matching Grants Manual;
 - (b) for Component 4 of the Project, a CERC Manual;

- (c) institutional and implementation responsibilities of LMA, GA, and RDA related to Components 1, 2.1, and 3.1 of the Project, technical aspects of all components and activities, guidance on monitoring and evaluation of project results and outcomes, environmental and social risk mitigation measures, disbursements, and financial management aspects, arrangements for Training and Incremental Operating Costs, and project supervision and reporting provisions;
 - (d) detailed guidelines for Project coordination, especially formal coordination mechanism between MEPA and NAPR including, frequency of meetings for coordination, clear roles and responsibilities for coordination between MEPA and NAPR, and processes to be followed for recommendations related to coordination;
 - (e) detailed guidelines for consolidation responsibilities for key procurement, financial management, and audit documents, and Project Reports;
 - (f) detailed guidelines and deadlines for: (i) the preparation of an annual work plan and budget (“Annual Work Plan and Budget”) containing all activities proposed to be included in the Project during the following Fiscal Year, and a proposed financing plan, setting forth the proposed amounts and sources of financing, including Counterpart Funds, for expenditures required for such activities; (ii) consultations with the Bank on such Annual Work Plan and Budget; (iii) prior no-objection process with the Bank in case of any amendments, waivers, and suspensions to the Annual Work Plan and Budget.
3. The Matching Grants Manual shall set forth the implementation and other arrangements for the provision of Matching-Grants by MEPA through RDA, including *inter alia*:
- (a) eligibility criteria, selection procedures, implementation, and other arrangements for the provision of Matching Grants to eligible beneficiaries by RDA, and terms and conditions for the Sub-Grant Agreements between RDA and eligible beneficiaries;
 - (b) a section specifying that the amount to be provided out of the proceeds of the Loan by RDA to an eligible beneficiary under its respective Sub-Grant Agreement shall not exceed the Maximum Ceiling.

NAPR POM

4. The NAPR POM shall set forth detailed guidelines and procedures for the implementation of Components 2.2 and 3.2 of the Project, including *inter alia*:

- (a) for Component 4 of the Project, a CERC Manual;
 - (b) institutional and implementation responsibilities related to Components 2.2 and 3.2 of the Project, technical aspects of all components and activities, guidance on monitoring and evaluation of project results and outcomes, environmental and social risk mitigation measures, disbursements, and financial management aspects, arrangements for Training and Incremental Operating Costs, and project supervision and reporting provisions;
 - (c) detailed guidelines for Project coordination, especially formal coordination mechanism between MEPA and NAPR including, frequency of meetings for coordination, clear roles and responsibilities for coordination between MEPA and NAPR, and processes to be followed for recommendations related to coordination;
 - (d) detailed guidelines for consolidation responsibilities for key procurement, financial management, audit documents, and Project Reports;
 - (e) detailed guidelines and deadlines for: (i) the preparation of an annual work plan and budget (“Annual Work Plan and Budget”) containing all activities proposed to be included in the Project during the following Fiscal Year, and a proposed financing plan, setting forth the proposed amounts and sources of financing, including Counterpart Funds, for expenditures required for such activities; (ii) consultations with the Bank on such Annual Work Plan and Budget; (iii) prior no-objection process with the Bank in case of any amendments, waivers, and suspensions to the Annual Work Plan and Budget.
5. In case of any inconsistencies between the provisions of any of the Project Operations Manuals and this Agreement, the provisions of this Agreement shall prevail. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, or waive any provision of either of the Project Operations Manuals without the prior written approval of the Bank.

D. Subsidiary Agreement.

- 1. To facilitate the carrying out of the Components 2.2 and 3.2, the Borrower shall make part of the proceeds of the Loan available to the Project Implementing Entity under a subsidiary agreement between the MOF (representing the Borrower), MOJ, the Project Implementing Entity, and DGA, under terms and conditions approved by the Bank, which shall include the following (“Subsidiary Agreement”):

- (a) part of the proceeds of the Loan shall be on-granted by MOF to the Project Implementing Entity to carry out Components 2.2 and 3.2 of the Project;
 - (b) specific roles and responsibilities of the Project Implementing Entity, DGA, the relevant Ministries, agencies, and units involved in the implementation of Components 2.2 and 3.2 of the Project;
 - (c) the Project Implementing Entity shall carry out Components 2.2 and 3.2 of the Project: (i) with due diligence and efficiency and in accordance with appropriate technical, economic, financial, managerial, environmental and social standards and practices; (ii) in accordance with the terms and conditions set out in the Loan Agreement and the NAPR POM, including the Anti-Corruption Guidelines; and (iii) provide, promptly as needed, the resources required for such purpose;
 - (d) the Borrower shall have the right to suspend or terminate the rights of the Project Implementing Entity to use the proceeds of the Loan, or obtain a refund of all or any part of the amount of the Loan then withdrawn, upon the Project Implementing Entity's failure to perform any of its obligations under the Subsidiary Agreement;
 - (e) a provision stipulating that, in case of conflict between any provisions of the Loan Agreement and the Subsidiary Agreement, the provisions of the Loan Agreement shall prevail;
 - (f) the Project Implementing Entity shall exercise its rights under the Subsidiary Agreement, in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and
 - (g) except as the Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate, or waive the Subsidiary Agreement or any of its provisions.
2. The Borrower shall exercise its rights under the Subsidiary Agreement in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, or waive the Subsidiary Agreement or any of its provisions.

E. Counterpart Funds.

1. Without limitation to the provisions of Section 5.03 of the General Conditions, the Borrower through MOF, shall provide resources in the amounts agreed upon as Counterpart Funds for the financing of the Project, which shall be made available in accordance with the Borrower's internal procedures related to the budget

process and the Project's financing plan and schedule set forth in the Annual Work Plans and Budgets.

2. Unless agreed otherwise between the Bank and the Borrower, through MOF shall, by not later than fifteen (15) days after the approval of the state budget in each Fiscal Year commencing in 2023, and throughout the Project implementation period, submit to the Bank the relevant approved expenditure documents to reflect that the amount of Counterpart Funds required for the carrying out of activities under the Project in the subsequent Fiscal Year, have been secured within the Borrower's budgetary system, in a manner satisfactory to the Bank.

F. Environmental and Social Standards.

1. The Borrower shall, and shall cause the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower shall, ensure through MEPA, and shall cause the Project Implementing Entity to ensure, that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower shall, and shall cause the Project Implementing Entity to, ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended, or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower shall, ensure through MEPA, and shall cause the Project Implementing Entity to ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP,

and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers including any workplace accidents that result in death, serious or multiple injuries, spill of hazardous materials, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Borrower shall through MEPA, and shall cause the Project Implementing Entity to, establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
6. The Borrower shall through MEPA ensure, and shall cause the Project Implementing Entity to ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

G. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Component 4 of the Project (“Contingent Emergency Response Part”), the Borrower shall ensure through MEPA, and shall cause the Project Implementing Entity to ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part;

- (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed, or waived without the prior written approval by the Bank.
2. The Borrower shall ensure through MEPA, and shall cause the Project Implementing Entity to ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Bank.
3. The Borrower shall ensure through MEPA, and shall cause the Project Implementing Entity to ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed, and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring Reporting and Evaluation

The Borrower shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in EUR)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services, Matching Grants, Training, and Incremental Operating Costs for Components 1, 2.1, and Component 3.1 of the Project (<i>MEPA's Respective Parts of the Project</i>)	64,044,750	50%
(2) Goods, works, non-consulting services, and consulting services, Training, and Incremental Operating Costs for Components 2.2 and Component 3.2 of the Project (<i>NAPR's Respective Parts of the Project</i>)	5,082,000	50%
(3) Front-end Fee	173,250	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions

(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
(5) Emergency Expenditures	0	0%
TOTAL AMOUNT	69,300,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) for Emergency Expenditures under Category (5), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Category (5); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
 - (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.
2. The Closing Date is September 30, 2029.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each March 15 and September 15 Beginning September 15, 2037 through September 15, 2047	4.55%
On March 15, 2048	4.45%

APPENDIX

Definitions

1. “Annual Work Plans and Budgets” means the yearly work plans and budgets to be prepared by the Borrower (through MEPA), and the Project Implementing Entity for their Respective Activities under the Project which forms part of the respective Project Operations Manuals, pursuant to the provisions of Sections I.C.2(f) (for the MEPA POM) and Section I.C.4(e) (for the NAPR POM) of Schedule 2 to this Agreement. “Annual Work Plan and Budget” means each individual Annual Work Plan and Budget.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “CERC Manual” means the manual referred to in Section I.G of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank, and which is an integral part of the Project Operations Manual.
5. “Contingent Emergency Response Part” means any activity or activities to be carried out under Component 4 of the Project to respond to an Eligible Crisis or Emergency.
6. “Counterpart Funds” means the aggregate amount equivalent to not less than sixty-nine million three-hundred thousand Euros (EUR 69,300,000) to be provided by the Borrower, as detailed in the Project’s financing plan and schedule set forth in the Annual Work Plans and Budgets and Section I.E of Schedule 2 to this Agreement for the carrying out of activities under the Project.
7. “Digital Governance Agency” or “DGA” means the legal entity of public law for Digital Governance Agency operating in accordance with the law of Georgia “On The Legal entity Under Public Law Called The Digital Governance Agency” №6297-III dated June 12, 2020, or any successor thereto.
8. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.

9. “Emergency Action Plan” means the plan referred to in Section I.G of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
10. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.G of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated February 21, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
12. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
13. “Fiscal Year” means the Borrower’s fiscal year commencing on January 1 of each calendar year and finishing on December 31 of the same calendar year.
14. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).

15. “Georgian Amelioration” or “GA” means the Borrower’s limited liability company with a mandate to provide irrigation and drainage services in the country registered on February 26, 2007, or any successor thereto.
16. “Hydrological and Agricultural Informatics Center” means the center to be established within MEPA under Component 1 of the Project specifically to address climate risks to agriculture, provide data and information on water, land, agriculture, and climate and upgrade the capacity of GA and other agencies’ in climate resilient planning.
17. “Incremental Operating Costs” means reasonable incremental expenses incurred by the Borrower or Project Implementing Entity on account of Project implementation and monitoring, including costs for office rent, printing, and publication, translation, office equipment and supplies, internet connection and communications, vehicle operation and maintenance, information systems support and digital Project management support tools, bank charges, utilities, travel and per diem, accommodation costs related to lodging and salaries of non-key staff (excluding salaries of the Borrower’s civil servant staff), and other reasonable expenses directly related to Project implementation, based on the annual budget as specified in the Annual Work Plans and Budget and satisfactory to the Bank, all in accordance with the Project Operations Manual.
18. “IPRS” means the Immovable Property Registration System established by NAPR.
19. “LIS” means the multi-purpose agricultural land information system to be established under Component 2 of the Project.
20. “Matching Grants” means funds provided to an eligible beneficiary under Component 1.2 of the Project in accordance with the eligibility criteria and procedures set forth in the Matching Grants Manual (as a part of the MEPA POM) and pursuant to the respective Sub-Grant Agreement.
21. “Matching Grants Manual” means the manual, acceptable to the Bank, referred Section I.C.3 of Schedule 2 to this Agreement, which forms part of the MEPA POM as the same may be amended from time to time with the prior written approval of the Bank.
22. “Maximum Ceiling for Matching Grants” means the maximum amount for each Matching Grant be provided out of the proceeds of the Loan by RDA to an eligible beneficiary under the respective Sub-Grant Agreement shall not exceed indicative amount of USD 20,000 (for farmers) and USD 150,000 (for agribusinesses) as such amounts shall be revised from time to time based on the needs assessment carried out and with the prior approval of the Bank, in accordance with the Matching Grants Manual.

23. “Ministry of Environmental Protection and Agriculture” or “MEPA” means Borrower’s ministry responsible for environmental protection and agriculture, or any successor thereto.
24. “MEPA PIU” means the project implementation unit established and maintained by the Borrower within MEPA in accordance with Section I.B(a) of Schedule 2 to this Agreement.
25. “MEPA POM” means the manual, acceptable to the Bank, referred to in Section I.B of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written approval of the Bank.
26. “Ministry of Finance” or “MOF” means the Borrower’s ministry of finance, or any successor thereto.
27. “Ministry of Justice” or “MOJ” means the Borrower’s ministry of justice, or any successor thereto.
28. “National Agency of Public Registry” or “NAPR” means the legal entity of public law - National Agency of Public Registry operating in accordance with the “Law of Georgia On the Public Registry” dated December 19, 2008 (as such law may be amended from time to time) or any successor thereto.
29. “National Spatial Data Infrastructure” means the information network analysis system, establishing a standard unified geoinformation system for the production, sharing, use, and accessibility of spatial data.
30. “NAPR PIU” means the project implementation unit established and maintained by the Borrower within NAPR in accordance with Section I.B of Schedule 2 to this Agreement.
31. “NAPR POM” means the manual, acceptable to the Bank, referred to in Section I.B(b) of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written approval of the Bank.
32. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
33. “Project Implementing Entity” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the Legal Entity of Public Law National Agency of Public Registry.
34. “Project Operations Manuals” mean MEPA POM and NAPR POM. “Project Operations Manual” means either of these manuals.

35. “Rural Development Agency” or “RDA” means the non-entrepreneurial, non-commercial legal entity within MEPA responsible for rural development, or any successor thereto.
36. “Sustainable Land Management and Land Use Monitoring Agency” or “LMA” means Legal Entity of Public Law – The National Agency for Sustainable Land Management and Land Use Monitoring under MEPA established by the Law of Georgia on “identification of land use and agriculture land sustainable management”, or any successor thereto.
37. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
38. “Subsidiary Agreement” means, for the purposes of paragraph 100 of the Appendix to the General Conditions, the agreement referred to in Section I.D of Schedule 2 to this Agreement, as such agreement may be amended from time to time with the prior written approval of the Bank.
39. “Training” means expenditures incurred by the Borrower (through MEPA) or the Project Implementing Entity in connection with carrying out of training activities under the Project including: (i) reasonable travel costs for trainers and trainees for accommodation, transportation and per diem charges associated with the training activities; (ii) reasonable costs related to study tours, workshops, and conferences; (iii) course fee costs; and (iv) costs related to rental of facilities, equipment (including purchase and rentals of IT equipment, mobile applications, or any other digital support tools to aid the training), training materials and related supplies, catering, logistics, and printing services, based on the annual budget as specified in the Annual Work Plans and Budget and satisfactory to the Bank, all in accordance with each of the Project Operations Manuals.