



Mercy Miyang Tembon
Country Director

**OFFICIAL
DOCUMENTS**

December 4, 2017

Mr. Mamuka Bakhtadze
Minister of Finance
Ministry of Finance
16 Gorgasali Street
Tbilisi, Georgia

**Re: Georgia: East West Highway Corridor Improvement Project
Loan Number 8547-GE
Amendment to the Loan Agreement**

Excellency:

1. We refer to the Loan Agreement (the Agreement), dated February 10, 2016, between Georgia (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for the above-mentioned Project. We also refer to the Minutes of Negotiations for the Additional Financing for the East West Highway Corridor Improvement Project dated September 19, 2017, requesting a modification in the Project description, the safeguard documents applicable to the Project and an extension of the Closing Date.
2. Part A.1 of Schedule 1 to the Agreement is amended to read as follows:

“1. Upgrading of approximately 8 km of the existing 2-lane East-West Highway Corridor to a 2-lane dual carriageway from Zemo- Osiauri km 5.8 to Chumateleti km 14.05.”
3. The Bank has agreed to your request and consequently, the Agreement is amended to read as set forth below:
 - A. Under paragraph E of Section I of Schedule 2 to the Agreement, and throughout the Agreement, the acronym “EMP” is replaced by “ESMP”.
 - B. Section IV.B.2 of Schedule 2 to the Agreement is amended to read as follows:

“2. The Closing Date is December 31, 2023.”
 - C. The Appendix to the Agreement is modified by amending definitions No. 7 (“EMP”) and No. 20 (“RPF”), to read as follows:

“7. “Environmental and Social Management Plan” or “ESMP” means, the plan included in the ESIA, prepared by the Borrower in accordance with the ESIA, applicable

5A, Ramishvili Street
Tbilisi 0179, Georgia
Tel: +995 (32) 291 30 96
Fax: +995 (32) 291 34 78

1818 H Street N.W.
Washington, DC 20433, USA.
Tel: +1 (202) 473 7252
Fax: +1 (202) 522 3607

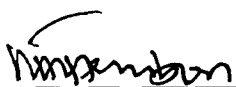
to the Project and to the works referred to in Section I.E.5 of Schedule 2 to this Agreement; in form and substance satisfactory to the Bank, and setting forth, *inter alia*: (i) the measures for mitigating the environmental risks and impacts associated with the implementation of Project activities; (ii) the measures for eliminating, offsetting or mitigating any adverse cultural resources impact; and (iii) the administrative and monitoring arrangements for ensuring the implementation of said plans, as said plans may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plans.”

“20. “Resettlement Policy Framework” or “RPF” means the Borrower’s resettlement policy framework, acceptable to the Bank, applicable to the Project and to the works referred to in Section I.E.5 of Schedule 2 to this Agreement and included in the ESIA; disclosed in country on May 18, 2015 and in the Bank’s external website on May 27, 2015, as updated and disclosed in country and through the Bank’s external website on April 5, 2017 setting forth, *inter alia*, the modalities for resettlement and compensation of Displaced Persons under the Project.”

4. All other provisions of the Agreement, except those amended hereby, shall remain in full force and effect.


5. Please confirm your agreement with the foregoing amendment, on behalf of the Borrower, by signing and dating this amendment letter in the spaces provided below. This amendment letter shall be executed in two counterparts each of which shall be an original and one of which shall be returned to us. This amendment letter shall become effective as of the date of notification by the Borrower to the Bank of completion of its internal approval procedures.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



Mercy Miyang Tembon
Country Director for the South Caucasus
Europe and Central Asia

AGREED:
GEORGIA

By: 

Authorized Representative

Name: Mamuka Bakhtadze

Title: Minister of Finance

Date: December 4, 2014