

July 24, 2020

Mr. Avtandil Kasradze,
Chairman,
Georgia's Innovation and Technology Agency
7, Innovation str. 0114,
TechPark, Okrokana,
Tbilisi, Georgia

Re: Technology Transfer Pilot Project (TTPP)
Georgia Trust Fund on Innovation TF0B1729
Letter Agreement

Dear Mr. Kasradze,

In response to the request for financial assistance made on behalf of Georgia ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by the European Union, represented by the European Commission (the "Donor") under the European Commission-World Bank Partnership Program Part III for Europe and Central Asia programmatic single-Donor Trust Fund (TF073258) (the "Trust Fund"), proposes to extend to the Recipient a grant in an amount not to exceed 1,052,600 Euros ("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").


This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

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 this Agreement, and returning one duly executed copy to the World Bank.

Very truly yours,

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By  _____
Sebastian-A Molineus
Regional Director for the South Caucasus

AGREED:
GEORGIA'S INNOVATION AND TECHNOLOGY AGENCY

By Avtandil Kasradze
Authorized Representative

Name Avtandil Kasradze

Title Chairman

Date 27-Jul-2020

Enclosures:

- (1) "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds" dated February 25, 2019
- (2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017

Article I

Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

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 Section:

- (a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard 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.
- (b) “Category” means a category set forth in the table in Section 3.01 of this Agreement.
- (c) “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Project Implementing Entity’s environmental and social commitment plan, acceptable to the World Bank, dated January 15, 2020, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the World Bank, and such term includes any annexes or schedules to such plan.
- (d) “Environmental and Social Standards” 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 Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the World Bank.

- (e) “Georgia’s Innovation and Technology Agency”, or GITA, means Recipient’s agency created under the MoESD, pursuant to Recipient’s government’s Ordinance No. 172, dated February 19, 2014.
- (f) “Operating Costs” means the reasonable incremental expenditures incurred by the Recipient to finance the Activities, including office supplies, vehicle operation and maintenance, communication and printing services, insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, travel costs and per diem for Recipient staff for travel linked to the implementation of the Activities, and salaries of contractual staff for the Activities (but excluding salaries of officials of the Recipient’s civil service).
- (g) “MoESD” means the Recipient’s Ministry of Economy and Sustainable Development, or any successor thereto.
- (h) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
- (i) “Effective Date” means the date of signature of this Agreement.
- (j) “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.

Article II Project Execution

2.01. Project Objectives and Description. The overall objective of the Project is to test the potential for technology transfer (i.e. commercializing science research) in Georgia. The Project will use industry best practices to detect projects with commercialization potential and approach potential national and international investors with a view to initiating deals on behalf of Georgian research and development institutions, private companies and private researchers.

The Project consists of the following activities:

- (a) Commercialization support on all steps of the technology transfer process, from disclosure submission, to technology evaluation for commercial readiness, negotiation with commercial partners and, after transaction monitoring support.
- (b) Provision of financing on a grant basis to selected awardees to finance relevant product development services to advance commercialization transactions that still need proof

of commercial readiness. These services will include legal services, commercial services, intellectual property registration services and technical services like industrial testing, etc. Also provide capacity building support to GITA on financial management activities.

- (c) Provision of financing on a grant basis to selected awardees to finance specific technical services to connect prospective researchers with industrial partners looking for relevant technologies. Specifically, the Project will deploy services to facilitate deals between the industry and the research and development sector in Georgia. These services will include contract research, service contracts, business intelligence, organization of meetings, and support in preparing project proposals for other donor programs.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient, through GITA shall carry out the Project under the supervision of MoESD, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. ***Institutional and Other Arrangements.*** (a) The Recipient shall carry out the Project through GITA under the supervision of the MoESD, in accordance with this Agreement, and the Operations Manual. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive any provision of the said manual without the prior written approval of the World Bank.

(b) The Recipient shall, not later than six (6) months after the Effective Date, establish and thereafter maintain, throughout Project implementation, a steering committee (the "Steering Committee"), responsible for overall Project oversight and guidance. To this end, the Steering Committee shall: (i) be chaired by GITA; (ii) include representatives from the MoESD and the EU Delegation to Georgia and the Recipient's various directorates and divisions involved in the implementation of Project; and (iii) meet quarterly to coordinate and share operational progress and information regarding the Program.

2.04. ***Donor Visibility and Visit.***

(a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor's support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donor(s) to visit any part of the Member Country's territory for purposes related to the Project.

2.05. ***Environmental and Social Standards.***

(a) The Recipient shall, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the World Bank.

(b) Without limitation upon paragraph (a) above, the Recipient shall, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the World Bank. To this end, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that:

- (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
- (ii) sufficient funds are available to cover the costs of implementing the ESCP;
- (iii) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
- (iv) the ESCP or any provision thereof, is not amended, revised or waived, except as the World Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(c) The Recipient shall:

- (i) take all measures necessary on its part to collect, compile, and furnish to the World Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the World Bank, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the World Bank, setting out, inter alia: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
- (ii) promptly notify the World Bank 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, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

(d) The Recipient shall, maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the World Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the World Bank.

2.06 Documents; Records.

In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

2.07. Project Monitoring, Reporting and Evaluation. The Recipient shall ensure that each Project Report is furnished to the World Bank monthly and will highlight the activities and results of the previous month.

**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 shall specify by notice to the Recipient to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against the Category of the following table:

Category	Amount of the Grant Allocated (expressed in EUR]	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Consulting services, Goods, Works, and Non-consulting services, and Operating Costs for the Project	1052,600	100%
TOTAL AMOUNT	1,052,600	100%

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 this Agreement.

3.03. **Withdrawal Period.** The Closing Date is December 20, 2021

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 Chairman, Georgia's Innovation and Technology Agency.

4.02. **Recipient's Address.** For purposes of Section 7.01 of the Standard Conditions : (a) the Recipient's Address is:

Georgia's Innovation and Technology Agency
7, Innovation str. 0114,
TechPark, Okrokana,
Tbilisi, Georgia; and

(b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
995322004482	akasradze@gita.gov.ge .

4.03. **Bank's Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the World 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 World Bank's Electronic Address is:

Telex:	Facsimile:	E-mail: smolineus@worldbank.org
248423 (MCI) or 64145 (MCI)]	1-202-477-6391	