



8 June 2021

Honorable Minister Lasha Khutsishvili
Ministry of Finance
16 Gorgasali Street, 0114
Tbilisi, Georgia

Dear Honorable Minister Khutsishvili:

Subject: Loan No. 3238-GEO: Urban Services Improvement Investment Program – Project 4 — Amendments to Loan Agreement (Amendment Agreement #4)

1. We refer to the Loan Agreement (Ordinary Operations) (as amended to date, "Loan Agreement") dated 5 February 2015 between Georgia ("Borrower") and Asian Development Bank ("ADB") for the Urban Services Improvement Investment Program ("USIIP") – Project 4. All capitalized terms used but not defined herein shall have the meaning given thereto in the Loan Agreement, unless the context requires otherwise.

2. Following the requests from the Borrower, ADB approved, on 21 October 2020 and 17 November 2020, an extension of the multitranches financing facility availability period to allow the remaining outputs under Projects 3, 4, 5 and 6 of the USIIP to be completed, and deferment of financial covenant as stipulated in the Loan Agreement. Consequently, ADB approved, on 24 February 2021, an extension of the Loan Closing Date for USIIP – Project 4. To give effect to the changes, ADB proposes that the Loan Agreement be amended as follows:

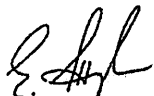
- (a) Section 3.05 shall be amended by replacing the reference to "29 March 2021" with "29 March 2024".
- (b) The first and second sentences of paragraph 8 of Schedule 5 shall be revised to read as follows:

"8. The Borrower shall cause UWSCG to attain an operating ratio of 1 by the end of 2023, and shall continue to maintain it less than 1 thereafter, and in accordance with the provisions of the FFA. The business plan referred to in paragraph 6 above shall include annual targets, commencing from 2015, for progressively decreasing UWSCG's operating ratio in order to achieve an operating ratio of 1 by 2023 as set forth in the foregoing sentence."

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3. Save and except to the extent set out above, the Loan Agreement remains unchanged.
4. Pursuant to ADB's Access to Information Policy (2018) ("AIP"), the amendments to the Loan Agreement will be posted on ADB's website within 2 weeks from the date that the amendments become effective, after removing any information that falls within the AIP exceptions as specified by the Borrower.
5. Please indicate the Borrower's concurrence to the amendments set out in paragraph 2 of this Amendment Agreement #4 and to the terms of this Amendment Agreement #4 by countersigning each of the two original of this Amendment Agreement #4 in the space indicated below. Please retain one signed original of this Amendment Agreement #4 for your records and return the other to ADB. The proposed Amendment Agreement #4 shall take effect on the date of receipt by ADB of the Borrower's signed counterpart hereof together with notification of the Borrower on the fulfillment of all legal procedures necessary for its entry into force.


Yours sincerely,



Yevgeniy Zhukov
Director General
Central and West Asia Department

- A. Accepted and agreed.
- B. Confirmed that the amendments to the Loan Agreement do not contain information falling within the AIP exceptions.

For and on behalf of the Borrower
GEORGIA



Name: Lasha Khutsishvili
Designation: Minister, Ministry of Finance
Date: 8 June, 2021