

AMENDMENT NUMBER THREE

TO

Assistance Agreement between the United States of America and Georgia for "Improved Infrastructure, Economic Opportunities, and Support for Internally Displaced Persons", dated August 12, 2010

USAID Assistance Agreement No. AAG-114-G-10-002

September 25, 2013

AMENDMENT NUMBER THREE to the Assistance Agreement between the United States of America, acting through the United States Agency for International Development ("USAID") and Georgia, acting through the Ministry of Finance of Georgia (hereinafter referred to as the "Grantee") for "Improved Infrastructure, Economic Opportunities, and Support for Internally Displaced Persons", dated as of August 12, 2010 (referred to herein as the "Agreement").

WHEREAS, on August 12, 2010, the Grantee and USAID (THE "Parties") entered into the Assistance Agreement to further the Functional Objectives of *Economic Growth and Humanitarian Assistance* in Georgia, as described in Annex 1 (the "Amplified Description") to the Agreement; and

WHEREAS, the Parties desire to extend and expand this Agreement to cover the period of USAID's Country Development Cooperation Strategy for Georgia 2013-2017 ("CDCS"), and CDCS Development Objective 2, "Inclusive and Sustainable Economic Growth" continues USAID support for the Functional Objectives of the Agreement; and

WHEREAS, USAID and the Grantee desire to amend the Agreement in order to:

- 1) incorporate *Environment* as a new Program Area under the Agreement;
- 2) increase the USAID total amount obligated from \$109,560,599 to \$124,633,774 to provide additional support for activities under the CDCS;
- 3) increase the USAID total estimated contribution to reflect this increase;
- 4) increase the Government of Georgia's contribution correspondingly;
- 5) extend the life of the Agreement until September 30, 2017;
- 6) update Annex 1, "Amplified Description", to reflect the USAID total estimated contribution;
- 7) update Attachment 1 to Annex 1 of the Agreement, the "USAID Financial Plan" to reflect these changes;
- 8) update Annex 1, "Amplified Description", to explain the role of the CDCS; and
- 9) add Annex 1, Attachment 2 to incorporate CDCS Development Objective 2 and new illustrative activities under the CDCS;

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NOW, THEREFORE, the Parties to the Agreement hereby agree that the Agreement shall be further amended as follows:

1. Section 2.1. *Functional Objective, Program Areas*, is deleted in its entirety and replaced with the following:

"Section 2.1. Functional Objective, Program Areas. In order to further the foreign assistance objectives of *Economic Growth and Humanitarian Assistance* (the "Functional Objectives") articulated by the Government of the United States of America under the Strategic Framework for United States Foreign Assistance, the Parties hereto agree to work together by focusing on activities in the areas of *Improved Economic Infrastructure in Strategic Sectors, Macroeconomic Foundation For Growth, Trade and Investment, Financial Sector, Agriculture, Private Sector Competitiveness, Economic Opportunity, Environment and Protection, Assistance and Solutions* (collectively, the "Program Areas," and, together with the Functional Objective, the "Objective")."

2. Section 3.1(a) of the Agreement entitled "The Grant" is deleted in its entirety and the following is substituted therefore:

"(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of the Agreement an amount not to exceed one hundred and twenty-four million, six hundred and thirty-three thousand and seven hundred seventy-four United States ("U.S.") Dollars (\$124,633,774) (the "Grant")."

3. The first sentence of Section 3.1(b) of the Agreement, "Total Estimated USAID Contribution", is deleted in its entirety and the following is substituted therefore:

"(b) Total Estimated USAID Contribution. USAID's total estimated contribution to achievement of the Objective will be one hundred and twenty-four million, six hundred and thirty-three thousand and seven hundred seventy-four United States ("U.S.") Dollars (\$124,633,774), which will be provided in increments."

4. The first sentence of Section 3.2(b) of the Agreement, "Grantee Contribution", the amount "\$24,376,437" is deleted and replaced with "\$27,858.654".
5. Article 4(a), Completion Date, is amended by deleting "December 31, 2014" and replacing with "September 30, 2017".
6. Annex 1, Article VI(A), the amount "\$109,560,599" is deleted and the amount "\$124,633,774" is inserted therefore.
7. Annex 1, Attachment 1, is deleted in its entirety and the following is substituted therefore:

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"USAID FINANCIAL PLAN: INFRASTRUCTURE, ECONOMIC OPPORTUNITIES AND IDP HOUSING ASSISTANCE AGREEMENT FOR FY 2010-2017"

| | Previous obligation | Amendment 3 obligation | Total Obligated Amount | Ceiling |
|--|----------------------|------------------------|------------------------|----------------------|
| IDP Housing | \$34,668,597 | | \$34,668,597 | \$34,668,597 |
| Municipal Infrastructure | \$20,206,435 | | \$20,206,435 | \$20,206,435 |
| Engineering & Oversight | \$4,777,396 | \$385,000 | \$5,162,396 | \$5,162,396 |
| New Economic Opportunities | \$20,473,321 | | \$20,473,321 | \$20,473,321 |
| Economic Prosperity Initiative | \$13,985,113 | | \$13,985,113 | \$13,985,113 |
| Economic Governance | \$1,968,130 | \$3,307,000 | \$5,275,130 | \$5,275,130 |
| Restoring Efficiency to Agriculture Production (REAP) | \$7,808,937 | \$4,364,000 | \$12,172,937 | \$12,172,937 |
| Environmental Assessment REAP | \$191,063 | | \$191,063 | \$191,063 |
| Strengthening Extension and Advisory Services (SEAS) Associate Award | \$1,300,000 | \$250,000 | \$1,550,000 | \$1,550,000 |
| United States Department of Agriculture (USDA) Statistical Analysis on Strategic Planning (SASP) | \$500,000 | \$250,000 | \$750,000 | \$750,000 |
| Partnership for Economics Education and Research (PEER) and the International School of Economics at Tbilisi State University (ISET) | \$390,000 | \$0 | \$390,000 | \$390,000 |
| Annual Program Statement in Georgia (APSG) | \$1,000,000 | \$500,000 | \$1,500,000 | \$1,500,000 |
| Waste Management Project | \$1,290,000 | \$820,000 | \$2,110,000 | \$2,110,000 |
| Enhancing Capacity for Low Emission Development Strategies (EC LEDS) | \$0 | \$4,522,175 | \$4,522,175 | \$4,522,175 |
| Domestic Violence Prevention | \$0 | \$675,000 | \$675,000 | \$675,000 |
| Program Support | \$1,001,607 | | \$1,001,607 | \$1,001,607 |
| TOTAL | \$109,560,599 | \$15,073,175 | \$124,633,774 | \$124,633,774 |

8. Annex I, Amplified Description, Section V(A), after the final paragraph the following is inserted:

"In Fiscal Year 2013, USAID, in consultation with the Government of Georgia, adopted a new "Country Development Cooperation Strategy" for Georgia to cover fiscal years 2013-2017 ("CDCS"). Development Objective 2 of the CDCS, "Inclusive and Sustainable Economic Growth" supports the Functional Objectives of the Agreement and provides the strategic and programmatic framework for USAID activities supporting these Functional Objectives for Fiscal Years 2013-2017. The Amplified Description for

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CDCS Development Objective 2 and all related activities falling under this strategy is provided as Attachment 2 to this Annex 1."

9. Attachment 1 to this Amendment Three, entitled "Assistance Agreement between the United States of America and Georgia for 'Improved Infrastructure, Economic Opportunities, and Support for Internally Displaced Persons' Annex 1, Attachment 2, Amplified Description, USAID Country Development Cooperation Strategy 2013-2017," is hereby attached as "Attachment 2" to Annex 1 to the Agreement.
10. Except as amended herein, all other terms and conditions of the Agreement remain unchanged and in full force and effect.

IN WITNESS HEREOF, the United States of America and Georgia, each acting through its duly authorized representative, have caused this Amendment Number Three to be signed in their names and delivered as of the day, month and year first written above:

UNITED STATES OF AMERICA

By: Stephen M. Haykin

Name: Stephen M. Haykin
Title: Mission Director
USAID/Caucasus

GEORGIA

By: Nodar Khaduri

Name: Nodar Khaduri
Title: Minister of Finance of Georgia
Date: September 27, 2013

Amendment Number THREE to the Assistance Agreement between the United States of America and Georgia for "Improved Infrastructure, Economic Opportunities, and Support for Internally Displaced Persons", dated August 12, 2010

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"Amendment Number Three" 11/29/13