EXECUTION COPY
(Operation Number 52586)

GRANT AGREEMENT

(Tbilisi Metro Modernisation Project)

between

GEORGIA

and

**EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

in respect of an investment grant
from the EBRD-GCF Special Fund

Dated 17 January, 2023

TABLE OF CONTENTS

GRANT AGREEMENT

AGREEMENT dated 17 January, 2023 between **GEORGIA** (the "Recipient") and **EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT** (the "Bank" or "EBRD").

PREAMBLE

WHEREAS:

(A) EBRD is an international financial institution established under international law pursuant to the Agreement Establishing the European Bank for Reconstruction and Development (the "Agreement Establishing the Bank") dated 29 May 1990.

(B) The Recipient has requested assistance in financing rehabilitation of metro stations and upgrade of escalators in Tbilisi (the "Project");

(C) The Bank intends to enter into a loan agreement (the "Loan Agreement") with the Recipient in its capacity as Borrower, pursuant to which the Bank as lender would make a loan of up to EUR 50,600,000 (fifty million six hundred thousand Euro) for the financing of the Project (as defined in the Loan Agreement), subject to the terms and conditions set forth in the Loan Agreement as may be amended from time to time.

(D) The Project will be carried out by Tbilisi Transport Company LLC, a limited liability company organised and existing under the laws of Georgia (the "Project Entity") and wholly owned by Tbilisi City Municipality (the "City") with the assistance from the Borrower and the City in accordance with the terms of a project implementation agreement to be entered into between the Bank and the Project Entity on the date about the date hereof (the "Project Implementation Agreement");

(E) WHEREAS, the City will provide assistance with the execution of the Project pursuant to the terms of a project support agreement (the "Project Support Agreement") to be entered into between the Bank and the City on the date about the date hereof;

(F) The Green Climate Fund (the "Donor") was established as an operating entity of the financial mechanism under Article 11 of the United Nations Framework Convention on Climate Change to assist developing countries in adaptation and mitigation practices to counter climate change;

(G) Pursuant to Article 18 of the Agreement Establishing the Bank, the Bank has established and is administering the EBRD-GCF Special Fund (the "Fund") to enable the Bank to receive and administer the Donor's funds;

(H) The Donor and the Bank entered into: (i) an accreditation master agreement ("Accreditation Agreement") dated 22 April 2017 for the purpose of establishing the terms and conditions relating to the Bank's overall management, implementation and supervision of projects funded by the Donor whereby the Bank is acting as the accredited entity of the Donor, and (ii) a funded activity agreement in relation to the "Funded Activity: FP086: Green Cities Facility" dated 2 July 2019 ("FAA") as part of the Bank's Green Cities programme ("Green Cities Programme");

(I) Further to the terms and conditions of the Accreditation Agreement and the FAA, the Bank has agreed to extend a grant to the Recipient in an amount of EUR 5 million (five million Euro) from the resources of the Donor, subject to and on the terms and conditions set forth in this Agreement, to finance certain goods, works and services in relation to the Part A of the Project.

NOW, THEREFORE, the parties hereby agree as follows:

ARTICLE I – DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions

Words and expressions capitalised in this Agreement (including the Preamble, Exhibits and Schedules) but not herein defined shall have the same meaning ascribed thereto in the Loan Agreement, the Project Support Agreement, the Project Implementation Agreement and/or in the Standard Terms and Conditions (including where the terms defined in the Standard Terms and Conditions have been amended in the Loan Agreement) when used in this Agreement.

Wherever used in this Agreement (including the Preamble, Exhibits and Schedules), unless the context otherwise requires, the following terms shall have the following meanings:

"Agreement Establishing the Bank"	has the meaning ascribed to it in Recital A.
"Contracts"	means the contracts in place or to be entered into between the Project Entity and any Contractors, in form and substance satisfactory to the Bank, in connection with the procurement of goods, works and services for the Project, including the Grant Financed Items, and to be financed in whole or in part with the Grant Financing.
"Contractors"	means the contractors of good standing and repute to be engaged by the Project Entity in connection with the procurement of goods, works and services for the Project, including the Grant Financed Items, with each such contractor to be selected in accordance with Section 3.06 (*Procurement*).
"Disbursement"	means the disbursement of any portion of the Grant Financing from time to time pursuant to Section 2.02 (*Disbursements*) of this Agreement.
"Donor"	has the meaning ascribed to it in Recital F.

"EBRD Disbursement Handbook"	has the meaning given to it in the Standard Terms and Conditions.
"Effective Date"	means the date upon which this Agreement becomes effective in accordance with Section 7.01 (*Effective Date*) of this Agreement.
"Fund"	has the meaning ascribed to it in Recital G.
"Grant Financed Items"	means the goods, works and services necessary for the Project and to be financed by the Grant Financing as further described in Schedule 1 (*The Grant Financed Items*) to this Agreement.
"Grant Financing"	has the meaning ascribed to it under Section 2.01(a) (*Amount, Currency and Purpose*) of this Agreement.
"Last Availability Date for Grant Financing"	means the date specified in Section 2.02(a) (*Last Availability Date of Grant Financing*) of this Agreement.
"Loan Agreement"	has the meaning ascribed to it in Recital C.
"Loan Financing"	means financing made or to be made available by the Bank to the Recipient in its capacity as Borrower under the Loan Agreement.
"Local Contribution"	means the contribution provided by the Recipient towards the Total Project Cost in cash or in kind, including, by way of financing by the Recipient of tax payments to be made by the Project Entity or the contributions of land or other assets.
"Procurement Plan"	means the procurement plan for the Project including the Grant Financed Items set out in the Project Implementation Agreement, as maybe amended from time to time with the prior written consent of the Bank.
"Project"	has the meaning ascribed to it in Recital B.
"Project Completion Date"	means the date on which all of the following have occurred:
	(a) the Project Entity shall have delivered to the Bank a notice, in form and substance satisfactory to the Bank, certifying that the Project has been completed;

(b) the Bank shall have received a certificate from the Project Implementation Support consultant, defined as Part B(b) of the Project, in form and substance satisfactory to the Bank, confirming without any material reservations, that the Project has been completed; and

(c) the Bank shall have delivered to the Project Entity a notice confirming that the Bank is satisfied that the Project has been completed.

"Project Costs" means the costs and expenses, stamp, registration and other taxes incurred by the Project Entity and the City in connection with the Project.

"Reimbursement Commitment" means a commitment referred to in Section 2.03 (*Conditional and Unconditional Reimbursement Commitments*) of this Agreement, and may be a "conditional Reimbursement Commitment" or an "unconditional Reimbursement Commitment", as those terms are used in that Section.

"Recipient's Authorised Representative" means the Ministry of Finance of the Recipient or any such person as the Ministry of Finance may designate in writing from time to time.

"Standard Terms and Conditions" means the Bank's Standard Terms and Conditions dated 5 November 2021.

"Total Project Costs" means the aggregate amount of the Project Costs to be incurred in the course of the Project being EUR 55,600,000 at the date of this Agreement.

Section 1.02 Interpretation

In this Agreement:

(a) words denoting the singular include the plural and vice versa, unless the context otherwise requires;

(b) the headings and the Table of Contents are inserted for convenience of reference only and shall not affect the interpretation of this Agreement;

(c) words denoting persons include corporations, partnerships, and other legal persons and references to a person includes its successors and permitted assigns; and

(d) reference to a specified Article, Section, Schedule or Exhibit shall, except where stated otherwise in this Agreement, be construed as a reference to that specified Article or Section of, or Appendix or Exhibit to, this Agreement.

ARTICLE II - GRANT FINANCING

Section 2.01 Amount, Currency and Purpose

(a) Subject to and in accordance with this Agreement, the Bank agrees to provide to the Recipient, from the Donor, a grant in the amount of EUR 5,000,000 (five million Euro) (the "Grant Financing").

(b) The Grant Financing shall be used solely for the purposes of financing the Grant Financed Items, which are to be procured in accordance with Section 3.06 (*Procurement*) of this Agreement.

(c) Subject to Section 5.05 (*Events of Refund*) of this Agreement, the Grant Financing is non-refundable.

(d) It is expressly acknowledged and agreed that the Bank will not be obliged to make any Disbursement or any other payment under or pursuant to this Agreement except to the extent that an amount in respect of, and equal to, such Disbursement or such payment is available in the Fund for such purpose.

(e) Except as the Bank otherwise agrees the Grant Financed Items shall be co-financed by the Grant Financing and the Loan Financing in proportions and amounts to be determined in the Procurement Plan.

Section 2.02 Disbursements

Subject to Section 5.01 (*Suspension*), Section 5.02 (*Cancellation by the Bank*) and Section 7.02 (*Conditions Precedent to Effectiveness*) of this Agreement, the Grant Financing shall be disbursed by the Bank from time to time, in one or more Disbursements, subject to the following provisions:

(a) Last Availability Date of Grant Financing

The Recipient's right to request a Disbursement in accordance with this Agreement shall become effective on the Effective Date and shall terminate on the earlier of (i) the Last Availability Date for the Tranche 1 Loan and the Tranche 2 Loan as defined in the Loan Agreement and (ii) 18 September 2034 (the "Last Availability Date for Grant Financing"), unless the Bank agrees to a later termination date and notifies the Recipient of such extension in writing.

(b) Eligible expenditures

Except as the Bank otherwise agrees, Disbursements shall only be made to finance:

(1) expenditures made (or, if the Bank so agrees, to be made) in respect of the reasonable costs of the Grant Financed Items; and

(2) expenditures incurred after the date of this Agreement but not later than 18 September 2034.

(c) Conditions to Disbursement

Without limiting the generality of this Section 2.02, any Disbursement under this Agreement in respect of one or more Grant Financed Items shall be subject to the fulfilment, or at the sole discretion of the Bank the waiver, whether in whole or in part and whether subject to conditions or unconditionally of the condition that, on the date of the Recipient's request for such Disbursement:

(1) the Bank has received a concurrent satisfactory Drawdown application in accordance with the Loan Agreement so that the Disbursements of the Loan Financing shall be made on or prior to the date of the proposed disbursement of the Grant Financing in relation to the relevant tranche of the Loan Financing; and

(2) the Bank has received satisfactory evidence that the Recipient has so far made the Local Contribution in an amount equivalent to not less than ten per cent (10%) of the Project Costs incurred prior to the date of the Recipient's request for such Disbursement

(d) Disbursement Request

(1) The Recipient may request a Disbursement by submitting to the Bank an original request for such Disbursement, signed by the Recipient's Authorised Representative, or a person designated by the Recipient's Authorised Representative. Each Disbursement request shall be in the form of Exhibit 1 (*Form of Disbursement Request*) and shall be delivered to the Bank at least fifteen (15) Business Days prior to the proposed value date of such Disbursement. Such request shall, except as the Bank otherwise agrees, be irrevocable and binding on the Recipient.

(2) Each Disbursement request shall be accompanied by such documents and other evidence sufficient in form and substance to satisfy the Bank that the Recipient is entitled to the amount of the Disbursement and that the amount of the Disbursement will be used exclusively for the Grant Financed Items. Such documents shall include, but not be limited to the Contractor's invoice(s), certified (if required by the relevant Contract) by or on behalf of the Recipient, either on the actual invoice or in the form of a separate certificate, indicating the Recipient's confirmation that the contract's goods, works or services have been satisfactorily delivered or contract carried out in compliance with the requirements of this Agreement and the relevant Contract.

(e) Currency of Disbursements

Disbursements shall be made in EUR in an amount equal or equivalent to the expenditures to be financed out of the proceeds of the Grant Financing. In the case of expenditures incurred in a currency or currencies other than EUR, the equivalent Disbursement amount shall be determined as follows:

(1) If the Recipient requests payment in EUR, the Disbursement amount shall be determined by the Bank on the basis of the exchange cost that would have been incurred by the Bank if it had purchased such currency or currencies to meet the request.

(2) If the Recipient requests payment in the currency or currencies of the expenditures, the Bank will, provided such expenditures are in readily available currencies or currency, purchase such currency or currencies in such a manner as the Bank may deem appropriate. The equivalent Disbursement amount shall be determined by the Bank on the basis of the exchange costs that were or would have been incurred by the Bank in using EUR to meet the request.

(f) Payments in Other Currencies

In exceptional circumstances, the Bank may grant a request by the Recipient that payment be made in a currency or currencies other than EUR or the currency of expenditures. In that case, the Bank will purchase such currency or currencies in such manner as the Bank may deem appropriate. The equivalent Disbursement amount shall be determined by the Bank on the basis of the exchange costs that were or would have been incurred by the Bank in using EUR to meet the request.

(g) Minimum Disbursement Amount

Except for the last Disbursement or except as the Bank otherwise agrees, Disbursements shall be made in amounts of not less than *EUR 20,000* (twenty thousand Euro).

(h) Absence of Events of Refund.

No Event of Refund shall have occurred and be continuing.

Section 2.03 Conditional and Unconditional Reimbursement Commitments

(a) Upon the Recipient's request, in form and substance satisfactory to the Bank, the Bank may, in accordance with the applicable provisions of the EBRD Disbursement Handbook *mutatis mutandis*, issue unconditional or conditional Reimbursement Commitments to reimburse payments made by banks under letters of credit in respect of expenditures to be financed by the Grant Financing. Any such reimbursement shall constitute a Disbursement.

(b) In the case of a conditional Reimbursement Commitment, the obligation of the Bank to pay shall be suspended or terminated immediately upon any suspension or cancellation of the Grant Financing by the Bank pursuant to Section 5.01 (*Suspension*) or Section 5.02 (*Cancellation by the Bank*) of this Agreement.

(c) In the case of an unconditional Reimbursement Commitment, the obligation of the Bank to pay shall not be affected by any subsequent suspension or cancellation of the Grant Financing.

(d) Notwithstanding anything in this Agreement to the contrary, the Bank shall not in any event be obligated to make any Disbursement of the Grant Financing except to the extent that corresponding funds in an aggregate amount equal to the amount of such disbursement of the Grant Financing are provided to the Bank by the Donor.

Section 2.04 Cancellation by the Recipient

The Recipient may cancel at any time, on not less than thirty (30) Business Days prior written notice to the Bank, in whole or in part, any undisbursed portion of the Grant Financing. Any such notice of cancellation by the Recipient shall be irrevocable and binding on the Recipient.

Section 2.05 Payments

(a) Except as the Bank otherwise agrees, the sums to be disbursed by the Bank under this Agreement shall be paid directly to the account of the relevant Contractor, as designated in the relevant invoice and the Recipient designates in its Disbursement request. The Bank shall make payments only by means of electronic payment into a bank account held in the name of the Contractor and which is located either in the Contractor's country of incorporation or domicile, as applicable, or (with prior consent of the Bank) in the country in which the Contractor provides the goods or works, or where the Contractor performs the services.

(b) If the due date for any payment under this Agreement would otherwise fall on a day which is not a Business Day, then such payment shall instead be due on the next succeeding Business Day.

(c) Any amounts that may become due to the Bank under this Agreement shall be paid, without set-off or counterclaim in EUR, for value on the due date, to such account in London, England or such other place as the Bank may from time to time designate by notice to the Recipient.

ARTICLE III - EXECUTION OF THE PROJECT

Section 3.01 Cooperation and Information

(a) The provisions of Sections 4.01 (*Cooperation and Information*) of the Standard Terms and Conditions shall apply as if set out herein in full *mutatis mutandis*, including without prejudice to the generality thereof, as if:

(i) references to the "Borrower" and the "Guarantor" were read as references to the "Recipient";

(ii) references to the "Loan" were read as references to the "Grant Financing"; and

(iii) references to the "the Loan Agreement" and to the "the Project Agreement" were read as references to "this Agreement".

(b) In receiving information pursuant to the Loan Agreement, the Project Agreement the Bank may use and rely on any such information in its capacity as provider of the Grant Financing under this Agreement.

(c) The Recipient shall provide any information the Bank or the Donor may reasonably request and access for the Bank and the Donor to the Project and to the Recipient's premises, books of account and records.

Section 3.02 Responsibilities Relating to the Execution of the Project

(a) The Recipient shall and, shall take all necessary steps to ensure that the Project Entity shall, except as the Bank otherwise agrees:

(1) carry out the Project with due diligence and efficiency and in accordance with the Project Agreement and this Agreement;

(2) carry out the Project in accordance with the EBRD Procurement Policies and Rules, 2022;

(3) carry out the Project in accordance with the Environmental and Social Action Plan and the Designated Performance Requirements;

(4) cause the Project Completion Date to occur no later than 31 December 2029; and

(5) take all action necessary to ensure the successful completion of the Project.

(b) The provisions of Sections 4.02 (*Responsibilities Relating to Project Execution*) of the Standard Terms and Conditions shall apply as if set out herein in full, *mutatis mutandis*, including without prejudice to the generality thereof, as if:

(i) references to the "Borrower" were read as references to the "Recipient"; and

(ii) references to the "proceeds of the Loan" were read as references to the "proceeds of the Grant Financing".

Section 3.03 Environmental and Social Compliance

Except as the Bank otherwise agrees, the Recipient shall ensure that the Project Entity carries out the part of the Project financed with the Grant Financing in accordance with Section 2.04 (*Environmental and Social Compliance Covenants*) of the Project Implementation Agreement.

Section 3.04 Support Obligations of the Recipient

(a) The Recipient shall take no action, nor shall it permit any of its agents or subsidiaries to take any action, that would prevent or interfere with the execution of the Project or with the efficient operation of the Project facilities or the performance of the Recipient's obligations under this Agreement. The Recipient shall also ensure that no such action is taken or permitted to be taken by any of its political or administrative subdivisions or any of the entities owned and controlled by, or operating for the account or benefit of, the Recipient or such subdivisions.

(b) The Recipient shall, unless the Bank shall agree otherwise:

(1) duly perform all of its obligations under this Agreement and under the Loan Agreement;

(2) support the Project Entity in meeting its obligations with respect to the Project, including by taking all legislative, regulatory or other actions necessary or desirable, and by allocating and proving, or causing to be provided, funds and support to the Project Entity as and when needed by the Project Entity to complete the Project; and

(3) execute any other documents and take any other actions that the Bank determines are necessary or desirable to give effect to this Agreement.

Section 3.05 Project Implementation Unit

The Recipient shall procure that the Project Entity ensures that the activities and responsibilities of the PIU, referred to in Section 2.02 (*Project Implementation Unit*) of the Project Implementation Agreement, include the procurement of the Grant Financed Items and implementation of the Grant Financing.

Section 3.06 Procurement

(a) Except as the Bank otherwise agrees, the procurement of all Grant Financed Items shall be governed by the EBRD Procurement Policies and Rules, 2022. The Grant Financed Items shall be procured through open competitive procedures as set out in Article 3 of Section III of the EBRD Procurement Policies and Rules, 2022.

(b) All Contracts shall be subject to the prior review procedures set out in the EBRD Procurement Policies and Rules, 2022.

Section 3.07 Project Records and Reports; Examinations

(a) The Recipient shall procure that the Project Entity ensures that information furnished to the Bank by the Project Entity, and records maintained by the Project Entity, in compliance with the Project Entity's obligations pursuant to Section 2.06 (*Reporting Frequency and Submission Requirements*) of the Project Agreement as well as Section 4.04 (*Project Records and Reports*) and Section 5.02 (*Reporting*) of the Standard Terms and Conditions:

(1) includes detailed information concerning the Contracts, the Contractors, Disbursements, the Grant Financing and its use, the Grant Financed Items, as well as the status of compliance with each of the covenants contained in this Agreement in form and substance satisfactory to the Bank;

(2) contains sufficient information to enable tracking of the Grant Financing distinct from the Loan Financing; and

(3) includes such other information regarding *inter alia* the Project Entity, the Project and the transactions contemplated in this Agreement as the Bank may from time to time reasonably request.

(b) As soon as available but in any event, within thirty (30) days after completion of the last Contract, the Recipient shall cause the Project Entity to furnish to the Bank (if requested by the Bank, certified by the Recipient's Authorised Representative) a final report with regard to the use of the Grant Financing, which will specify in detail all Contracts, all Contractors, the Grant Financed Items and the delivery and erection schedules, and comparison against original forecasts.

(c) As soon as available but in any event, within thirty (30) days after the Project Completion Date, the Recipient shall cause the Project Entity to furnish to the Bank (if requested by the Bank, certified by the Recipient's Authorised Representative) a final report with regard to the Project, identifying the use of the Grant Financing.

(d) The Recipient shall cause the Project Entity to enable the Bank, the Donor and their representatives, at the Bank's request:

(1) to visit any facilities and construction sites relating to the Project;

(2) to examine any and all goods, works and services financed out of the proceeds of the Grant Financing and any plants, installations, sites, works, buildings, property, equipment, records and documents relevant to the performance of the obligations of the Recipient under this Agreement; and

(3) for these purposes, to meet and hold discussions with such representatives and employees of the Project Entity as the Bank may deem necessary and appropriate.

(e) Upon the award of any Contract, the Bank may publish a description thereof, the name and nationality of the Contractor and the contract price.

(f) The Recipient shall, and shall cause the Project Entity to, ensure that the Bank, the Donor, and their representatives are provided access to the Project Entity's books of account and records related to the Project and the Grant Financing.

ARTICLE IV - FINANCIAL AND OPERATIONAL COVENANTS

Section 4.01 Financial Records and Reports

(a) The Recipient shall, and shall cause the Project Entity to, maintain separate records and accounts in respect of the Grant Financing, in accordance with accounting standards acceptable to the Bank and consistently applied.

(b) The Recipient shall cause the Project Entity to ensure that the information furnished to the Bank by the Project Entity, and records maintained by the Project Entity, in compliance with the Project Entity's obligations pursuant to Section 3.01 (*Financial*

Records and Reports) of the Project Implementation Agreement as well as Section 5.02(c)(I) (*Reporting*) of the Standard Terms and Conditions:

(1) includes detailed information concerning the Grant Financing and its use, in form and substance satisfactory to the Bank;

(2) contains sufficient information to enable tracking of the Grant Financing distinct from the Loan Financing; and

(3) includes such other information concerning such records, accounts and financial statements as the Bank may from time to time reasonably request.

(c) The Recipient shall cause the Project Entity, until at least five (5) years after the Project Completion Date:

(1) keep financial accounting documents and records concerning the activities financed by the Grant Financing; and

(2) make available to the Bank and/or the Donor, upon request, all relevant financial information, including statements of accounts, in connection with the Project.

Section 4.02 Conduct of Business and Operations

The Recipient shall and, as applicable, shall take all necessary steps to ensure that the Project Entity shall, except as the Bank otherwise agrees:

(a) duly perform all of its obligations under this Agreement and the Project Agreement;

(b) not sell, lease or otherwise dispose of any of its core assets that are required for the efficient carrying on of its operations or the disposal of which may prejudice it ability to perform satisfactorily any of its obligations under this Agreement;

(c) not make changes or permit changes to be made to its Statutes so as to affect materially and adversely the operations or the financial condition of the Project Entity to perform any of its obligations under this Agreement; and

(d) execute any other documents and take any other actions that the Bank determines are necessary or desirable to give effect to this Agreement.

Section 4.03 Taxes

(a) The Recipient shall, and shall cause the Project Entity to pay, when due, all Taxes levied on it and payable on, or in connection with, the execution, issue, delivery, registration or notarisation of this Agreement (including the provision of the Grant Financing) or any other document related to this Agreement.

(b) No part of the proceeds of the Grant Financing shall be used, directly or indirectly, for the payment of any Taxes, be they direct or indirect, in the territory of the Recipient or elsewhere.

Section 4.04 Visibility

The Recipient shall and, as applicable, shall take all necessary steps to ensure that the Project Entity shall, take appropriate measures to publicise in relevant publications, communications, as well as media, the fact that the Project has received funding from *inter alia* the Donor.

Section 4.05 Fraud and Corruption

The Recipient shall not, and shall not authorise or permit any of its officers, directors, authorised employees, agents or representatives to, and shall ensure that the Project Entity shall not, engage in with respect to the Project, the Grant Financing or any transactions contemplated by this Agreement, any Prohibited Practice.

Section 4.06 Minimum Contribution

The Recipient shall make the Local Contribution in an amount equivalent to not less than ten percent (10%) of the Total Project Costs.

ARTICLE V - SUSPENSION AND CANCELLATION; REFUND

Section 5.01 Suspension

(a) If any of the following events shall have occurred and be continuing, the Bank may, by notice to the Recipient, suspend in whole or in part, the right of the Recipient to any further Disbursement under this Agreement:

(1) any of the Loan Agreement or the Project Implementation Agreement or the Project Support Agreement ceases to be in full force and effect or is terminated;

(2) the Recipient, or the Project Entity has failed or fails to perform any of its obligations under this Agreement, the Loan Agreement or the Project Implementation Agreement.

(3) alternative funding proves to have been acquired for the financing of the Project, thus giving rise to double-financing (either in whole or in part);

(4) the Bank has suspended, or an event has occurred which gives the Bank the right to suspend, in whole or in part, the right of the Recipient in its capacity as Borrower under the Loan Agreement to make applications for Drawdowns, pursuant to Section 7.01 (*Suspension*) of the Standard Terms and Conditions or Section 4.01(*Suspension*) of the Loan Agreement;

(5) the Bank has cancelled, or an event has occurred which gives the Bank the right to cancel, in whole or in part, the Loan Financing pursuant to Section 7.02 (*Cancellation by the Bank*) of the Standard Terms and Conditions;

(6) any event specified in Section 7.06 (*Events of Acceleration*) of the Standard Terms and Conditions or Section 4.02 (*Acceleration of Maturity*) of the Loan Agreement has occurred or is continuing and the Bank has declared all or any portion of the Loan Financing to be due and payable pursuant to Section 7.06 (*Events of Acceleration*) of the Standard Terms and Conditions;

(7) an extraordinary situation has arisen as a result of events which have occurred which shall make it improbable that the Project can be carried out or the Recipient or the Project Entity will be able to perform their obligations under this Agreement or the Project Implementation Agreement;

(8) a representation made by the Recipient in the Loan Agreement or in this Agreement connection with this Agreement shall have been incorrect or misleading in any material respect;

(9) the Statutes of the Project Entity shall have been amended, suspended, abrogated, repealed or waived in such a way as to affect materially and adversely the operations or the financial condition of the Project Entity or its ability to carry out the Project or to perform any of its obligations under the Project Agreement;

(10) the Recipient in its capacity as Borrower under the Loan Agreement has cancelled in whole or in part any undisbursed portion of the Loan Financing pursuant to Section 3.08 (*Cancellation*) of the Standard Terms and Conditions;

(11) the Accreditation Agreement or the FAA has been terminated or notice of termination has been given under the Accreditation Agreement or the FAA or the Donor requested such suspension or cancellation;

(12) in accordance with the Enforcement Policy and Procedures, the Bank has determined that the Recipient, the Project Entity, a Contractor, an Affiliate of such entities, or any of their officers, employees, agents or representatives has been included on the Bank's list of persons or entities ineligible to be awarded a Bank-financed contract or for Bank funding, as such list may be found on the Bank's website; or

(13) the legislative and regulatory framework applicable to the social affordable housing sector in the territory of the Recipient shall have been amended, suspended, abrogated, repealed or waived in a manner so as to affect materially and adversely the operations or the financial condition of the Project Entity to perform any of its obligations under this Agreement.

(b) The right of the Recipient to any further Disbursement shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to suspension shall have ceased to exist, unless the Bank shall have notified the Recipient that the right to further Disbursements has been restored; provided, however, that the right to further Disbursements shall be restored only to the extent and subject to the conditions specified in such notice, and no such notice shall affect or impair any right, power or remedy of the Bank in respect of any other subsequent event described in this Section.

Section 5.02 Cancellation by the Bank

(a) If at any time the Bank determines, after consultation with the Recipient, that an amount of the Grant Financing will not be required to finance costs of the Project to be financed out of the Grant Financing, the Bank may, by notice to the Recipient, cancel such amount of the Grant Financing. On the Last Availability Date of the Grant Financing, any undisbursed portion of the Grant Financing shall be cancelled automatically, except as the Bank otherwise agrees.

(b) If the right of the Recipient to Disbursement of any portion of the Grant Financing under this Agreement shall have been suspended pursuant to Section 5.01 (*Suspension*) of this Agreement for a continuous period of thirty (30) days, the Bank may, by notice to the Recipient, cancel the Grant Financing, in whole or in part.

(c) If the Bank has cancelled, or an event has occurred which gives the Bank the right to cancel, in whole or in part, the Loan Financing pursuant to Section 7.02 (*Cancellation by the Bank*) of the Standard Terms and Conditions, the Bank may, by notice to the Recipient, cancel the Grant Financing, in whole or in part.

(d) If at any time, the Bank determines that :

(1) the procurement of any of the Grant Financed Items is inconsistent with this Agreement;

(2) funds disbursed under this Agreement have been used for purposes other than those provided for under this Agreement; or

(3) with respect to any Contract, any representative of the Recipient, the Project Entity or any Contractor has engaged in any Prohibited Practice during the procurement or execution of such Contract, without the Recipient, the Project Entity having taken timely and appropriate action satisfactory to the Bank to remedy the situation;

the Bank may, by notice to the Recipient, cancel the Grant Financing in whole or in part. Such cancellation shall take effect when notice is given.

(e) If at any time, in accordance with the Enforcement Policy and Procedures, the Bank determines that any representative of the Recipient, the Project Entity, any Contractor, an Affiliate of such entities, or any of their officers, employees, agents or representatives, has been included on the Bank's list of persons or entities ineligible to be awarded a Bank-financed contract or for Bank funding, as such list may be found on the Bank's website, cancel the Grant Financing in whole or in part. Such cancellation shall take effect when notice is given.

Section 5.03 Unconditional Reimbursement Commitments Unaffected by Suspension or Cancellation

No cancellation or suspension shall apply to amounts subject to an unconditional Reimbursement Commitment entered into by the Bank pursuant to Section 2.03 (*Conditional and Unconditional Reimbursement Commitments*) of this Agreement except as expressly provided in such commitment.

Section 5.04 Obligations of the Recipient

Notwithstanding any cancellation or suspension, all the provisions of this Agreement shall continue in full force and effect, except as specifically provided herein.

Section 5.05 Events of Refund

If any of the following events shall have occurred and, if applicable, shall be continuing for the period specified below, then at any time during the continuance of that event the Bank may, by notice to the Recipient, demand that the Recipient refunds all or any portion of the Grant Financing (and pays any other amounts payable under this Agreement) and the same shall thereupon become (anything in this Agreement to the contrary notwithstanding), due and payable immediately:

(a) Any event specified in Section 5.01(a)(1) (*Suspension*) of this Agreement has occurred.

(b) Any event specified in Section 5.01(a)(2) (*Suspension*) of this Agreement has occurred and, if capable of remedy, has continued for a period of thirty (30) days after notice thereof has been given by the Bank.

(c) Any Event of Acceleration specified in the Standard Terms and Conditions and the Loan Agreement has occurred or is continuing and the Bank, has declared all or any portion of the Loan Financing to be due and payable pursuant to Section 7.06 (*Events of Acceleration*) of the Standard Terms and Conditions.

(d) At any time, in accordance with the Enforcement Policy and Procedures, the Bank determines that the Recipient, the Project Entity, any Contractor, an Affiliate of such entities, or any of their officers, employees, agents or representatives, has been included on the Bank's list of persons or entities ineligible to be awarded a Bank-financed contract or for Bank funding, as such list may be found on the Bank's website.

(e) The Recipient in its capacity as Borrower under the Loan Agreement has cancelled in whole or in part any undisbursed portion of the Loan Financing pursuant to Section 3.08 (*Cancellation*) of the Standard Terms and Conditions.

ARTICLE VI - ENFORCEABILITY, DISPUTE RESOLUTION

Section 6.01 Enforceability

The rights and obligations of the Recipient shall be valid and enforceable in accordance with their terms, notwithstanding any local law to the contrary. The Recipient shall not be entitled under any circumstances to assert any claim that any provision of this Agreement is invalid or unenforceable for any reason.

Section 6.02 Failure to Exercise Rights

No delay in exercising, or omission to exercise, any right, power or remedy, accruing to either party under this Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default; nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other subsequent default.

Section 6.03 Dispute Resolution

The provisions of Section 8.04 (*Dispute Resolution*) of the Standard Terms and Conditions shall apply as if set out herein in full mutatis mutandis save that:

(i) references to "the Loan Agreement" or "Project Agreement" were read as references to "this Agreement"; and

(ii) references to "the Borrower" were read as references to "the Recipient".

ARTICLE VII - EFFECTIVENESS; TERMINATION

Section 7.01 Effective Date

Except as the Bank and the Recipient shall otherwise agree, this Agreement shall become effective on the date upon which the Bank dispatches to the Recipient a notice of the Bank's acceptance of the evidence required by Section 7.02 (*Conditions Precedent to Effectiveness*) and Section 7.03 (*Legal Opinions*) of this Agreement.

Section 7.02 Conditions Precedent to Effectiveness

This Agreement shall not become effective unless the Bank is satisfied that no event referred to in Section 5.01(a) (*Suspension*) or Section 5.05 (*Events of Refund*) of this Agreement has occurred and is continuing; and until the following conditions precedent have been fulfilled, in form and substance satisfactory to the Bank, or at the sole discretion of the Bank waived, whether in whole or in part and whether subject to conditions or unconditionally:

(a) the Bank shall have received two duly executed originals of this Agreement;

(b) all conditions precedent to the effectiveness of the Loan Agreement under Section 9.02 (*Conditions Precedent to Effectiveness*) of the Standard Terms and Conditions and Section 5.01 (*Conditions Precedent to Effectiveness*) of the Loan Agreement, except only the effectiveness of this Agreement, have been fulfilled, in form and substance satisfactory to the Bank;

(c) the Bank shall have received evidence, in form and substance satisfactory to the Bank, that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorised or ratified by all necessary governmental, administrative and corporate action and this Agreements represents valid and legally binding obligations of the Recipient enforceable in accordance with its terms; and

(d) the Bank has been provided with such other documents it may have reasonably requested.

Section 7.03 Legal Opinions

As part of the evidence to be furnished pursuant to Section 7.02 (*Conditions Precedent to Effectiveness*) of this Agreement, the Recipient shall furnish, or cause to be furnished, to the Bank an opinion on behalf of the Recipient by the Minister of Justice, in form and substance satisfactory to the Bank, in respect of this Agreement, and showing that this Agreement has been duly authorised or ratified by, and executed and delivered on behalf of the Recipient, and constitutes valid and legally binding obligations of the Recipient, enforceable in accordance with their terms.

Section 7.04 Termination for Failure to Become Effective

If:

(a) this Agreement shall not have become effective by the date which is 180 days from the date of this Agreement; or

(b) the Loan Agreement shall not have become effective by the date specified in Section 5.03 (*Termination for Failure to Become Effective*) of the Loan Agreement or any further date notified by the Bank to the Recipient in its capacity as Borrower pursuant to Section 9.04 (*Termination for Failure to Become Effective*) of the Standard Terms and Conditions;

all obligations of the Bank under this Agreement shall terminate unless the Bank, after consideration of the reasons for the delay, shall establish a later date for the purposes of this Section. The Bank shall promptly notify the Recipient of such later date.

Section 7.05 Termination on Performance

(a) This Agreement shall continue in force until the Recipient have performed all of its obligations in accordance with the provisions hereof, unless earlier terminated in accordance with its terms provided that the provisions of Section 6.03 *(Dispute Resolution*) shall survive the termination of this Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, the provisions of Section 5.05(d) (*Events of Refund*) shall survive the termination of this Agreement for five (5) years after the Project Completion Date.

ARTICLE VIIII - MISCELLANEOUS

Section 8.01 Notices

(a) Any notice or request required or permitted to be given or made under this Agreement shall be in writing. Except as otherwise provided in Section 7.01 (*Effective Date*) of this Agreement, such notice or request shall be deemed to have been duly given or made when it has been delivered to the party to which it is required to be given or made at the party's address specified below or at such other address as such party shall have specified in writing to the other party giving the notice or making the request. Except as otherwise provided in this Agreement or the EBRD Disbursement Handbook, such delivery may be made by hand, mail or facsimile transmission. Deliveries made by facsimile transmission shall also be confirmed by mail.

For the Recipient:

Ministry of Finance
16, Gorgasali Street
0114 Tbilisi
Georgia

Attention: Public Debt Management Department

For the Bank:

European Bank for Reconstruction and Development
5 Bank Street
London E14 4BG
United Kingdom
Attention: Operation Administration Department / Operation No. 52586

Telephone: +44 20 7338 6000
Email: oad@ebrd.com

Section 8.02 Authority to Act

Any action required or permitted to be taken and any documents required or permitted to be executed under this Agreement by the Recipient shall be taken or executed by the Recipient's Authorised Representative or such other officers of the Recipient as such Recipient's Authorised Representative shall designate in writing. The Recipient shall furnish to the Bank evidence of the authority and the authorised specimen signature of such officer substantially in the form of Exhibit 2 (*Form of Letter Designating Authorised Signatories*).

Section 8.03 Amendment

This Agreement may be amended by a written instrument signed by the Recipient's Authorised Representative and by a duly authorised officer of the Bank.

Section 8.04 English language

This Agreement has been prepared and executed in English. Any document delivered pursuant to this Agreement shall be in the English language. Documents in any other language shall be accompanied by an English translation thereof certified as being an approved translation and such approved translation shall be conclusive.

Section 8.05 Indemnification

(a) The Recipient assumes full liability for, and agrees to and shall indemnify and hold harmless the Bank and its officers, directors, employees, agents and servants against and from, any and all liabilities, obligations, losses, damages (compensatory, punitive or otherwise), penalties, claims, actions, Taxes, suits, costs and expenses (including, reasonable legal counsel's fees and expenses and costs of investigation) of whatsoever kind and nature, including, without prejudice to the generality of the foregoing, those arising in contract or tort (including negligence) or by strict liability or otherwise, which are imposed on, incurred by or asserted against the Bank or any of its officers, directors, employees, agents or servants (whether or not also indemnified by any other person under any other document) and which in any way relate to or arise out of, whether directly or indirectly:

(1) any of the transactions contemplated by this Agreement or the execution, delivery or performance thereof;

(2) the operation or maintenance of the Project Entity's facilities or the ownership, control or possession thereof by the Project Entity; or

(3) the exercise by the Bank of any of its rights and remedies under this Agreement; and

provided that the Bank shall not have any right to be indemnified hereunder for its own gross negligence or wilful misconduct.

(b) The Recipient acknowledges that the Bank is entering into this Agreement, and has acted, solely as a grant provider, and not as an advisor, to the Recipient. The Recipient represents and warrants that, in entering into this Agreement, it has engaged, and relied upon advice given to it by its own legal, financial and other professional advisors and it has not relied on and will not hereafter rely on any advice given to it by the Bank.

Section 8.06 Assignments

The Recipient may not assign or otherwise transfer all or any part of its respective rights or obligations under this Agreement without the prior written consent of the Bank.

Section 8.07 Rights, Remedies and Waivers

The rights and remedies of the Bank under this Agreement shall not be prejudiced by any act or thing which might, apart from this Section, prejudice such rights or remedies. No course of dealing and no delay in exercising, or failure to exercise, any right, power or remedy of the Bank shall impair any such right, power or remedy or be construed to be a waiver thereof. Any waiver of any of the terms or conditions of this Agreement shall be in writing and signed by the Bank. In the event that the Bank waives a condition to any Disbursement of the Grant Financing, the Recipient shall, by receiving such Disbursement, be deemed to have agreed to the terms of such waiver and the right of the Bank to require compliance with such condition shall be expressly preserved for the purposes of any subsequent Disbursement. The rights and remedies provided in this Agreement and the other agreements contemplated hereby are cumulative and shall not preclude any other or further exercise thereof or the exercise of any other right or remedy.

Section 8.08 Disclosure

The Bank may disclose such documents, information and records regarding the Recipient and the Project Entity and this transaction (including copies of this Agreement, and any other agreement contemplated hereby) as the Bank deems appropriate for any purposes in connection with any dispute involving the Recipient and the Project Entity, for the purpose of preserving or enforcing any of the Bank's rights under this Agreement or any other agreement contemplated hereby or collecting any amount owing to the Bank at the request of the Donor.

Section 8.09 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto, acting their duly authorised representatives, have caused this Agreement to be signed in three copies as of the date first above written.

GEORGIA

By: ________________________
Name: Lasha Khutsishvili
Title: Minister of Finance

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: ________________________
Name: Mark Bowman
Title: Vice President

SCHEDULE 1 - THE GRANT FINANCED ITEMS

The table shown in this Schedule sets forth the Grant Financed Items and the amount of the Grant Financing allocated to each Grant Financed Item.

	Grant Financed Items	**Amount of the Grant Financing Allocated in EUR**
1	Rehabilitation of metro stations – Tranche 1	2,500,000
2	Rehabilitation of metro stations – Tranche 2	2,500,000
	Total	**5,000,000**

EXHIBIT 1 - FORM OF DISBURSEMENT REQUEST

[To Be Typed on Letterhead of the Recipient]

[Date]

European Bank for Reconstruction and Development
5 Bank Street
London E14 4BG
United Kingdom

Attention: Operation Administration Department / Operation No. 52586

Operation No. 52586 (Grant Component)
Disbursement request No. [1]

Re: Grant Agreement dated _____ between [Recipient] and the European Bank for Reconstruction and Development (the "Bank").

We hereby request the following Disbursement in accordance with the provisions of the above mentioned Grant Agreement:

Grant Currency:	[EUR]
Currency of payment required:	[2]
Financed Amount(s) / currency:	[3]
Value Date:	[4]
Payable to (Payee):	[5]
Payee's Account Name:	[6]
Payee's Account Number:	[7]
Payee's Bank Name:	[8]
Payee's Bank Address:	[9]

Payee's Bank's Correspondent details:

Correspondent Bank Name:	[10]
Address:	[11]
Account Name:	[12]
Account Number:	[13]
Payment Reference:	[14]
Payee's email address:	[15]

We hereby certify that we have not previously requested disbursement from the Grant Financing to meet these expenditures. We have not obtained and do not intend to obtain funds for this purpose out of the proceeds of any other grant, credit or loan.

We hereby further certify that neither the Recipient nor any officers, directors, employees acting in their official capacity, affiliates, agents or representatives of the Recipient has committed or engaged in any Prohibited Practice with respect to any transactions contemplated by the Grant Agreement.

The goods and services covered by this request have been or are being purchased in accordance with the terms of the Grant Agreement.

We hereby confirm to the EBRD that (i) we are in compliance with our obligations as set out in the Grant Agreement and the Loan Agreement and (ii) that no event has occurred which is liable to affect materially and adversely our operations or financial condition or our ability to carry out the Project or to perform any of our obligations under the Grant Agreement.

Yours faithfully,

[16]

By: ______________________________

Name:
Title:

Enclosures: - Total number of Summary Sheets: [17]
- Total number of document items: [18]

Notes for completion of the form of Disbursement request

[1] The Recipient should number each request form. The first request for a grant disbursement will be number 1, the following requests will be numbers 2, 3, etc. It is up to the Recipient to keep track of the number of all grant disbursement requests that it has made under the given grant agreement. The request forms should follow the same sequential numbering system, whether they are for a direct payment disbursement, or for the issue of a reimbursement commitment. The use of this numbering system avoids confusion in case forms are held up in the post, are faxed more than once, etc.

[2] Please state currency of actual payment required. This will be either the grant currency, or the currency of the expenditures (see [3] below). Alternatively, in some circumstances the Bank may agree to pay in a third currency, in which case it would act as the Recipient's agent in order to obtain this currency.

If payment is required in more than one currency, then a different application form should be used per currency.

[3] The financed amount(s) are the original expenditures, in their original currency as detailed on the summary sheet, calculated at the appropriate percentage specified in the grant agreement for the applicable eligible Grant Financed Item. The amount(s) given here should correspond with the total amount(s) in section [15] of the summary sheet.

[4] The value date is the date that the EBRD's account is debited with the payment amount of the disbursement. The EBRD cannot guarantee that the payee's account will be credited on the same date, as this depends on the procedures adopted by the clearing system or the recipient bank in the country of the payee. There should be 15 business days minimum between the date that the EBRD receives the application and the requested value date. If in fact the payment is needed as soon as possible, instead of on that specific value date, it may be better not to give a specific date, but to put "as soon as possible" in this field [4]. In that case the EBRD will make the payment in any case within 15 business days, but earlier if possible. (Please note payment can only be guaranteed within 15 business days if the disbursement request is correct and complete.)

[5] The Disbursement is paid out to the payee. Normally the payee will be the Contractor, but provided that the Bank has agreed otherwise in writing and the enclosed documentation (see the summary sheet) provides evidence that the borrower has already paid the Contractor, then payment may be made to the Recipient.

[6] The payee's account name in most cases will simply be the name of the payee.

[7] The payee's account number is required to avoid delays. In a growing number of countries, banks will refuse to make payment if the payee's account number is not given in the payment instructions.

[8] The payee's bank is the bank where the payee's account is held. Please indicate bank name and town.

[9] Instead of the address, the sorting code or SWIFT code can be given.

[10] The correspondent bank of the payee's bank is only required if payment is not to be made in the currency of the country where the payee's bank is located. In that case, the correspondent bank is the bank, located in the country of the payment currency, with which the payee's bank holds an account.

[11] Instead of an address, the sort code or SWIFT code of the correspondent bank can be given.

[12] The payee's bank's account name in most cases will simply be the name of the payee's bank.

[13] The payee's bank's account number is essential if the payee bank holds more than one account with the correspondent bank, or if it is not a member of SWIFT (the international electronic payment settlement system). Otherwise this number is useful but not mandatory. Where applicable the IBAN No. (International Bank Account Number) should be quoted.

[14] The payment reference which the EBRD will send with the payment helps the payee to identify the payment. If no specific reference is requested, the EBRD will mention the Recipient's name and the agreement number.

[15] Payee's email address is required for the Bank to send notifications of upcoming payments to the payee prior to the Bank making such payments. It should be an email account that the payee is checking regularly.

[16] Signature. The request summary sheet should be signed off by or on behalf of the Recipient.

[17] The summary sheets list all the items of documentation enclosed to support the Disbursement request application. If there are many items, it is advisable to use a separate summary sheet per category.

[18] The documentation items (contracts, invoices, receipts, etc.) are to be numbered and presented in the same order as they appear on the summary sheets. Their total number should be indicated here to facilitate the EBRD's review.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Recipient Name : [1] ....

Operation No : [3]................

Request No: [4] ....

Date: [2] ....

Summary Sheet No : [5] ....

Disbursement Grant Financed Item: [6] (ref.no./ name/ %) ..../................./.....

Item No	Description of Item	Contract No. and Date	Name and Address of Contractor	Brief Description of Goods , Works or Services	Currency and Total Amount of Contract	Currency & Amount of Eligible Expenditure	Amount of Financing in currency of expenditure
[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]

Signature

[16].............................

TOTAL (per currency)
[15]

NOTES FOR COMPLETION OF DISBURSEMENT REQUEST SUMMARY SHEET

[1] Name. Recipient's name. This should be the same as on the Disbursement request form to which this summary sheet belongs.

[2] Date. Date of request. This should be the same as on the Disbursement request form to which this summary sheet belongs.

[3] Operation number. This number is the same as on the Disbursement request form to which this summary sheet belongs.

[4] Request number. This is the number of the Disbursement request form to which this summary sheet belongs.

[5] Summary sheet number. For each Disbursement request, the summary sheets should be numbered starting from 1, and their total number noted on the Disbursement request form to which they belong.

[6] Disbursement Grant Financed Item. This is the Grant Financed Item for the project, to be financed out of the proceeds of the requested Disbursement. Please consult the grant agreement to find the name and reference number of the Grant Financed Item, and the percentage of expenditures to be financed (for example, " Grant Financed Item no. (3b), equipment, 60%").

If one Disbursement request covers expenditures from more than one Grant Financed Item, then a separate summary sheet is to be used for each Grant Financed Item.

[7] Item number. All document items (invoices, contracts, receipts, etc.) should be presented in the same order as they appear on the summary sheet(s). To facilitate identification, the documents should be numbered, starting with 1, 2, 3, etc., for each new Disbursement request, and this number should be clearly marked on the document itself. The total number of items for the total of all summary sheets is noted on the Disbursement request form.

[8] Description of item. Please describe each item, e.g. "invoice", "receipt", "engineer's certificate", "translation of [...]", etc.

[9] Contract order number and date. It is recommended that the contract is given an original number when it is drawn up between the Project Entity and the Contractor. The EBRD will adopt this number for its own record keeping. If the contract has not been given an original number, the EBRD will allocate it a number and advise the Recipient at the time of approval. If the Recipient does not know the number at the time of completing the summary sheet, this part can be left for the EBRD to complete.

The date of the contract/purchase order should also be given in this column.

Note: the same contract may appear in more than one Disbursement request, if delivery of the goods, works or services (see [11]), and therefore payment for these goods, etc., is made in stages.

[10] Name and address of Contractor. Name and address of the counterparty (Contractor) in the contract/purchase order as described in [9].

[11] Brief description of goods, works or services. These goods, works or services should correspond to the details provided in the Contract or other documents presented, and should fall within the Grant Financed Item indicated in [6].

[12] Currency and total amount of Contract. Total amount, in original currency, of the Contract listed in [9].

[13] Currency and amount of eligible expenditure. Per expenditure: total amount due or paid, in original currency, as covered by the invoices or other documents listed in [7] and [8]. When there is more than one "item" for each expenditure, (e.g. an invoice, certificate and receipt, all for the same expenditure), those items should be bracketed and only one amount should be shown in this column.

[14] Amount of financing. For each amount listed in column [13], there should be a corresponding amount in this column [14], calculated at the percentage stated in [6], corresponding to the category of this summary sheet. The amount of financing should be in the original currency of the contract and expenditure (columns 12 and 13). This may or may not be the same as the loan currency or the payment currency.

[15] Total. The amounts of financing, as listed in [14], should be added up into one total amount per currency. For direct Disbursement requests, amount(s) given here should correspond with the amount(s) given in [9] of the direct Disbursement request form.

[16] Signature. The request summary sheet should be signed off by or on behalf of the Recipient. See request for Disbursement form for signature requirements.

EXHIBIT 2 - FORM OF LETTER DESIGNATING AUTHORISED SIGNATORIES

[To Be Typed on Letterhead of the Recipient]

[Date]

European Bank for Reconstruction and Development
5 Bank Street
London E14 4BG
United Kingdom

Attention: Operation Administration Department / Operation No. 52586

Subject: Operation No. 52586 (Grant Component)
Letter Designating Authorised Signatories[7]

Dear Sir/Madam,

With reference to the grant agreement dated [*date*] (the "Grant Agreement") among [Recipient,] and the European Bank for Reconstruction and Development (the "Bank"), please be advised that any one of the persons whose authenticated specimen signatures appear below, is authorised on behalf of the Recipient to sign [Disbursement Requests and [any [other] notices or documents]] required or permitted to be executed under the above mentioned Grant Agreement.

NAME	POSITION	SPECIMEN SIGNATURE
______________	______________	________________________
______________	______________	________________________
______________	______________	________________________
______________	______________	________________________

All previous notices providing signatures of officials authorised to sign on behalf of the Recipient under the above Grant Agreement are hereby revoked.

Designation may be changed by the Recipient at any time by providing a new Letter Designated Authorised Signatories to the Bank.

Yours faithfully,

For and on Behalf of:

GEORGIA

By: ______________________________

Name:

Title:

NOTES FOR COMPLETION OF THE LETTER DESIGNATING AUTHORISED SIGNATORIES

- The above authorisation letter is to be signed on behalf of the Recipient by its respective Authorised Representative. [Please note that, in respect of any action required or permitted to be taken under the provisions of Section 2.02 or Section 2.03 of the Grant Agreement, the above authorisation letter is to be signed on behalf of the Recipient by the Recipient's Authorised Signatory.]

- In the event that each document is to be signed by more than one official, the authorisation letter must state this clearly, and the first sentence must be adjusted accordingly.
If authorised signatories are divided into two groups, and the signature of an official from each group is required, this must also be clearly stated.

1