

AMENDMENT AGREEMENT NO. 1
to the Grant Agreement dated 12 May 2015
(Kvemo Kartli Solid Waste Project)

between

GEORGIA

and

EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT

Dated 7 June 2024

**AMENDMENT AGREEMENT NO. 1
TO THE GRANT AGREEMENT DATED 12 MAY 2015
(Kvemo Kartli Solid Waste Project)**

This amendment agreement No.1 dated 7 June 2024, (“**Amendment Agreement No. 1**”) is made by and between **GEORGIA** (the “**Recipient**” or “**Georgia**”), represented by the Ministry of Finance and **EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT** (the “**Bank**”).

WHEREAS:

(A) In connection with a loan agreement dated 12 May 2015 entered into between Georgia (as Borrower) and the Bank (the “**Loan Agreement**”), the Recipient entered into a grant agreement dated 12 May 2015 with the Bank, pursuant to which the Bank agreed to extend a grant to the Recipient in the overall amount of EUR 3,000,000, in two tranches (Tranche 1 and Tranche 2), from the resources of Sida-EBRD Municipal Environment and Climate Programme Account II (the “**Fund**”), for the procurement of certain goods and works and services in relation to the Project (the “**Original Grant Agreement**”)

(B) Pursuant to an Amendment No. 1 to the Loan Agreement dated 7 June 2024 (the “**Amendment Agreement No. 1 to the Loan Agreement**”), Georgia and the Bank have agreed, *inter alia*, to (i) cancel the Tranche 2 of the Loan and (ii) to increase the Loan amount of up to EUR 6,000,000, with a new Tranche 3.

(C) The Recipient and the Bank wish to amend the Original Grant Agreement in certain respects, on and subject to the provisions of this Amendment Agreement No. 1 so as, *inter alia*, to (i) cancel the Tranche 2 of the Grant and (ii) to increase the amount of the Tranche 1 of the Grant of EUR 1,157,000.

NOW, THEREFORE, in consideration of the above the parties hereto agree as follows:

Section 1. Definitions and Interpretation

(a) In this Amendment Agreement No. 1:

“**Amended Agreement**” means the Original Grant Agreement, as amended by this Amendment Agreement No. 1.

“**Original Grant Agreement**” has the meaning given in Recital A.

“**Amendment Agreement No. 1 Effective Date**” has the meaning given in Section 3 of this Amendment Agreement No. 1.

(b) Terms defined in the Original Grant Agreement (whether directly or by reference to the Standard Terms and Conditions referred to therein or to any other agreement or

instrument) shall, unless otherwise defined herein or otherwise indicated herein, have the same meaning in this Amendment Agreement No. 1.

(c) The Original Grant Agreement and this Amendment Agreement No.1 shall be read and construed as a single document.

Section 2. Amendment and Continuity

(a) With effect on and from the Amendment Agreement No.1 Effective Date, the Original Grant Agreement shall be amended by the amendments set out in the Schedule to this Amendment Agreement No. 1 (the Original Grant Agreement as so amended, the "**Grant Agreement**" as defined in the Standard Terms and Conditions).

(b) The provisions of the Original Grant Agreement shall, save as amended by this Amendment Agreement No.1, continue in full force and effect.

Section 3. Amendment Agreement No.1 Effective Date

The Amendment Agreement No.1 Effective Date shall be the date upon which the Bank dispatches to the Recipient notice of the Bank's acceptance of the evidence required under this Section 3:

(a) The Bank is satisfied that no event referred to in Section 7.01(a) or 7.06 of the 2012 Standard Terms and Conditions has occurred and is continuing.

(b) The execution and delivery of this Amendment Agreement No. 1 on behalf of the Recipient have been duly authorised or ratified by all necessary governmental and corporate action.

(c) The Amendment Agreement No.1 to the Loan Agreement, in form and substance satisfactory to the Bank, has been executed and delivered and all conditions precedent to its effectiveness, except only the effectiveness of this Amendment Agreement No.1, have been fulfilled;

(d) The Amendment Agreement No. 1 to the Project Implementation Agreement in form and substance satisfactory to the Bank, has been executed and delivered;

(e) The Amendment Agreement No. 1 to the Funds Transfer Agreement to cancel the Tranche 2 of the Grant and to increase the Tranche 1 of the Grant by EUR 1,157,000 in form and substance satisfactory to the Bank, has been executed and delivered;

(f) The Recipient, shall have furnished, or cause to be furnished, to the Bank an opinion or opinions (in form and substance satisfactory to the Bank), of the Ministry of Justice of the Recipient showing that this Amendment Agreement No.1 has been duly authorised or ratified by, and executed and delivered on behalf of, the Recipient and constitute valid and legally binding obligations of the Recipient, enforceable in accordance with their terms.

Section 4. Representations and Warranties

(a) The Recipient represents and warrants to the Bank as follows:

(1) It has all requisite power and authority to execute, deliver and perform all of its obligations under this Amendment Agreement No. 1.

(2) It has taken all necessary action to authorise the execution, delivery and performance by it of this Amendment Agreement No. 1.

(3) This Amendment Agreement No. 1 has been duly executed and delivered by it and this Amendment Agreement No. 1, from the date of its signing, constitutes its valid and legally binding obligations, enforceable against it in accordance with their respective terms.

(4) All consents, authorisations and actions of any kind necessary for the valid execution, delivery and performance by it of this Amendment Agreement No. 1 and for the valid performance of the Original Grant Agreement as amended by this Amendment Agreement No. 1 have been obtained and are in full force and effect.

(5) The execution and delivery by it of this Amendment Agreement No. 1 and the performance by it of its obligations under this Amendment Agreement No. 1 do not require the consent or approval of any of its creditors and will not conflict with or constitute a breach or default under or violate any provision any agreement, law, rule, regulation, order, writ, judgement, injunction, decree, determination or award applicable to it.

(b) The Recipient acknowledges that it has made the foregoing representations and warranties with the intention of inducing the Bank to enter into this Amendment Agreement No. 1 and that the Bank has entered into this Amendment Agreement No. 1 on the basis of, and in full reliance on, each of such representations and warranties.

Section 5. Miscellaneous

(a) All references to "the Agreement" in the Original Grant Agreement and all reference to the "Original Grant Agreement" in all instruments and agreements executed thereunder shall refer to the Original Grant Agreement as amended by this Amendment Agreement No. 1.

(b) This Amendment Agreement No. 1 shall be executed in three counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

(c) This Amendment Agreement No. 1 shall be limited as written and nothing herein shall be deemed to constitute a waiver or any other term, provision or condition of the Original Grant Agreement in any other instance than as set forth herein or prejudice any right or remedy that any party hereto may have or may in the future have thereunder.

SCHEDULE

AMENDMENTS TO THE ORIGINAL GRANT AGREEMENT

The Original Grant Agreement shall be amended as follows:

1. *By the deletion of the paragraph (B) of the Preamble in its entirety, to be replaced by the following paragraph:*

“(B) The Recipient has requested assistance in financing the Kvemo Kartli Solid Waste Project, which is designed to upgrade solid waste collection and disposal in the municipalities of the Kvemo Kartli Region, namely the Municipality of Marneuli, Municipality of Bolnisi, Municipality of Dmanisi, Municipality of Tetrtskaro, Municipality of Tsalka”

2. *By the deletion of the paragraph (C) of the Preamble in its entirety, to be replaced by the following paragraph:*

“(C) On 12 May 2015, the Bank entered into the Loan Agreement (as amended by an amendment agreement No. 1 dated 7 June 2024) with the Recipient in its capacity as the Borrower, pursuant to which the Bank as the lender agreed to make a loan in the amount of EUR 10,300,000 (Tranche 2 in the amount of EUR 2,700,000 is being cancelled) for the financing of the Project, as described in Schedule 1 thereto (the "Project"), subject to the terms and conditions set forth in the loan agreement as may be amended from time to time (the "Loan Agreement").”

3. *By the deletion of the paragraph (D) of the Preamble in its entirety, to be replaced by the following paragraph:*

“(D) The proceeds of the Loan Agreement shall be on-lent by the Recipient to the Solid Waste Management Company of Georgia Ltd (the "Company"), for the implementation of the Project in accordance with the terms and conditions of a subsidiary loan agreement entered into between the Ministry of Finance of the Borrower, the Ministry of Regional Development and Infrastructure of the Borrower and the Company, as amended from time to time (the "Subsidiary Loan Agreement”).”

4. *By the deletion of the paragraph (E) of the Preamble in its entirety, to be replaced by the following paragraph:*

(E) On 12 May 2015, the Bank entered into the Project Implementation Agreement with the Company, as amended by the Amendment Agreement No. 1 to the Project Implementation Agreement (the "Project Implementation Agreement"), pursuant to which, in consideration for the Bank entering into the Loan Agreement and this Agreement, the Company agreed to carry out the Project in accordance with the terms and conditions of the Project Implementation Agreement.”

5. *By the deletion of the paragraph (F) of the Preamble in its entirety, to be replaced by the following paragraph:*

“(f) On 12 May 2015, the Bank entered into the Project Support and Implementation Agreement with the Project Municipalities (the "Project Support and Implementation Agreement"), pursuant to which, in consideration for the Bank entering into the Loan Agreement and this Agreement, the Project Municipalities agreed to support the carrying out by the Recipient of the Project in accordance with the terms and conditions of the Project Support and Implementation Agreement. As a result of the cancellation of Tranche 2 under the Loan Agreement, such Project Support and Implementation Agreement shall be terminated.

6. *By the amendments of Section 1.01 (Definitions) as follows:*

“Contractors” means the contractors and suppliers of good standing and repute to be engaged by the Company in connection with the procurement of goods, works and related services for the Project, including the Grant Financed Items, with each such contractor and supplier to be selected in accordance with Section 3.06 (Procurement) of this Agreement.

“Funds Transfer Agreement ” means the agreement to be entered into between the Company and the Ministry of Regional Development and Infrastructure of the Recipient pursuant to Section 3.08 (*Funds Transfer Agreement*) of this Agreement, as such agreement may be amended from time to time.

“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 and on-lent to the Company pursuant to the terms of the Subsidiary Loan Agreement.

Definition of “Project Support and Implementation Agreement” shall be deleted.

7. *By the deletion of paragraph (b) of Section 2.01 (Amount, Currency and Purpose) in its entirety, to be replaced as follows:*

“(b) The Grant Financing shall consist of one Tranche, as follows:

- a Tranche 1 of EUR 3,000,000.”

8. *By the deletion of paragraphs (c) and (d) of Section 2.01 (Amount, Currency and Purpose) in their entirety.*

9. *By the deletion of paragraph (h) of Section 2.01 (Amount, Currency and Purpose) in its entirety, to be replaced as follows:*

“(h) The Recipient shall make available the Grant Financing to the Company for the purpose of the Project under the same terms and conditions as set out in this Agreement”

10. *By the deletion of paragraph (a) (Last Availability Date of Grant Financing) of Section 2.02 (Disbursements) in its entirety, to be replaced as follows:*

“(a) Last Availability Date of the 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 31 December 2024 (the "Last Availability Date")"

11. *By the deletion of paragraph (c) (Conditions to Disbursement) of Section 2.02 (Disbursements) in its entirety.*
12. *By the deletion of the words "and/or Project Support and Implementation Agreement" in paragraph (b) of Section 3.01 (Cooperation and Information).*
13. *By the deletion of the words "and the Project Municipalities" in paragraph (a) of Section 3.02 (Responsibilities Relating to the Execution of the Project).*
14. *By the deletion of the words "the Project Support and Implementation Agreement" in paragraph (a)(1) of Section 3.02 (Responsibilities Relating to the Execution of the Project).*
15. *By the deletion of the words "no later than 12 May 2018;" in paragraph (a)4 of Section 3.02 (Responsibilities Relating to the Execution of the Project), to be replaced by the words "by no later than 31 March 2026;"*
16. *By the deletion of the words "and Section 2.06 (Environmental and Social Compliance Covenants) of the Project Support and Implementation Agreement" in Section 3.03 (Environmental and Social Compliance).*
17. *By the deletion of the words "and the Project Municipalities" in paragraph (b)(2) of Section 3.04 (Support Obligations of the Recipient).*
18. *By the deletion of the words "and Section 2.04 (Project Team for Tranche 2) of the Project Support and Implementation Agreement" in Section 3.05 (Project Team) (it being understood that the title of such section 3.05 shall be "Project Team").*
19. *By the deletion of the words "except that the contract for new waste collection points under Tranche 2 may be procured following local competitive tendering procedures acceptable to the Bank" in paragraph (a) of Section 3.06 (Procurement).*
20. *By the deletion of the words "and the Project Municipalities" in paragraph (a) of Section 3.08 (Funds Transfer Agreement) (it being understood that the title of such section 3.08 shall be replaced by "Funds Transfer Agreement" and the words "Funds Transfer Agreements" used in such section shall be replaced by "Fund Transfer Agreement").*
21. *By the deletion of the words "and the Project Municipalities" in paragraph (a) of Section 4.01 (Financial Records and Reports).*
22. *By the deletion of the paragraph (b) of Section 4.01 (Financial Records and Reports) in its entirety, to be replaced as follows:*

"(b) The Recipient shall cause the Company to ensure that the information furnished to the Bank by the Company, and records maintained by the Company, in compliance with the Company'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.”

23. *By the deletion of the words “and the Project Municipalities” in paragraph (c) of Section 4.01 (Financial Records and Reports).*
24. *By the deletion of the words “and the Project Municipalities” in the opening paragraph of Section 4.02 (Conduct of Business and Operations).*
25. *By the deletion of the words “and under the Project Support and Implementation Agreement” in the paragraph (a) of Section 4.02 (Conduct of Business and Operations).*
26. *By the deletion of the words “and/or Project Municipalities” in paragraph (a) of Section 4.03 (Taxes) (it being understood that the word “Fund Transfer Agreements” used in this section shall be replaced by “Fund Transfer Agreement”).*
27. *By the deletion of the words “and Project Municipalities” in Section 4.04 (Visibility).*
28. *By the deletion of the words “or the Project Municipalities” and “the Project Support and Implementation Agreement” in paragraphs (a)(1) and (a)(2) of Section 5.01 (Suspension) (it being understood that the words “Subsidiary Loan Agreements” shall be replaced by the words “Subsidiary Loan Agreement” and the words “Funds Transfer Agreements” shall be replaced by the words “Fund Transfer Agreement” in such Section).*
29. *By the deletion of the words “or a Project Municipality” and “or the Project Support and Implementation Agreement” in paragraph (a)(6) of Section 5.01 (Suspension).*
30. *By the deletion of the words “or a Project Municipality” and “or the Project Support and Implementation Agreement” in paragraph (a)(7) of Section 5.01 (Suspension).*
31. *By the deletion of the words “a Project Municipality” in paragraph (a)(10) of Section 5.01 (Suspension).*
32. *By the deletion of the words “a Project Municipality” in paragraph (d)(3) of Section 5.02 (Cancellation by the Bank).*
33. *By the deletion of the words “a Project Municipality” in paragraph (e) of Section 5.02 (Cancellation by the Bank).*

34. *By the deletion of the words “and/or the Project Municipalities” in the opening paragraph of Section 5.05 (Events of Refund).*
35. *By the deletion of the words “a Project Municipality” in paragraph (d) of Section 5.05 (Events of Refund).*
36. *By the deletion of the words “and the Project Municipalities have performed all of their obligations in accordance with the provisions of the Project Support and Implementation Agreement” in paragraph (a) of Section 7.05 (Termination on Performance).*
37. *By the deletion of the words “or the Project Municipalities” in paragraph (a)(2) of Section 8.05 (Indemnification).*
38. *By the deletion of the words “and/or a Project Municipality” in Section 8.08 (Disclosure).*
39. *By the deletion of the contact details of EBRD in Section 8.01 (Notices) in their entirety, to be replaced as follows:*

“For the Bank:

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

Attention: Banking Services
 Telephone: +44 20 7338 6000”

40. *By the deletion of Schedule 1 (The Grant Financed Items) in its entirety to be replaced as follows:*

SCHEDULE 1 - THE GRANT FINANCED ITEMS

The table below sets forth the Grant Financed Items and the amount of the Grant Financing allocated to each Grant Financed Item, subject to such modifications thereof as the Bank and the Recipient may agree upon from time to time:

	Grant Financed Items	Amount of the Grant Financing Allocated in EUR
Tranche 1		
1	Construction of New Landfill (including building and structures)	3,000,000

41. *By the deletion of Schedule 2 (Categories of Disbursement) in its entirety to be replaced as follows:*

SCHEDULE 2 - CATEGORIES OF DISBURSEMENT

1. The table below sets forth the Categories, the amount of the Grant allocated to each Category and the percentage of expenditures to be financed in each Category.
2. Notwithstanding the provisions of paragraph 1 above, no Disbursement shall be made in respect of expenditures incurred prior to the date of the Original Grant Agreement.

Category	Amount of the Grant Allocated in EUR	Percentage of Expenditures to be Financed
(1) Goods, works and services for the Grant Financed Items (Tranche 1 of the Project)	3,000,000	Up to 100% of Contract value excluding any Taxes
Total	3,000,000	

WITNESS WHEREOF, the parties hereto, acting through their duly authorised representatives, have caused this Amendment Agreement No. 1 to be executed and delivered in Tbilisi, Georgia on the date first above written.

GEORGIA

By 

Name: Lasha Khutsishvili
Title: Minister of finance of Georgia

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

By 

Name: Alkis Vryenios Drakinos
Title: Regional Director for Caucasus