

April 22, 2020

Ms. Ekaterine Tikaradze  
Minister of Internally Displaced Persons from  
the Occupied Territories, Labour, Health and Social Affairs  
Ministry of Internally Displaced Persons from  
the Occupied Territories, Labour, Health and Social Affairs  
Tbilisi, Georgia

***Subject: Georgia Emergency COVID-19 Project  
Hands-on Expanded Implementation Support and Bank Facilitated Procurement***

Dear Ms. Tikaradze,

We refer to the upcoming negotiations for a Financing Agreement to be entered into between the Government of Georgia and the International Bank of Reconstruction and Development (Bank) for the Georgia Emergency COVID-19 Project (Project).

In this context, we are pleased to notify you that the Bank approves your request for Hands-on Expanded Implementation Support (HEIS) under the Bank's procurement framework to support the Ministry of Internally Displaced People from the Occupied Territories, Labor, Health, and Social Affairs (MoILHSA) in its role as Project Implementation Unit in the context of the procurement of materials and equipment for the COVID-19 response of Georgia under the Project. The Bank will provide HEIS to MoILHSA in a manner consistent with its operational policies and procedures. Given the significant disruptions in the usual supply chains for medical consumables and equipment for the COVID-19 response, the Bank, at your request, may also provide proactive assistance in accessing existing supply chains through Bank Facilitated Procurement (BFP) under HEIS.

In particular, the Bank may provide the following support:

**A. BFP activities under HEIS:**

1. Conduct extensive market engagement and survey to identify available stock of the agreed list of critical medical consumables and equipment needed under this COVID19 response project (attached) in the quantities therein specified, as such agreed list may be updated from time to time in agreement with the Bank;
2. Assist MoILHSA in negotiating prices, delivery terms, and other contract conditions with identified suppliers;
3. Draft final award letters and/or contracts adapted to specific market conditions, on a fit-for-purpose basis and ensuring consistency with Bank's procurement framework; and
4. Provide additional hands-on support in contracting to outsource logistics.

**B. Other HEIS activities:**

1. Draft technical requirements and specifications, as requested by the MoILHSA;
2. Assist MoILHSA in drafting procurement documents; and

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3. Provide advice on evaluation procedures, participate as observers during negotiations, by only clarifying matters of the Bank Procurement Regulations.

The Bank will be providing BFP under HEIS to other client countries to aggregate demand for medical supplies across countries, whenever possible, and will conduct extensive market engagement to identify suppliers from the private sector, and to facilitate access to governments' and UN Agencies' stock. While the Bank will make every effort to assist Georgia in accessing these markets, it cannot guarantee a successful outcome.

While the Bank will facilitate access and coordinate closely with your government, full decision-making responsibility at every stage of the procurement process will rest with your government. In addition, you will be responsible for signing and implementing the contracts, including establishing relevant logistics with suppliers such as arranging the necessary freight/shipment of the goods to their destination, as well as receiving and inspecting the goods.

It is understood that the Bank will not be liable for any claims or demands from third parties or from your government related to any defect in quality or quantity of any goods, works or services to be procured by Georgia with support under the HEIS, the shipment or use of any goods, or otherwise.

Once the Financing Agreement is declared effective by the Bank, we may make payments on your behalf to the contractors, suppliers or consultants through the Bank's system of making Direct Payments from the proceeds of the financing, in accordance with the terms of the Financing Agreement.

Kindly countersign and return this letter of agreement to us. We look forward to working with you to address this global emergency.

Sincerely,



Sebastian Molineus  
Regional Director for the South Caucasus

Countersigned by:

**Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

cc: Mr. Ivane Matchavariani, Minister of Finance of Georgia  
Mr. Nikoloz Gagua, Deputy Minister of Finance of Georgia  
Ms. Tamar Gabunia, First Deputy Minister of Internally Displaced Persons from the  
Occupied Territories, Labour, Health and Social Affairs of Georgia  
Ms. Tamila Barkalaia, Deputy Minister of Internally Displaced Persons from the Occupied  
Territories, Labour, Health and Social Affairs of Georgia  
Mr. Koen Davidse, Executive Director, World Bank  
Mr. Jan de Boer, Adviser to Executive Director, the World Bank