

**AGREED MINUTES OF NEGOTIATIONS
AMONG GEORGIA AND
THE ASIAN INFRASTRUCTURE INVESTMENT BANK
REGARDING THE
GEORGIA COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS
PREPAREDNESS PROJECT**

Negotiations for proposed Asian Infrastructure Investment Bank (“AIIB”) loan for ninety one million three hundred and forty thousand Euros (€91,340,000) (hereinafter, the “Loan”) from the AIIB COVID-19 Crisis Recovery Facility to Georgia (the “Borrower”) for the proposed Georgia Emergency COVID-19 Response Project (the “Project”) were held between representatives of the Government of Georgia (the “Georgia Delegation”), representatives of the Asian Infrastructure Investment Bank (“AIIB Delegation”), (collectively referred to as, the “Delegations”). Representatives from the World Bank (“WB Delegation”) have participated as observers. Negotiations were held via video conference on May 7th, 2020, at time, with video connections with Tbilisi, Georgia, Bangalore, India, Kathmandu, Nepal, Beijing, China, Florida, New York and Washington, D.C., United States, Milan, Italy, Vrbanj, Croatia, and Santiago, Chile. The members of the Georgia Delegation, the AIIB Delegation, and the WB Delegation are listed in Attachment 1 to these Minutes of Negotiations.

I. Documents Reviewed

A. The Parties reviewed, discussed, and agreed upon the following documents, which were updated to reflect the agreements reached during negotiations: (i) draft Loan Agreement (Attachment 2), (ii) draft External Debt Letter (Attachment 3), and (iii) the draft Project Document (Attachment 4).

B. These Minutes of Negotiation are not a complete record of the issues discussed during negotiations, but are intended to record critical understandings reached between the Delegations regarding the aforesaid documents. Accordingly, the Delegations decided to record in writing the following clarifications:

II. Clarifications on the Loan Agreement.

The following issues were clarified in the draft Loan Agreement:

A. Loan Amount. The Georgia Delegation requested that the amount of the Loan be denominated in Euros. It was agreed that the Loan will be ninety one million three hundred and forty thousand Euros (€91,340,000).

B. Terms of the Loan (Article II and Schedule 3 to the LA): The Georgia Delegation has opted for a Variable Spread loan, commitment-linked level repayments, with interest payments payable on February 15th and August 15th of each year. The average maturity of the Loan is 19.46 years¹, including a 13 year grace period. The final amortization date is the February 15th of 2046. The financial terms selected by the Georgia Delegation have been reflected in the negotiated Loan Agreement. The AIIB Delegation explained that, on the basis of Georgia's option, the amortization of the principal indicated in the table of Schedule 3 to the Loan Agreement was based on an estimated presentation of the Loan to the Bank's Board on May 20, 2020. The AIIB Delegation explained that in the event that the date of the Bank's Board presentation is changed (either to an earlier or a later date) and it has an effect on the amortization schedule, the amortization schedule would be appropriately adjusted.

C. Disbursement Arrangements. The AIIB Delegation explained that the disbursement arrangements will follow the Co-Financing Framework Agreement signed between World Bank and AIIB in April 2016 (amended in April 2018). In that context, the Borrower will submit to the World Bank one single withdrawal applications for both World Bank and AIIB loans, using the same supporting documentation. The World Bank will then review the documentation and approve the withdrawal request using its own policies and procedures, and send to AIIB a disbursement notice to arrange for transfer of AIIB Loan proceeds as per its own standard practice. Upon receipt of a disbursement notice from the World Bank, AIIB will transfer the AIIB's portion of the requested funds to the Borrower within a few days based on prior experience after the transfer of World Bank. The Bank will also follow the DFIL (Disbursement and Financial Information Letter) provided by the World Bank. The AIIB will promptly notify the World Bank once the payment is executed.

D. Project Co-financiers' Agreement. The AIIB explained that a Project Co-Financiers' Agreement, defining the scope of cooperation and the modalities for the provision by World Bank (Co-financier) to AIIB of a number of services to facilitate the carrying out of the Project, would need to be concluded between the AIIB and the World Bank, before the Loan Agreement between the Borrower and AIIB. The Bank will inform the Borrower once the Project Co-financiers Agreement is signed.

E. Sharing of Legal Agreements with the Co-financier. The Borrower confirmed that the negotiated legal agreements can be shared with World Bank, the Co-financier, following the signing of these minutes.

¹ The average maturity was calculated considering May 31st, 2020 as the signing date for the Loan.

F. Disclosure of Information. AIIB's Board of Directors has adopted the Public Information Interim Policy since January 2016. Pursuant to this policy, after the Board approves the Project, the AIIB will disclose the Project Document.

G. Next Steps. The Project is planned for presentation to the AIIB's Board of Directors on May 20, 2020.

**On behalf of
Georgia**



Nikoloz Gagua
Deputy Minister
Ministry of Finance

**On behalf of
the Asian Infrastructure Investment
Bank**



Mehek Marwaha
Investment Operations Specialist

LIST OF ATTACHMENTS

1. List of participants
2. Negotiated Loan Agreement
3. Project Document
4. External Debt Letter

Attachment-1
List of Participants

Georgia Delegation

Ministry of Finance of Georgia:

Nikoloz Gagua, Deputy Minister

Natia Mshvidobadze, Deputy Head of Public Debt Management Department

Salome Chakvetadze, Head of European Integration and Programmes Division

Ministry of Economic and Sustainable Development of Georgia:

Ekaterine Mikabadze, Deputy Minister

Tsisnami Sabadze, Head of Economic Policy Department

Ministry of Justice of Georgia

Nino Kajaia, Head of Contract Expertise and Judicial Representation Department

Nino Mindiashvili, Deputy Head of Contract Expertise and Judicial Representation Department

National Bank of Georgia:

Ramaz Tepnadze, Leading Specialist

Ministry of Foreign Affairs of Georgia

Levan Tsurtsunias, Deputy Head of Department

Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia:

Tamar Gabunia, First Deputy Minister –

Tamila Barkalaia, Deputy Minister

AIIB Delegation

Mehek Marwaha, Investment Operations Specialist

Kishor Uprety, Principal Programming and Project Structuring Officer

Martin Naegele, Client Relations Officer

Haiyan Wang, Senior Finance Officer

Olga Dyakova, Senior Treasury Officer

Bernardita Saez, Senior Counsel

Ildiko Almasi, Social Development Specialist

Gerardo Pio Parco, Senior Environmental Specialist
Giacomo Ottolini, Principal Procurement Specialist
Benedetta Magnaghi, Procurement Associate
Yogesh Malla, Financial Management Specialist
Shiyan Chao, Public Health Specialist (Consultant)

World Bank Delegation

Abdulaziz Faghi, Program Leader for the Sustainable Development and Infrastructure