



28 November 2014

Mr. Rustam Azimov
First Deputy Prime Minister and Minister of Finance
Ministry of Finance
5 Mustaqillik Square
Tashkent, Republic of Uzbekistan

Dear Mr. Azimov:

Subject: Loan No. 3039-UZB: Housing for Integrated Rural Development Investment Program – Project 2—Amendment to Loan Agreement

1. We refer to the Loan Agreement (“Loan Agreement”) dated 11 October 2013, between the Republic of Uzbekistan (“Borrower”) and Asian Development Bank for the Housing for Integrated Rural Development Investment Program –Project 2 (“Project”). All capitalized terms used but not defined herein shall have the meaning given thereto in the Loan Agreement, unless the context requires otherwise.

2. Further to discussions between the Borrower and ADB, ADB approved on 26 November 2014 changes to the Project and proposes to amend the Loan Agreements as follows:

(a) The Table on Allocation and Withdrawal of Loan Proceeds in the Attachment to Schedule 3 of the Loan Agreement is hereby deleted and substituted by the table set out in the Schedule to this letter agreement.

(b) In Schedule 5 of the Loan Agreement, paragraph 2 is hereby amended to read as follows:

“2. The Borrower shall cause QQB to sell the construction materials, businesses/companies (comprising 12 brick companies and 1 door, window and roof factory, transferred by QQI to QQB) to independent third parties by 28 February 2015.”

(c) In Schedule 5 of the Loan Agreement, paragraph 6 is hereby amended to read as follows:

“6. The Borrower shall cause the PCBs to ensure that for each Qualified Subproject, at least 25% of the subproject costs shall be paid by the Qualified Subborrower. The remainder of such costs shall be financed by way of a

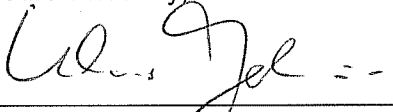
Subloan. (For the avoidance of doubt, the Subloan shall not finance any costs relating to QQI activities under the Rural Housing Scheme.) Each such Subloan approved by a PCB, for which a loan agreement is entered into between the PCB and a Qualified Subborrower, in 2013 shall comprise 70% of its amount from the PCB's funds and 30% of the amount from the proceeds of the Loan relented by the Borrower to the PCB. Each such Subloan approved by a PCB in 2014 shall comprise 50% of its amount from the PCB's funds and 50% of the amount from the proceeds of the Loan relented by the Borrower to the PCB."

3. Save and except to the extent set out in paragraph 2 above, the Loan Agreement remains unchanged.

4. Pursuant to ADB's Public Communications Policy (PCP) on disclosure and exchange of information, the amendments to the Loan Agreement will be posted on ADB's website within 2 weeks from the date that the amendments become effective, after removing any information that falls within the PCP exceptions as specified by the Borrower.

5. Please indicate the Borrower's concurrence to the amendments set out in paragraph 2 above and to the terms of this letter agreement by countersigning each of the two original of this letter agreement in the space indicated below. Please retain one signed original of this letter agreement for your records and return the other to ADB. The proposed amendments shall take effect on the date of receipt by ADB of a signed original of this letter agreement.

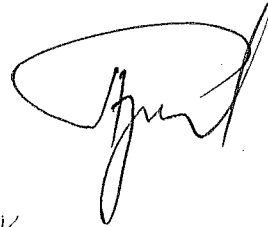
Yours sincerely,


 Klaus Gerhaeusser
 Director General

A. Accepted and agreed.

B. Confirmed that the amendments to the Loan Agreement do not contain information falling within the PCP exceptions.

For and on behalf of
 Republic of Uzbekistan

✓ 

Name: *Rustam Aximov*

Designation: *First Deputy Prime-Minister, Minister of Finance*

Date: *10 December 2014*

Attachment to Schedule 3 of the Loan Agreement

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Housing for Integrated Rural Development Investment Program – Project 2)			
No.	Item	Total Amount Allocated for ADB Financing (\$)	Percentage and Basis for Withdrawal from the Loan Account
1	Financing of Subloans (made by PCBs in 2014)**	198,560,000	50% of total expenditure claimed
2	Goods (Equipment and Office Supplies)	158,000	100% of total expenditure claimed*
3	Consulting Services (including Project Management Support)	1,282,000	100% of total expenditure claimed*
		200,000,000	

* Exclusive of taxes and duties imposed within the territory of the Borrower.

** Subject to the condition for withdrawal described in paragraph 5 of Schedule 3.