



AZRM/17-04-005

7 April 2017

Mr. Samir Sharifov  
Minister/ADB Governor  
Ministry of Finance  
Republic of Azerbaijan

Dear Governor:

**Subject: Loan No. 3116-AZE: Road Network Development Program –  
Project 4, Amendment to Loan Agreement**

1. We refer to the Loan Agreement dated 5 May 2014 ("Loan Agreement") between the Republic of Azerbaijan ("Borrower") and Asian Development Bank ("ADB") for the captioned project. All capitalized terms used but not defined herein shall have the meanings given thereto in the Loan Agreement unless the context otherwise requires.
2. Following a request from the Borrower dated 22 February 2017, ADB approved, on 20 March 2017, changes in the Project concerning its scope and allocation of loan proceeds. To give effect to the changes, ADB proposes that the Loan Agreement be amended as set out in the attachment hereto.
3. Save and except to the extent set out in the attachment, the Loan Agreement remains unchanged.
4. Pursuant to ADB's Public Communications Policy 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 the attachment hereto, and to the terms of this letter agreement, by countersigning each of the two originals of this letter agreement in the space indicated below. If you countersign, the Loan Agreement is hereby amended as in the attachment hereto. Please retain one fully signed original of this letter agreement for your records and return the other to ADB. The amendments shall take effect on the date of receipt by ADB of a fully signed original of this letter agreement.

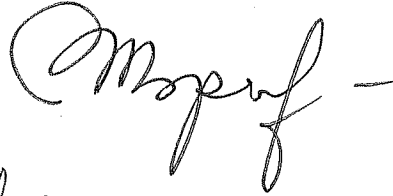
Sincerely,

Nariman Mannapbekov,  
Country Director

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 AZERBAIJAN



Name: MR. Samira Shariyeva

Designation: Minister of Finance

Date: 15 MAY 2017

cc: Mr. Saleh Mammadov, Chairman, "Azeravtoyol" OJSC  
Ms. Xiaohong Yang, Director, CWTC, Asian Development Bank



**Loan No. 3116-AZE: Road Network Development Program – Project 4**

**Amendment to Loan Agreement**

1. In Schedule 1, paragraph 3, a new sub-paragraph (d) shall be added as follows:

“(d) the improvement of the technical capacity of ARS for quality assurance and quality control, particularly through the provision of scientific and detailed testing equipment and research and development equipment for the construction of roads.”

The word “and” shall be deleted from the end of sub-paragraph (b) and added, instead, at the end of sub-paragraph (c).

2. In Schedule 3, the Table shall be deleted and replaced by the following:

<b>ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Road Network Development Program - Project 4)</b>				
<b>Number</b>	<b>Item</b>	<b>Total Amount Allocated for ADB Financing</b>		<b>Basis for Withdrawal from the Loan Account</b>
		<b>Category</b>	<b>Subcategory (\$)</b>	
1	Works	34,000,000		100% of total expenditure claimed*
2	Consulting Services	6,000,000		
2A	Design Review and Supervision		4,000,000	100% of total expenditure claimed*
2B	Project Management		2,000,000	100% of total expenditure claimed*
3	Goods	2,000,000		100% of total expenditure claimed*
4	Unallocated	3,000,000		
	<b>Total</b>	<b>45,000,000</b>		

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