

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT.
INTERNATIONAL DEVELOPMENT ASSOCIATION

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CONFORMED COPY

May 30, 2011

Mr. Kakha Baindurashvili
Minister of Finance
Ministry of Finance
70 Abashidze Street,
Tbilisi, Georgia

Mr. Kakha Baindurashvili

Re: Credit No. 4062-GE
Rural Development Project
Amendment to the Development Credit Agreement

We refer to the Development Credit Agreement (Credit No. 4062-GE) for the above-referenced Project, dated May 28, 2005 between Georgia (the Borrower) and the International Development Association (the Association) as amended (the Credit Agreement). We also refer to your letter dated April 1, 2011, requesting certain amendments to the Credit Agreement.

We are pleased to inform you that, after due consideration, the Association has agreed to amend the Credit Agreement as follows:

1. Section II (v) of the Annex to Schedule 4 to the Credit Agreement is amended to read as follows:

“(v) Maximum loan size. The maximum (cumulative) loan to any single PCB be 25% of the PCB’s capital and 70% of the NBF’s capital, unless otherwise agreed by the Association.”

2. All the terms and conditions of the Credit Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please confirm your agreement with the foregoing by signing, dating and returning to us the enclosed copy of this letter. This amendment shall become effective upon our receipt of the countersigned copy of this amendment letter and the written notification from the Borrower of the completion of necessary domestic procedures for the entry into force of this amendment.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/ Elene Imnadze
Acting Country Director for Georgia
South Caucasus Country Unit
Europe and Central Asia Region

AGREED AND CONFIRMED:

GEORGIA

By: /s/ Kakha Baindurashvili

Title: Minister of Finance

Date: June 3, 2011