



DECLARATION OF INTENT

on

CO-OPERATION IN THE FIELD OF FINANCING PROJECTS IN THE
AGRI-FOOD SECTOR

between

GEORGIA

and

THE EUROPEAN INVESTMENT BANK

21 May 2015

Riga

Georgia represented by the Ministry of Agriculture of Georgia ("**MoA**") and the European Investment Bank ("**EIB**") (each a "**Party**" and collectively the "**Parties**");

Considering that on 21 June 2007 Georgia and EIB signed a Framework Agreement governing EIB's activities in Georgia which continues in full force and effect between the Parties;

Having regard to the fact that in a letter to EIB dated 18 May 2015, the MoA expressed a formal interest in co-operating with EIB in exploring the possibility of establishing a facility to provide access to financing for selected value chains of the agri-food sector in Georgia in the context of the *Deep and Comprehensive Free Trade Area* constituted by the Association Agreement between Georgia and the European Union ("**Project**"); and

Desiring to commence preliminary consideration of possible forms the Project may take, the Parties declare as follows:

1. that the MoA, acting on behalf of Georgia, has confirmed its interest in the Project in its capacity as a Promoter and that the Project could focus on two already selected value chains, namely (i) horticulture (including nuts), (ii) wine sector;
2. that the Ministry of Finance of Georgia ("**MoF**") would support the Project in its capacity as a Borrower on behalf of Georgia;
3. that, subject to satisfactory appraisals, necessary approvals and the execution of loan documentation satisfactory to all Parties, the MoA has agreed with the MoF that up to 50% of the financing for the Project might be obtained through financing from EIB with the remainder being financed from external or domestic sources (including the final beneficiaries' own funds, additional commercial bank loans, other international financial institutions, available grants from various donors, and available budget resources);



4. that within the Project EIB would consider providing loans for the entire selected agri-food value chains (including private and public promoters), provided that any such funding passes a satisfactory appraisal fulfilling all EIB's eligibility criteria, receives all necessary approvals and is documented in a finance contract agreed to and duly executed by the relevant Parties.

The Parties currently envisage developing and agreeing an action plan for the implementation of the Project.

Each Party may withdraw from this Declaration of Intent at any time by giving the other Party one month's written notice of its withdrawal. The Declaration of Intent neither impinges upon the status of the Parties nor imposes any legal obligations on or creates any legal rights in any Party.

This Declaration of Intent does not and is not intended to impose binding obligations of any nature on any Party. Each Party acknowledges that nothing in this Declaration of Intent confers any legal right nor imposes any legal, financial or political obligations on any Party. In keeping with the administrative nature of this Declaration of Intent, no provision herein will be construed to interfere with the independent decision-making autonomy of any Party or, for the avoidance of doubt, as amending, varying or otherwise effecting the Framework Agreement. This Declaration of Intent shall not represent any commitment on the part of any Party to give preferential treatment to any other Party in any matter whatsoever. Nothing in this Declaration of Intent is intended to be, or will be construed as, a waiver of the privileges, exemptions and immunities of EIB which privileges, exemptions and immunities are hereby specifically reserved.

The Declaration is governed by and shall be construed in accordance with English law and is subject to the jurisdiction of the courts of England.

The Parties have signed the Declaration of Intent in four copies in the English language.

For
Georgia

O. Danelia

Minister of Agriculture of Georgia

For
the European Investment Bank

W. Molterer

Vice-President