REPORT NO.: RES33314

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
DJ GEOTHERMAL POWER GENERATION PROJECT
APPROVED ON JUNE 5, 2013
TO
MINISTRY OF ECONOMY AND FINANCE

ENERGY & EXTRACTIVES
MIDDLE EAST AND NORTH AFRICA

Regional Vice President: Hafez M. H. Ghanem
Country Director: Asad Alam
Senior Global Practice Director: Riccardo Puliti
Practice Manager/Manager: Erik Magnus Fernstrom
Task Team Leader: Roger Coma Cunill
I. BASIC DATA

Product Information

<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Project ID</th>
<th>Original EA Category</th>
<th>Current EA Category</th>
<th>Approval Date</th>
<th>Current Closing Date</th>
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<tbody>
<tr>
<td>Investment Project Financing</td>
<td>P127143</td>
<td>Partial Assessment (B)</td>
<td>Partial Assessment (B)</td>
<td>05-Jun-2013</td>
<td>31-Dec-2018</td>
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Organizations

<table>
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<th>Borrower</th>
<th>Responsible Agency</th>
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<tbody>
<tr>
<td>Ministry of Economy and Finance</td>
<td>EDD, EDD/PIU</td>
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Project Development Objective (PDO)

Original PDO

The objective of the Project is to assist the Recipient in assessing the commercial viability of the geothermal resource in Fiale Caldera within the Lake Assal region.

Summary Status of Financing

<table>
<thead>
<tr>
<th>Ln/Cr/Tf</th>
<th>Approval</th>
<th>Signing</th>
<th>Effectiveness</th>
<th>Closing</th>
<th>Net Commitment</th>
<th>Net Disbursed</th>
<th>Net Undisbursed</th>
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<tbody>
<tr>
<td>IDA-52620</td>
<td>05-Jun-2013</td>
<td>13-Oct-2013</td>
<td>02-Jul-2014</td>
<td>31-Dec-2018</td>
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Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No
II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

- The Project is currently on track to start drilling three 2,500 meter-depth full production-size wells at Fiale Caldera site on July 12, 2018. Despite accumulated implementation delays due to project design issues, Project Implementation Unit’s initial weak capacity and donor coordination challenges, the beginning of drilling operations marks a critical milestone for the project that should lead to the first test results by October 2018. The improvement in project implementation progress has been achieved thanks to the strengthening of the international technical team and donor partners’ cooperation which support the Project, i.e. African Development Bank (AfDB), French Development Agency (AFD), OPEC Fund for International Development (OFID) and World Bank. The final test results over the three wells are expected by March 2019, which will require a forthcoming extension of the Project closing date.

- The World Bank mobilized a US$ 6 million IDA credit (69% disbursed), a US$ 6.04 GEF grant (54% disbursed) and a US$ 1.1 ESMAP grant (0% disbursed) to co-finance the Project. The recipient-executed ESMAP grant closing date is June 30, 2018 and requires an extension until June 30, 2019 to allow for the completion of all required well tests. Thus, this restructuring is required to extend the ESMAP grant (TF 014765) closing date until June 30, 2019. The ESMAP grant finances testing equipment for the Project. A request for quotations for the ESMAP-financed testing equipment has been launched for the following 6 lots and offers are under evaluation since June 20, 2018:
  - Lot 1 : Flow Testing Equipment: $100,000
  - Lot 2 : Downhole pressure monitoring: $40,000
  - Lot 3 : Pressure Temperature (PT): $373,000.
  - Lot 4 : Generator and Lighting: $89,000
  - Lot 5 : Injection Equipment: $163,000.
  - Lot 6 : Laboratory Analysis: $110,000

- The ESMAP Manager cleared this recipient-executed TF extension on June 7, 2018.

- There are no overdue audits related to the ESMAP grant.

III. DETAILED CHANGES

LOAN CLOSING DATE(S)

<table>
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<tr>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Original Closing</th>
<th>Revised Closing(s)</th>
<th>Proposed Closing</th>
<th>Proposed Deadline for Withdrawal Applications</th>
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