Strategic Climate Fund
Scaling-up Renewable Energy Program (SREP) Grant Agreement

(Geothermal Exploratory Drilling Project)

between

REPUBLIC OF ARMENIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

acting as an Implementing Agency of the Scaling-up Renewable Energy Program under the Strategic Climate Fund

Dated June 16, 2015
GRANT AGREEMENT

AGREEMENT dated \textit{June 16}, 2015, entered into between:

REPUBLIC OF ARMENIA ("Recipient"); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Scaling-up Renewable Energy Program ("SREP") under the Strategic Climate Fund ("SCF").

The Recipient and the World Bank hereby agree as follows:

\textbf{Article I}
\textbf{Standard Conditions; Definitions}

1.01. The Standard Conditions constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix to this Agreement.

\textbf{Article II}
\textbf{The Project}

2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall cause the Project to be carried out by the Armenia Renewable Resources and Energy Efficiency Fund ("R2E2 Fund") in accordance with the provisions of the Subsidiary Agreement and Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

\textbf{Article III}
\textbf{The Grant}

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to eight million
five hundred fifty thousand United States Dollars ($8,550,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned Scaling-up Renewable Energy Program ("SREP") under the Strategic Climate Fund ("SCF") for which the World Bank receives periodic contributions from the donors to the trust fund ("Donors"). In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

(a) the R2E2 Fund Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the World Bank, the ability of the Recipient or the R2E2 Fund to perform any of their obligations under this Agreement or the Subsidiary Agreement (as the case may be);

(b) the R2E2 Fund has failed to comply with any of its obligations under the Subsidiary Agreement;

(c) IBRD or IDA has declared the R2E2 Fund ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that the R2E2 Fund has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the R2E2 Fund is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the R2E2 Fund has engaged in
fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier;

(d) as a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the R2E2 Fund will be able to perform its obligations under the Subsidiary Agreement; and

(e) the World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

**Article V**

**Effectiveness**

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

(b) The Subsidiary Agreement has been executed on behalf of the Recipient and the R2E2 Fund in a manner acceptable to the World Bank.

(c) The Recipient, through the R2E2 Fund, has adopted the Project Operational Manual in a manner acceptable to the World Bank.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing the following matters:

(a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and

(b) the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the R2E2 Fund and is legally binding upon each such party in accordance with its terms.
5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred eighty (180) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance of the Republic of Armenia
1 Melik-Adamyan Street
Yerevan 0010
Republic of Armenia

Telex: 243331 LADA SU
Facsimile: 37411800132

6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD
Telex: 248423 (MCI) or 1-202-477-6391
Facsimile: 64145 (MCI)
 AGREED at Yerevan, Armenia, as of the day and year first above written.

REPUBLIC OF ARMENIA

By

[Signature]

Authorized Representative

Name: Caagik Khachatryan
Title: Minister of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the
Scaling-up Renewable Energy Program under the Strategic Climate Fund

By

[Signature]

Authorized Representative

Name: Lauren E. Bailey
Title: COUNTRY MANAGER
SCHEDULE 1
Project Description

The objective of the Project is to confirm whether the geothermal resource at the Project Site is suitable for power generation and, if confirmed, to involve the private sector in the development of a geothermal power plant.

The Project consists of the following Phases:

Phase 1

A.1. Construction of Access Road and First Phase of Exploratory Drilling

A.1.1. Construction of access road and other associated infrastructure
Carrying out the following activities to facilitate the drilling activities under Phase 1 A.1.2 of the Project: (a) construction of a gravel road with sufficient length and width to allow for safe transportation of equipment and other materials to the Project Site; (b) preparation of rig pads for slim-size wells; and (c) installation of equipment and minor works at the water source.

A.1.2. Drilling of slim exploratory wells
Drilling of up to two slim-size wells.

A.2. Technical Assistance and Supervision

A.2.1. Well logging and well testing
Carrying out the following activities: during the implementation, and at the completion of, activity under Phase 1 A.1.2 above, including, inter-alia: (i) analyses of the cuttings from the borehole, well temperature, and pressure measurements; and (ii) gathering of essential data such as drilling progress and changes in temperature during, and at the end of, each drilling stage.

A.2.2. Technical supervision and support
(i) Providing technical assistance for the supervision of the activity under Phase 1 A.1.2 above; (ii) providing technical support in the review of the information obtained from the completion of the activity under Phase 1 A.2.1 above; (iii) providing other technical advice and support during the implementation of this Phase 1, as required by the R2E2 Fund; and (iv) preparing the Technical Report.

A.2.3. Project audit and Operating Costs
Carrying out Project audits and financing Operating Costs for Phase 1 of the Project.
Phase 2

B.1. Construction of Water Infrastructure, Rig Pads and Second Phase of Exploratory Drilling

B.1.1. Construction of Water Infrastructure and Rig Pad
Carrying out the construction of (i) infrastructure to supply water for the drilling activities under Phase 2 B.1.2. below; and (ii) a rig pad(s) for production-size well(s).

B.1.2. Drilling of production-size exploratory well
Drilling of at least one production-size well.

B.2. Technical Assistance and Supervision

B.2.1. Well logging, mud logging and well testing
Carrying out the following activities during implementation, and at the completion of, the activity under Phase 2 B.1.2. above, including, inter-alia: (i) analysis of the cuttings from the borehole, well temperature and pressure measurements; and (ii) gathering of data such as drilling progress and changes in temperature during, and at the end of, each drilling stage.

B.2.2. Feasibility study for a potential geothermal power plant
Carrying out a feasibility study of a potential geothermal power plant (excluding construction), which will include, inter-alia: (i) a technical viability assessment of a potential geothermal power plant; and (ii) an assessment of the economic and financial viability of a potential geothermal power plant.

B.2.3. Technical supervision and support
(i) Providing technical assistance for the supervision of the activity under Phase 2 B.1.2 above; (ii) providing technical support in the review of the information obtained from the completion of the activity under Phase 2 B.2.1 above; and (iii) providing other technical advice and support during the implementation of this Phase 2 as required by the R2E2 Fund.

B.2.4. Transaction advisory support
Providing advisory services to the Recipient on the design and implementation of a public-private partnership (PPP) scheme in the construction and operation of a potential geothermal power plant.

B.2.5. Project audit and operating costs
Carrying out Project audits and financing Operating Costs for Phase 2 of the Project.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient through its Ministry of Energy and Natural Resources shall have oversight of Project implementation in a manner satisfactory to the World Bank.

2. Without limitation to the provisions of Section 2.01 of this Agreement, the Recipient shall cause the R2E2 Fund to: (a) to carry out the Project in accordance with the Project Operational Manual; and (b) not to amend, abrogate, waive or fail to enforce any provision of the Project Operational Manual without the prior written agreement of the World Bank.

B. Implementation Arrangements

1. The Recipient shall cause the R2E2 Fund to implement the Project in accordance with the following provisions:

(a) The drilling of a second slim-size well referred to in Phase 1, activity A.1.2 of the Project, shall be carried out only after the R2E2 Fund has furnished evidence acceptable to the World Bank, that said activity is required under Phase 1 of the Project.

(b) If the findings and results of the Technical Report confirm Scenario 1, the World Bank shall, by notice to the Recipient, cancel any uncommitted Grant funds.

(c) Phase 2 of the Project shall be carried out only if the following applicable conditions have been met in a manner satisfactory to the World Bank:

(i) the Technical Report confirms Scenario 2; or

(ii) the Technical Report confirms Scenario 3 and the Recipient has furnished to the World Bank a Scenario 3 Request.

C. Subsidiary Agreement

1. For purposes of implementing the Project, the Recipient shall make the proceeds of the Grant available to the R2E2 Fund under a subsidiary agreement (“Subsidiary Agreement”) between the Recipient and the R2E2 Fund, under terms and conditions approved by the World Bank, which shall include, inter alia, the following:
(a) the obligation of the Recipient to provide the proceeds of the Grant to the R2E2 Fund on a grant basis;
(b) the obligations set forth under this Schedule as applicable to the R2E2 Fund;
(c) the obligation for the R2E2 Fund to carry out the Project in accordance with the Anti-Corruption Guidelines; and
(d) the obligation for the R2E2 Fund to hire and maintain procurement staff in adequate numbers and with qualifications and expertise acceptable to the World Bank.

2. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce the Subsidiary Agreement or any of its provisions.

D. Anti-Corruption

The Recipient shall, and shall cause the R2E2 Fund to, ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Safeguards

1. The Recipient shall cause the R2E2 Fund to, prior to the commencement of any Project activity involving Involuntary Resettlement under the Project:
   (a) prepare, adopt and disclose a RAP, acceptable to the World Bank, in accordance with the RPF;
   (b) immediately thereafter, implement the pertinent RAP in accordance with its terms, including full payment of compensation to all Displaced Persons, all in a manner acceptable to the World Bank.

2. The Recipient shall not, and shall cause the R2E2 Fund not to, amend, suspend or abrogate any of the provisions of the RPF and RAPs without the prior agreement of the World Bank.

3. The Recipient shall cause the R2E2 Fund to carry out activities under Phase 1 of the Project in accordance with the ESIA and the EMP, which instruments shall be included in the bidding documents for works under the Project in a manner satisfactory to the World Bank.
4. The Recipient shall cause the R2E2 Fund to, prior to the commencement of any activities under Phase 2 B.l. of the Project:

(a) (i) carry out an environmental and social assessment of said activities, and thereafter update the Environmental and Social Impact Assessment (ESIA) and the Environmental Management Plan (EMP), based on the results of, and in accordance with the ESIA all in a manner satisfactory to the World Bank; (ii) publicly re-disclose the updated ESIA and updated EMP and consult with local stakeholders as required by the ESIA; and (iii) include the updated EMP in the bidding documents for works under the Project in a manner satisfactory to the World Bank;

(b) to carry out the Project in accordance with the updated ESIA and the updated EMP; and

5. The Recipient shall not, and shall cause the R2E2 Fund not to, amend, suspend or abrogate any of the provisions of the ESIA, the updated ESIA, the EMP, or the updated EMP without the prior written approval of the World Bank.

6. For purposes of implementation of the technical assistance activities under the Project, the Recipient shall cause the R2E2 Fund to ensure that the terms of reference shall be satisfactory to the World Bank following its review thereof, and to that end said terms of reference shall duly incorporate the requirements of the World Bank’s Safeguards Policies then in force, including public disclosure and consultation, as applied to the advice conveyed through such technical assistance.

7. If the feasibility study carried out under Phase 2, activity B.2.2 of the Project confirms the viability of the operation of a geothermal power plant, and if the Recipient decides to proceed with the construction of a geothermal power plant, the Recipient shall, prior to said construction, carry out a separate environmental and social assessment, and thereafter prepare and adopt a separate environmental management plan, all under terms of reference acceptable to the World Bank, to evaluate the risks, and recommend mitigation measures for any future commercial investment.

F. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the
representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient, shall cause the R2E2 Fund to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

2. The Recipient shall cause the R2E2 Fund to prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank in accordance with the provisions of Section III of this Schedule.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall cause the R2E2 Fund to ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall cause the R2E2 Fund to ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall cause the R2E2 Fund to have the Financial Statements for the Project and the R2E2 Fund’s financial statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements, and the R2E2 Fund’s financial statements shall cover the period of one fiscal year of the R2E2 Fund.

4. Without limitation to the provisions of Section 2.07(c) of the Standard Conditions, the audited Financial Statements, and the R2E2 Fund’s financial statements for each such period shall: (a) be furnished to the World Bank not later than six (6) months after the end of such period; and (b) be made publicly available in a timely fashion and in a manner acceptable to the World Bank.
C. Technical Report and Scenario 3 Request

1. After the completion of Phase 1, and before implementing Phase 2 of the Project, the Recipient shall cause the R2E2 Fund to, no later than four (4) months after the completion of activities under Phase 1 of the Project, or by such later date as agreed with the World Bank, prepare and furnish to the World Bank a Technical Report, in form and substance satisfactory to the World Bank, which shall include, inter-alia: (i) a summary of all the findings and results from Phase 1 of the Project; (ii) confirmation as to whether the well(s) drilled under Phase 1, activity A.1.2 of the Project:

(a) have a reservoir temperature below 90 °C or another reservoir temperature as agreed by the World Bank ("Scenario 1"); or

(b) the nature of the geothermal resource is suitable for the future construction of a Flash Cycle Power Plant ("Scenario 2"); or

(c) the nature of the geothermal resource is suitable for the construction of a Binary Power Plant ("Scenario 3").

2. In the case that the Technical Report confirms the presence of Scenario 3, and if the Recipient decides to construct a Binary Power Plant in the future, the Recipient shall, no later than one (1) month after the submission of the Technical Report or by such later date as agreed with the World Bank, prepare and furnish to the World Bank a letter of request acceptable to the World Bank, which details the Recipient’s rationale for constructing a Binary Power Plant in the future and its justification for proceeding to Phase 2 of the Project ("Scenario 3 Request").

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants’ services; and

(b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan.
2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-Consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods and Works. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding of the Recipient may be used for procurement of goods and works for the Project, provided that the following provisions are complied with:</td>
</tr>
<tr>
<td>(i) entities in which the Recipient owns a majority shareholding shall not be invited to participate in tenders for the Recipient unless they are and can be shown to be legally and financially autonomous and operate under commercial law;</td>
</tr>
<tr>
<td>(ii) post-qualification criteria shall only pertain to past contract performance, financial, managerial and technical capabilities of bidders;</td>
</tr>
<tr>
<td>(iii) joint venture partners shall be jointly and severally liable for their obligations;</td>
</tr>
<tr>
<td>(iv) estimated contract prices shall not be advertised;</td>
</tr>
<tr>
<td>(v) no bids shall be rejected at bid opening. The opening procedures shall comply with conditions of paragraph 2.45 of the Procurement Guidelines;</td>
</tr>
<tr>
<td>(vi) no bids shall be rejected solely because they exceed the estimated price. Bids can be cancelled and new bids invited, only if the conditions of paragraphs 2.61- 2.64 of the Procurement Guidelines are met;</td>
</tr>
</tbody>
</table>
Procurement Method

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(vii)</td>
<td>all bid evaluation criteria shall be quantifiable in monetary terms or expressed as a pass/fail criteria; and</td>
</tr>
<tr>
<td>(viii)</td>
<td>any modification of a contract subject to the World Bank’s prior review shall comply with paragraph 3 of the Appendix 1 to the Procurement Guidelines.</td>
</tr>
<tr>
<td>(b)</td>
<td>Shopping</td>
</tr>
<tr>
<td>(c)</td>
<td>Direct Contracting</td>
</tr>
</tbody>
</table>

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the
Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the Category, the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services and Operating Costs under the Project</td>
<td>8,550,000</td>
<td>80%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>8,550,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is May 31, 2019.
APPENDIX
Definitions


2. “Binary Power Plant” means a geothermal power plant used to generate electricity from low or medium temperature geothermal fluids and from the waste hot fluids coming from separators in liquid-dominated geothermal fields.

3. “Category” means a category sent forth in the table in Section IV of Schedule 2 to this Agreement.


5. “Displaced Person” means any person who suffers direct economic and social impacts as a result of Involuntary Resettlement.

6. “Environmental Management Plan” or “EMP” means the environmental management plan, included in the ESIA and satisfactory to the World Bank, which sets forth, inter alia, measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of activities under the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as the same may be amended and supplemented from time to time with the prior approval of the World Bank.

7. “Environmental and Social Impact Assessment” or “ESIA” means the Recipient’s environmental and social impact assessment report for the Project, satisfactory to the World Bank and disclosed in the Recipient’s territory and published in the InfoShop on April 14, 2015, which sets forth, inter alia, the mitigating, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce potential adverse environmental and social impacts to levels acceptable to the World Bank.

8. “Flash Cycle Power Plant” means a geothermal power plant that uses a conventional steam cycle to generate power from fluid or steam.

9. “Involuntary Resettlement” means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (i) standard of living adversely affected; or (ii) right, title or interest in any house, land (including...
premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

10. “Operating Costs” means the incremental expenditures incurred on account of the Project implementation such as salaries of the R2E2 Fund’s staff members assigned to work on the Project, (excluding any salaries for the Recipient’s civil servants), office supplies, minor office equipment, field trips, non-durable materials, utilities, vehicles, operation and maintenance costs, mass media and printing costs, in-country and international travel costs, communication costs, reasonable banking charges and other costs directly associated with Project implementation and acceptable to the World Bank.


12. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 29, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

13. “Project Operational Manual” means the R2E2 Fund’s manual acceptable to the World Bank, including all appendices and schedules thereto, and setting forth the policies and procedures that apply to the carrying out of the Project, which include, inter alia: (a) the roles and responsibilities of the R2E2 Fund; (b) the staffing requirements for the Project; (c) the estimated implementation schedule; (d) procedures for accessing, disbursing and accounting for funds under the Project; (e) procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports; and (f) procurement and financial management procedures, as the same may be amended from time to time with the prior written approval of the World Bank.

14. “Project Site” means the geographic area, known as Karkar, located in the Recipient’s Southern Syunik region.

15. “R2E2 Fund” means the Armenia Renewable Resources and Energy Efficiency Fund, established within the Recipient’s territory, pursuant to the R2E2 Fund Legislation.

16. “R2E2 Fund Legislation” means the Recipient’s Decrees No. 799-N dated April 28, 2005 and No. 1626-N dated September 22, 2005, including the R2E2 Fund’s charter, as amended to the date of this Agreement.
17. "Resettlement Action Plan" or "RAP" means any site-specific resettlement action plan, acceptable to the World Bank, containing, inter alia, a program of actions, measures and policies for compensation of Displaced Persons, including compensation arrangements, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular compliance with, its terms for each site; and "RAPs" means more than one such RAP.

18. "Resettlement Policy Framework" means the Recipient’s framework acceptable to the World Bank, disclosed in the Recipient’s territory and published in the World Bank InfoShop on April 14, 2015, which sets forth, inter alia, the principles and objectives governing resettlement preparation and implementation, and a description of the process for preparing and approving RAPs under the Project (as defined herein).

19. "Scenario I" means the scenario defined in Section II.C.1(a) of Schedule 2 to this Agreement.

20. "Scenario 2" means the scenario defined in Section II.C.1(b) of Schedule 2 to this Agreement.

21. "Scenario 3" means the scenario defined in Section II.C.1(c) of Schedule 2 to this Agreement.

22. "Scenario 3 Request" means the letter to be prepared by the Recipient and furnished to the World Bank pursuant to Section II.C.2 of Schedule 2 to this Agreement.


24. "Subsidiary Agreement" means the agreement referred to in Section I.C.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the World Bank.

25. "Technical Report" means the report referred to in Section II.C.1 of Schedule 2 to this Agreement.

26. "World Bank Safeguards Policies" means the World Bank’s operational policies and procedures then in force, and which currently are set forth in the World Bank’s Operational Manual under OP/BPs 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60 as said manual is published under www.WorldBank.org/opmanual.