

Սույնով հավաստվում է, որ կցված տեքստը Հայաստանի Հանրապետության և ՕՊԵԿ-ի միջազգային զարգացման հիմնադրամի միջև «Կանաչ, դիմակայուն և ներառական զարգացման ծրագիր» վարկային համաձայնագրի՝ Հայաստանի Հանրապետության արտաքին գործերի նախարարության միջազգային պայմանագրերի պահոցում (դեպոզիտում) պահվող բնօրինակի նույնական պատճենն է:

**Հայաստանի Հանրապետության
արտաքին գործերի նախարարության
միջազգային պայմանագրերի և
իրավունքի վարչության պետ՝**



S. Leviny
Նելլի Սարոյան



LOAN NO. 15659P

GREEN, RESILIENT AND INCLUSIVE DEVELOPMENT PROGRAM

LOAN AGREEMENT

BETWEEN

THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

AND

THE REPUBLIC OF ARMENIA

The OPEC Fund for International Development

AGREEMENT between the OPEC Fund for International Development ("OPEC Fund") and the Republic of Armenia ("Borrower").

Whereas, the Borrower, in collaboration with the World Bank, has designed the Sustainable Development Program with a view to promoting green, resilient and inclusive development in Armenia;

Whereas, in furtherance of the foregoing, the Borrower transmitted a development policy letter to the OPEC Fund dated March 7, 2023 highlighting the objectives, policies and actions under the program, and requested a loan from the OPEC Fund for part financing of the Green, Resilient and Inclusive Development Program, as described in Schedule 1 ("Program");

Whereas, the OPEC Fund has approved a loan to the Borrower in the amount of fifty million Euros (€50,000,000) upon the terms and conditions set forth hereinafter ("Loan"); and

Whereas, the OPEC Fund has decided to provide the Loan on the basis, *inter alia*, of the: (a) actions that the Borrower has already taken under the Program and which are described in Schedule 1; and (b) Borrower's maintenance of an adequate macroeconomic policy framework.

Now, therefore, the parties to this Loan Agreement ("Agreement") hereby agree as follows:

Article 1

GENERAL CONDITIONS; DEFINITIONS

1.01 The General Conditions attached hereto shall constitute an integral part of this Agreement.

1.02 In addition to the terms defined in the preamble, the following terms and expressions shall have the following meanings or, where they duplicate terms and expressions in the General Conditions, the following specific meanings:

(a) "Authorized Representative" of the Borrower means its Minister of Finance;

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- (b) "Closing Date" means December 31, 2024, or such other date as the OPEC Fund in its sole discretion shall approve;
- (c) "Date of Repayment" means the date of each semi-annual repayment of the Loan as set forth in Schedule 3;
- (d) "Eligible Expenditure" means any utilization of the Loan proceeds in support of the Program, which is acceptable to the OPEC Fund;
- (e) "EURIBOR" means, for each Interest Period, the Euro Interbank Offered Rate applicable to the Euro as determined by the European Banking Federation (FBE) as of 11:00 a.m. CET. Notwithstanding, if the rate determined in accordance with the foregoing text of this definition is below zero, "EURIBOR" shall be deemed to be zero. Furthermore, if the OPEC Fund determines that (i) EURIBOR has permanently ceased to be quoted for the relevant currency, or (ii) the OPEC Fund is no longer able, or it is no longer commercially acceptable for the OPEC Fund, to continue to use EURIBOR for purposes of its asset and liability management, the OPEC Fund shall apply such other reference rate for the relevant currency, including any applicable spread, as it may reasonably determine. The OPEC Fund shall promptly notify the Borrower of such other rate and related amendments to the provisions of the Loan Agreement, which shall become effective as of the date of such notice;
- (f) "Euro" and the sign "€" mean and refer to the lawful currency of the European Monetary Union;
- (g) "Executing Agency" means the Borrower's Ministry of Finance;
- (h) "General Conditions" means the General Conditions Applicable to Public Sector Loan Agreements, June 2019;
- (i) "Grace Period" means the period beginning on the Date of the Agreement and ending five (5) years from that date;
- (j) "Interest Determination Date" means the second Business Day before the beginning of each Interest Period;
- (k) "Interest Payment Date" means any day on which interest is due and payable on the Loan in any year, provided that, if any such day is not a Business Day, the Interest Payment Date which would otherwise fall on that day will fall on the next Business Day;
- (l) "Interest Period" means each six (6) months' period (or such period as will enable any following Interest Determination Dates and related Interest Payment Dates to coincide with the Interest Determination Date of the immediately preceding withdrawal) beginning on an Interest Payment Date and ending on the day before the next Interest Payment Date, except in the

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case of the first Interest Period applicable to the withdrawal when it means the period beginning on the date on which the withdrawal is made and ending on the day before the next Interest Payment Date; and

- (m) "Interest Rate" means the rate of interest payable on the Loan, determined in accordance with Section 2.02.

* * *

Article 2 THE LOAN

2.01 The OPEC Fund agrees to lend to the Borrower and the Borrower agrees to borrow from the OPEC Fund the Loan in the amount of fifty million Euros (€50,000,000) on the terms and conditions set forth in this Agreement.

2.02 For the purposes of this Loan:

(a) The Interest Rate, for any Interest Period, shall be the rate that is the sum of six (6) months EURIBOR plus one and sixty-one hundredths per cent (1.61%) per annum on amounts withdrawn and outstanding.

(b) During each Interest Period, the Loan shall bear interest at the Interest Rate, as determined under this Section.

(c) Interest shall accrue from day to day and be pro-rated on the basis of a three hundred and sixty (360) day year for the actual number of days in the relevant Interest Period and is payable in arrears on the Interest Payment Date immediately following the end of that Interest Period.

(d) The determination by the OPEC Fund of Interest Rates is final and conclusive and binds the Borrower, unless the Borrower shows to the satisfaction of the OPEC Fund that the determination involves a clerical error.

2.03 The Borrower shall pay a commitment fee at the rate of a quarter of one per cent (0.25%) per annum on the unwithdrawn amount of the Loan, which fee shall begin to accrue sixty (60) days from the Date of the Agreement and shall be payable in the first instance within ninety (90) days from the Date of Effectiveness. For the avoidance of doubt, no commitment fee shall be payable if the Agreement is terminated for failure to become effective.

2.04 The Borrower shall pay a front-end fee of a quarter of one per cent (0.25%) of the Loan, payable within ninety (90) days from the Date of Effectiveness.

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2.05 Interest and commitment fee (except the first payment, which shall be made as stipulated in Section 2.03) shall be paid semi-annually on April 15 and October 15 in each year into the OPEC Fund Account.

2.06 The Borrower shall repay the principal of the Loan in Euros, or in any other freely convertible currency acceptable to the OPEC Fund in an amount equivalent to the Euro amount due according to the market exchange rate prevailing at the time and place of repayment. Repayment shall commence immediately following the end of the Grace Period and shall be effected in thirty (30) semi-annual instalments each in an amount determined by the OPEC Fund as specified in Schedule 3 (AMORTIZATION) for the respective Date of Repayment.

2.07 The Date of the Agreement shall be the date on which it is signed and dated by the authorized representative of the party last to sign and date the same.

* * *

Article 3 EFFECTIVENESS

3.01 This Agreement shall enter into force and effect in accordance with Section 3.02 upon receipt by the OPEC Fund of:

(a) satisfactory evidence that the execution and delivery of this Agreement on behalf of the Borrower have been duly authorized and ratified according to the legislative requirements of the Borrower; and

(b) a legal opinion issued by the Minister of Justice of the Republic of Armenia confirming that this Agreement has been duly authorized and ratified by the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms.

3.02 As soon as possible after the conditions specified in Section 3.01 have been satisfactorily fulfilled, this Agreement shall enter into full force and effect on the Date of Effectiveness.

3.03 If this Agreement does not become effective within one hundred and eighty (180) days after the Date of the Agreement, the Agreement and all obligations of the parties hereunder shall terminate, unless the OPEC Fund, after consideration of the reasons for the delay, establishes a later date for the purposes of this Section.

* * *

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Article 4 THE PROGRAM

4.01 The Borrower declares its commitment to the Program and its implementation. To this end, and further to Article 7.06 of the General Conditions:

(a) the Borrower and the OPEC Fund shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in implementing the Program;

(b) prior to each exchange of views, the Borrower shall furnish to the OPEC Fund for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the OPEC Fund shall reasonably request; and

(c) without limitation upon Paragraph (a) of this Section, the Borrower shall promptly inform the OPEC Fund of any situation that would have the effect of materially reversing the objectives of the Program or of any action taken under the Program, including the actions specified in Schedule 1 to this Agreement.

* * *

Article 5 EXECUTION OF THE LOAN AND DISBURSEMENT

5.01 The proceeds of the Loan shall be used for the purposes specified in Schedule 1 to this Agreement and acceptable to the OPEC Fund.

5.02 No disbursement shall be made unless the OPEC Fund is satisfied with the: (a) evidence submitted regarding the achievement of the prior actions specified in Schedule 1 to this Agreement; (b) progress of the Program being carried out by the Borrower; and (c) adequacy of the Borrower's macroeconomic policy framework.

5.03 The Loan shall be disbursed as a single tranche further to effectiveness declaration of the Loan, satisfactory fulfilment of the conditions specified in Section 5.02 above, and the Borrower's withdrawal request. Disbursement shall be made in accordance with relevant sections of this Agreement, including

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Schedule 2 - Loan Allocation, the General Conditions and the OPEC Fund's Disbursement Procedures.

5.04 The Borrower shall nominate an account ("Loan Account") and the proceeds of the Loan shall be transferred by the OPEC Fund to the Borrower's Loan Account through the Borrower's Single Treasury Account held with the Central Bank of Armenia, the details of which will be duly notified by the Borrower to the OPEC Fund in the withdrawal request. The Loan proceeds shall be deemed to have been withdrawn by the Borrower from the date of transfer. Any interest accruing from the Loan Account shall not constitute part of the principal Loan amount for the purposes of repayment of the Loan.

5.05 The Borrower's Authorized Representative, or such other person(s) designated by the Borrower and communicated to the OPEC Fund, shall be authorized to make withdrawals from the Loan Account.

5.06 The Borrower, within thirty (30) days after the withdrawal of the Loan from the Loan Account, shall provide to the OPEC Fund: (a) the record that an equivalent amount has been accounted for in the Borrower's budget management systems; and (b) the statement of receipts and disbursement of Loan Account in relation to the Loan proceeds. Further, upon request of the OPEC Fund, the Borrower shall provide the audit report of state budget quarterly execution carried out by the RA Audit Chamber.

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Article 6 ADDRESSES

6.01 The parties' addresses are as specified below:

For OPEC Fund:

The OPEC Fund for International Development
Parking 8
A-1010 Vienna
AUSTRIA
Facsimile: (+43-1) 513 92 38

For the Borrower:

Ministry of Finance
1 Melik-Adamyan
Yerevan
ARMENIA
Tel: +37411 800 333

* * *

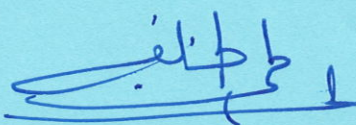
The OPEC Fund for International Development

LOAN NO. 15659P

IN WITNESS whereof the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed and delivered by exchange of correspondence in two counterparts in the English language, each considered an original and both to the same and one effect as of the Date of the Agreement.

FOR THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT:

Signature: _____



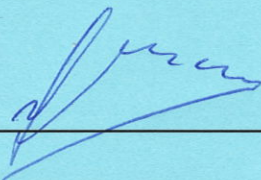
Name: Dr. Abdulhamid Alkhalifa

Title: Director-General

Date: October 3, 2023

FOR THE BORROWER:

Signature: _____



Name: HE Vahe Hovhannisyan

Title: Minister of Finance

Date: October 23, 2023

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The OPEC Fund for International Development

REPUBLIC OF ARMENIA GREEN, RESILIENT AND INCLUSIVE DEVELOPMENT PROGRAM

SCHEDULE 1 PROGRAM DESCRIPTION

1.01 The objective of the Program is to promote green, resilient and inclusive development in Armenia by fostering climate change mitigation and adaptation, improving environmental management and energy efficiency, enhancing equity and promoting human capital development, and strengthening governance.

2.01 The Loan is provided in support of the Program, specifically the prior actions the Borrower has taken under three (3) pillars of the reform agenda, as elaborated below:

(a) Pillar 1: Fostering climate change mitigation and adaptation, and improving the regulatory framework for environmental management; comprising the following prior actions:

- (i) **Prior Action 1 - Climate-Informed Public Investment Management:** To strengthen the public investment management system and enhance climate focus, the Borrower, through the Government, has issued climate change screening requirements consistent with international standards for public investment projects prior to Public Investment Committee approval, as evidenced by Government Decree No. 175-N on *"Approving the procedure for identification, development, appraisal and prioritization of public investment projects"* dated February 9, 2023 signed by the Prime Minister, published in the Armenian Legal Information System on February 10, 2023).
- (ii) **Prior Action 2 - Promoting Energy Efficiency:** To promote energy efficiency, the Borrower, through the Government, has: (a) approved the Program on Energy Saving and Renewable Energy for 2022-2030 that regulates directions, goals and targets of energy saving and renewable energy policies for 2022-2030, as well as an action plan including measures to ensure achievement of the set targets, as evidenced by Government Decree No. 398-L dated March 24, 2022, published in the Armenian Legal Information System on March 26, 2022; and (b) approved the Program to support Energy-Efficient Renovation of Apartments and Dwelling Houses, which defines the rules on eligibility and support amount, loan terms, and the implementation procedure, as evidenced by (i) Decree No. 520-L dated April 15 as amended, published in the

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Armenian Legal Information System on April 19, 2022; (ii) Decree No. 775-L, dated May 26, 2022, published in the Armenian Legal Information System on May 30, 2022; and (iii) Decree No. 1459-L, dated September 22, 2022, published in the Armenian Legal Information System on September 22, 2022).

- (iii) **Prior Action 3 - Atmospheric Air Protection:** To improve the monitoring of atmospheric air pollution, the Borrower, through the Government, has approved and submitted for approval by the National Assembly an amendment to the Law on Atmospheric Air Protection to provide the framework for monitoring atmospheric air pollution and Greenhouse Gas (GHGs), and sharing information with the public, consistent with climate, health, social and welfare needs, as evidenced through Government Decree No. 1122-A dated July 21, 2022, signed by the Prime Minister, published in the Armenian Legal Information System website, effective on July 22, 2022).
- (iv) **Prior Action 4 - Environmental Impact Assessment:** To effectively prevent and reduce the impact of planned economic activities on the environment and human health, the Borrower, through the Government, has approved and submitted for approval by the National Assembly an amendment to the Law on Environmental Impact Assessment and Expert Appraisal, which defines the activities subject to, and the scope of, environmental impact assessments, and the institutions responsible for the review process, as evidenced through Government Decree No. 157-A dated February 9, 2023, signed by the Prime Minister, published in the Armenian Legal Information System website, effective on February 10, 2023.

(b) Pillar 2: Enhancing Equity and Promoting Human Capital Development, comprising the following prior actions:

- (i) **Prior Action 5 - Improving the targeting of the social assistance system:** To improve the targeting of social assistance, the Borrower, through the Government, has approved the 2021-2026 Action Plan of the Government of the Republic of Armenia which includes an action supporting the deployment of a new family vulnerability assessment system, as evidenced by Government Decree No. 1902-L dated November 18, 2021, signed by the Prime Minister, published in the Armenian Legal Information System website on November 24, 2021.
- (ii) **Prior Action 6 - Introducing a new competency-based curriculum guided by learning outcomes:** To improve learning outcomes in the education system, the Borrower, through the

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Government, has approved and submitted for approval by the National Assembly the State Education Development Programme of the Republic of Armenia until 2030, which includes among its strategic areas the adoption of a new competency-based curriculum guided by learning outcomes, with a focus on strengthening Science, Technology, Engineering and Mathematics subjects, green education, and foreign languages, as evidenced by Government Decree No. 1174-A dated July 28, 2022, signed by the Deputy Prime Minister, published in the Armenian Legal Information System website, effective on August 3, 2022.

(c) Pillar 3: Strengthening the anti-corruption framework and justice sector efficiency, comprising the following prior actions:

- (i) **Prior Action 7 - Evaluation of State Aid:** To limit anticompetitive effects of state subsidies in a manner consistent with good international practices, the Borrower, through the Competition Protection Commission, has approved rules that will apply for the evaluation of state aid, including: (a) the analytical steps required to identify distortive state aid; and (b) the categories and conditions under which distortive state aid can be granted, including environmental reasons, as evidenced by the Competition Protection Commission Resolution No. 270-N on Defining the Rules of Evaluation of State Aid and Revoking Resolution No. 393-N of the Competition Protection Commission of December 28, 2021, dated July 26, 2022, effective on August 1, 2022, published in the Armenian Legal Information System website on July 29, 2022.
- (ii) **Prior Action 8 - Justice and Anti-Corruption:** To implement its Anti-Corruption Strategy and its Justice Sector Reform Strategy, the Borrower, through the Government, has submitted for approval by the National Assembly: (a) amendments to the Law on the Whistleblowing System, which aim to improve the reporting channels, including to the Corruption Prevention Commission, and ensure a broader range of protection mechanisms for people reporting corruption situations, as evidenced through Government Decree No. 1246-A dated August 11, 2022, published in the Armenian Legal Information System website, effective on August 12, 2022; (b) amendments to the Law on Public Service, which aim to improve reporting and monitoring of gifts received by public servants, as evidenced through Government Decree No. 1299-A dated August 18, 2022, signed by the Prime Minister, published in the Armenian Legal Information System website, effective on August 19, 2022; and (c) amendments to the Law on Mediation, which aim to reform the mediation system and establish mandatory mediation regulations for certain types of cases, as evidenced through Government

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Decree No. 795-A dated June 2, 2022, signed by the Prime Minister, published in the Armenian Legal Information System website, effective on June 3, 2022.

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The OPEC Fund for International Development

REPUBLIC OF ARMENIA

GREEN, RESILIENT AND INCLUSIVE DEVELOPMENT PROGRAM

SCHEDULE 2

LOAN ALLOCATION

1.01 Unless otherwise agreed between the Borrower and the OPEC Fund, the entire Loan proceeds shall be disbursed as a single tranche in support of the Program specified in Schedule 1 to this Agreement.

Loan Allocation	Amount (EUR)
Single withdrawal tranche	50,000,000

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The OPEC Fund for International Development

REPUBLIC OF ARMENIA GREEN, RESILIENT AND INCLUSIVE DEVELOPMENT PROGRAM

SCHEDULE 3 AMORTIZATION

1.01 The following table sets forth the Dates of Repayment of the Loan and the percentage of the principal amount of the Loan due and payable (Amount Due) on each Date of Repayment. If the proceeds of the Loan have been fully withdrawn as of the first Date of Repayment, the principal amount of the Loan repayable by the Borrower on each Date of Repayment shall be determined by the OPEC Fund by multiplying: (a) the total amount of the Loan withdrawn and outstanding as of the first Date of Repayment; by (b) the percentage of the Amount Due specified below for each Date of Repayment.

<u>No.</u>	<u>Date of Repayment</u>	<u>Amount Due</u> (Expressed in Percentage)
1	October 15, 2028	3.33
2	April 15, 2029	3.33
3	October 15, 2029	3.33
4	April 15, 2030	3.33
5	October 15, 2030	3.33
6	April 15, 2031	3.33
7	October 15, 2031	3.33
8	April 15, 2032	3.33
9	October 15, 2032	3.33
10	April 15, 2033	3.33
11	October 15, 2033	3.33
12	April 15, 2034	3.33
13	October 15, 2034	3.33
14	April 15, 2035	3.33
15	October 15, 2035	3.33
16	April 15, 2036	3.33
17	October 15, 2036	3.33
18	April 15, 2037	3.33
19	October 15, 2037	3.33
20	April 15, 2038	3.33
21	October 15, 2038	3.33
22	April 15, 2039	3.33
23	October 15, 2039	3.33
24	April 15, 2040	3.33
25	October 15, 2040	3.33
26	April 15, 2041	3.33
27	October 15, 2041	3.33
28	April 15, 2042	3.33
29	October 15, 2042	3.33
30	April 15, 2043	3.43
	<u>Total</u>	100

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2.01 In the event that the Loan proceeds have not been fully withdrawn as of the first Date of Repayment, the principal amount of the Loan repayable by the Borrower on each Date of Repayment shall be determined as follows:

- (a) To the extent that any amount of the Loan proceeds have been withdrawn as of the first Date of Repayment, the Borrower shall repay the Loan amount withdrawn and outstanding as of the first Date of Repayment in accordance with Section 1.01 of this Schedule.
- (b) Any withdrawal made after the first Date of Repayment shall be repaid on each Date of Repayment falling after the date of such withdrawal in amounts determined by the OPEC Fund as follows: amount of the withdrawal multiplied by a fraction, the numerator of which shall be the percentage specified in the table in Section 1.01 of this Schedule for such Date of Repayment and the denominator of which shall be the sum of all remaining percentages for Dates of Repayment falling on and after such date.

3.01 Withdrawals made within sixty-five (65) calendar days prior to any Date of Repayment shall, for the purposes solely of calculating the amount of the Loan payable on any Date of Repayment, be treated as withdrawn and outstanding on the date immediately following such Date of Repayment. Notwithstanding the treatment herein, Interest and commitment fee shall begin to accrue on the respective value dates on which such withdrawals shall have been made.

* * *