

Սույնով հավաստվում է, որ կցված տեքստը Հայաստանի Հանրապետության և ՕՊԵԿ-ի միջազգային զարգացման հիմնադրամի միջև «Կանաչ, դիմակայուն և ներառական զարգացման երկրորդ 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 պետի
պարտականությունները կատարող՝**



Լիանա Գրիգորյան



LOAN NO. 16316P

SECOND GREEN RESILIENT AND INCLUSIVE DEVELOPMENT PROGRAM

LOAN AGREEMENT

BETWEEN

THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

AND

THE REPUBLIC OF ARMENIA

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[Handwritten signature]

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 August 28, 2024 highlighting the objectives, policies and actions under the program, and requested a loan from the OPEC Fund for part financing of the Second 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;

The OPEC Fund for International Development

- (b) "Closing Date" means June 30, 2025, 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) "Disbursement Procedures" means the OPEC Fund's Disbursement Procedures;
- (e) "Eligible Expenditure" means any utilization of the Loan proceeds in support of the Program, which is acceptable to the OPEC Fund;
- (f) "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;
- (g) "Euro" and the sign "€" mean and refer to the lawful currency of the European Monetary Union;
- (h) "Executing Agency" means the Borrower's Ministry of Finance;
- (i) "General Conditions" means the General Conditions Applicable to Public Sector Loan Agreements, June 2019;
- (j) "Grace Period" means the period beginning on the Date of the Agreement and ending five (5) years from that date;
- (k) "Interest Determination Date" means the second Business Day before the beginning of each Interest Period;
- (l) "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;

The OPEC Fund for International Development

- (m) "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 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
- (n) "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 fifty-six hundredths per cent (1.56%) 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.

(e) The Borrower may, pursuant to Section 11.04 of the General Conditions, submit a written request for a review of the interest rate at any time during the term of the Loan and the OPEC Fund shall consider this request subject to internal approval.

The OPEC Fund for International Development

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.

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 June 15 and December 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 twenty six (26) 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

The OPEC Fund for International Development

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.

* * *

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.

* * *

The OPEC Fund for International Development

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 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 shall, within thirty (30) days after the withdrawal of the Loan from the Loan Account, submit 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 quarterly execution reports for the state

The OPEC Fund for International Development

budget published on the official website of the Republic of Armenia's Ministry of Finance.

* * *

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

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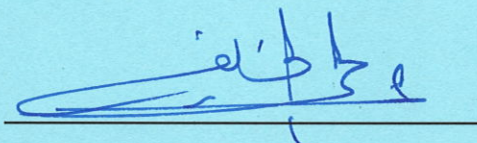
The OPEC Fund for International Development

LOAN NO. 16316P

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:



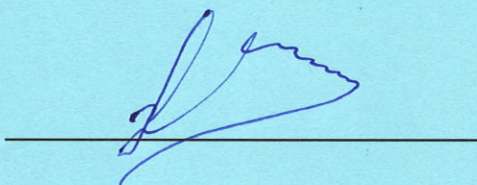
Name: Dr. Abdulhamid Alkhalifa

Title: President

Date: November 5, 2024

FOR THE BORROWER:

Signature:

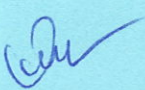


Name: HE Vahe Hovhannisyan

Title: Minister of Finance

Date: November 12, 2024

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The OPEC Fund for International Development

REPUBLIC OF ARMENIA

SECOND 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 - Promoting Energy Efficiency:* To strengthen climate-resilience and energy efficiency in buildings and infrastructure, the Borrower, through its Committee of Urban Development, has approved new construction norms through Order 31-N dated December 22, 2022, for ensuring energy efficiency of buildings and establishing energy efficiency assessment indicators as published in the Armenian Legal Information System on January 3, 2023, effective on January 4, 2023.
- (ii) *Prior Action 2 - Atmospheric Air Protection:* To implement the new framework for monitoring air pollution, the Borrower, through its Cabinet: (i) issued Government Decree 23-N on January 4, 2024, signed by the Prime Minister, published in the Armenian Legal Information System on January 5, 2024, effective on July 1, 2024, governing the procedures related to registering, summarizing, analysing and archiving information concerning state inventory and recording emissions of pollutant substances into the ambient air; and (ii) issued Government Decree 32-N on January 4, 2024, signed by the Prime Minister, published in the Armenian Legal Information System on January 9, 2024, effective on March 9, 2024 approving the procedures for developing draft emission value limits of pollutant substances into the ambient air and authorizing, rejecting and revoking emissions permits for legal entities and individuals engaged in business activities that have submitted draft emission value limits.

The OPEC Fund for International Development

Prior Action 3 - Environmental Impact Assessment: To implement the new environmental impact assessment framework, the Borrower through its Cabinet: (i) has adopted Government Decree 2343-N dated December 28, 2023, signed by the Prime Minister, published in the Armenian Legal Information System website on December 29, 2023, effective on December 30, 2023, to improve clarity and transparency on the procedure of public notification and hearings; and (ii) has adopted Government Decree 2294-N dated December 21, 2023, signed by the Prime Minister, published in the Armenian Legal Information System on December 25, 2023, effective on December 26, 2023 on Strategic Environmental Assessment (SEA) that regulates the procedure for SEA and identifies the scope and reporting requirements of the SEA.

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

- (i) *Prior Action 4 - To support the needs of the new vulnerable group of refugees from Nagorno-Karabakh,* the Borrower: (a) through its Cabinet has approved Government Decree 1864-N dated October 26, 2023 published in the Armenian Legal Information System on October 27, 2023, effective on October 28, 2023, providing temporary protection status to such group for a year; and (b) through its Cabinet has approved Government Decree 1756-L dated October 12, 2023, published in the Armenian Legal Information System on October 12, 2023, effective on October 13, 2023 extending support for refugee teachers, including female teachers, to work in Armenia to support human capital development and employment.
- (ii) *Prior Action 5 - Introducing a New Competency-Based Curriculum Guided by Learning Outcomes:* To support the implementation of the new competency-based curriculum, the Borrower, through the Ministry of Education, Science, Culture and Sport has issued Ministerial Order 50-A/2 dated January 16, 2024, published on the official website of the Ministry of Education, Science, Culture and Sport and effective on January 16, 2024, revising the national student assessment framework for tracking and using learning outcomes to monitor and improve the education system.
- (iii) *Prior Action 6 - Improving the Quality of Medical Services to Improve and Sustain the Quality of Medical Services:* The Borrower (i) adopted on May 24, 2023, an amendment to Law HO-193 dated May 30, 2001, approved by the National Assembly and signed by the President of Armenia, published in the Armenian Legal Information

The OPEC Fund for International Development

System on June 13, 2023, effective on June 14, 2024 on licensing to move from termless licensing to five-year term licensing; and (ii) through the Ministry of Health has issued a Ministerial Order 2068-L dated April 25, 2023, signed by the Minister of Health, published on the official website of the Ministry of Health, effective on April 25, 2023, updating the existing contracting mechanism, including performance-based additional payments that incentivize improved primary health care (PHC) access (use of preventive and pre-hospitalization visits) and increase PHC doctors' reimbursement rates.

(c) **Pillar 3: Strengthening the Anti-Corruption Framework and Justice Sector Efficiency**, comprising the following prior actions:

- (i) *Prior Action 7 - Regulatory Impact Assessment:* To improve the quality of policy making, the Borrower through its Cabinet has approved the regulatory impact assessment (RIA) methodology through Government Decree 2053-L dated November 23, 2023, signed by the Prime Minister, published in the Armenian Legal Information System on November 29, 2023, effective on November 30, 2023 to assess the regulatory impact applicable to the five sectors covered by the RIA (economic, including business and competition, social, health, environment and public finance).
- (ii) *Prior Action 8 - Anti-Corruption:* To implement its Anti-Corruption Strategy, the Borrower: (a) through its Cabinet, has adopted Government Decrees 1135-N, dated July 6, 2023 signed by the Prime Minister, published in the Armenian Legal Information System on July 6, 2023 and Government Decree 1148-N dated July 6, 2023 , signed by the Prime Minister, published in the Armenian Legal Information System on July 10, 2023, effective on July 20, 2023 to operationalize the Law on Whistleblowing System; and (b) through the Corruption Prevention Commission (CPC) has issued Decree N01-N dated December 22, 2023, signed by the Chairman of Corruption Prevention Commission, published in the Armenian Legal Information System on December 29, 2023, effective on January 1, 2024 approving the creation of a gift register for public officials, which will be made public, and approving procedures for managing the gift register.

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The OPEC Fund for International Development

REPUBLIC OF ARMENIA

SECOND 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 (Expressed in Euros)
Single withdrawal tranche	50,000,000
Total	50,000,000

* * *

The OPEC Fund for International Development

REPUBLIC OF ARMENIA

SECOND 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	December 15, 2029	3.84
2	June 15, 2030	3.84
3	December 15, 2030	3.84
4	June 15, 2031	3.84
5	December 15, 2031	3.84
6	June 15, 2032	3.84
7	December 15, 2032	3.84
8	June 15, 2033	3.84
9	December 15, 2033	3.84
10	June 15, 2034	3.84
11	December 15, 2034	3.84
12	June 15, 2035	3.84
13	December 15, 2035	3.84
14	June 15, 2036	3.84
15	December 15, 2036	3.84
16	June 15, 2037	3.84
17	December 15, 2037	3.84
18	June 15, 2038	3.84
19	December 15, 2038	3.84
20	June 15, 2039	3.84
21	December 15, 2039	3.84
22	June 15, 2040	3.84
23	December 15, 2040	3.84
24	June 15, 2041	3.84
25	December 15, 2041	3.84
26	June 15, 2042	4.00
	<u>Total</u>	100

The OPEC Fund for International Development

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.

* * *