

OFFICIAL DOCUMENTS

LN 8495-AM

Supplemental Letter No. 2.2

REPUBLIC OF ARMENIA

April 8, 2015

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

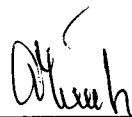
Re: Loan No. 8495-AM
(Electricity Transmission Network Improvement Project)
Performance Monitoring Indicators

This refers to paragraph A of Section II of Schedule 2 to the Project Agreements and to the Supplemental Letter 2 of this date between Yerevan Thermal Power Centre Closed Joint Stock Company of the Republic of Armenia (the Project Implementing Entity) and the International Bank for Reconstruction and Development ("Bank") and Supplemental Letter 2.1 of this date between High Voltage Electric Networks Closed Joint Stock Company of the Republic of Armenia (the Project Implementing Entity) and the International Bank for Reconstruction and Development ("Bank") for the above-captioned Project.

The Borrower hereby confirms to the Bank that the indicators set forth in the attachments to said Supplemental Letter 2 and Supplemental Letter 2.1 and reattached herewith shall serve as a basis for the Borrower to monitor and evaluate the progress of the Project and the achievement of the objective thereof.

Very truly yours,

REPUBLIC OF ARMENIA

By 
Authorized Representative

Attachment

Results Framework and Monitoring

REPUBLIC OF ARMENIA: Electricity Transmission Network Improvement Project (P146199)

Project Development Objectives										
PDO Statement										
The proposed project development objectives (PDO) are to improve the reliability of the power transmission network and system management, and support the Borrower's effort in ensuring adequate electricity supply.										
These results are at		Project Level								
Project Development Objective Indicators										
Indicator Name	Core	Unit of Measure	Baseline ¹	Cumulative Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	End Target			
Indicator One: Equipment failures per year in target substations ²	<input type="checkbox"/>	Number	10	10	10	10	2	Semi-annual	HVEN, YTPC	HVEN, YTPC

¹ All baseline values are as of 2014 with the exception of the baseline for the "Average interruption frequency per year in the project area" and the Supplemental indicator on the "Female beneficiaries," which are as of 2013 (annual).

² Equipment failures resulting in failure of substation operations, which impacts the reliability of electricity supply.

Indicator Two: Average interruption frequency per year in the project area ³	<input checked="" type="checkbox"/>	Number	0.11	0.11	0.11	0.11	0.09	Semi-annual	HVEN, PSRC	HVEN	
Customers served in the project area ⁴	<input checked="" type="checkbox"/>	Number Sub-Type Supplemental	1,040,000	1,040,000	1,040,000	1,040,000	1,040,000	Semi-annual	Electric Networks of Armenia	HVEN	
Indicator Three: Direct project beneficiaries ⁵	<input checked="" type="checkbox"/>	Number	2,984,000	2,989,000	2,992,000	2,993,000	2,993,000	Semi-annual	UN Population Reports / Data	HVEN	
Female beneficiaries	<input checked="" type="checkbox"/>	% Sub-Type Supplemental	48.6% ⁶	48.6%	48.6%	48.6%	48.6%	Semi-annual	UN Population Reports / Data	HVEN	
Indicator Four: Down time of power system dispatch per year ⁷	<input type="checkbox"/>	Minutes	20	20	20	20	0	Semi-annual	EPSO	HVEN	
Indicator Five: Contract for construction of a new CCGT competitively awarded to a qualified private developer	<input type="checkbox"/>	Text	No	No	No	Yes	Yes	Semi-annual	YTPC	YTPC	
Intermediate Results Indicators											
			Cumulative Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection		

³ The project area includes the entire country.

⁴ The total number of electricity service customers/connections in the country. The target values are based on the UN Population Prospects Report, 2013.

⁵ The total population in the country given that the project will generate country-wide benefits. The baseline is the UN forecast for 2014.

⁶ UN Population Prospects Report 2013. The share of females in the total population is assumed to remain unchanged

⁷ A time period during the year, when the power system dispatch function fails due to technical factors.

Indicator Name	Core	Unit of Measure	Baseline	YR1	YR2	YR3	End Target			
Intermediate Result Indicator One: Total number of substations rehabilitated under the project	<input type="checkbox"/>	Number	0	0	0	0	2	Semi-annual	Project implementation progress reports of HVEN and YTPC	HVEN, YTPC
Intermediate Result Indicator Two: Back-up dispatch center constructed	<input type="checkbox"/>	Text	n/a	Consulted selected for design of back-up dispatch center	Contract signed for civil works and procurement of equipment for back-up dispatch center	Construction works and procurement of equipment in progress	Back-up dispatch center tested and operational	Semi-annual	Project implementation progress reports of HVEN	HVEN
Intermediate Result Indicator Three: Preparation of a new CCGT project completed	<input type="checkbox"/>	Text	n/a	Selection of consultants for feasibility study and ESIA completed	Feasibility study and ESIA completed; and transaction advisor mobilized	Tender documents for selection of a private developer issued	Tender documents for selection of a private developer issued	Semi-annual	Project implementation progress reports of YTPC	YTPC
Intermediate Result Indicator Four: Percent of registered project related grievances responded to within stipulated service standards for response times ⁸	<input type="checkbox"/>	%	0	100	100	100	100	Semi-annual	GRM reports of HVEN (covering both Ashnak and YTPC substations)	HVEN

⁸ This refers to the environmental and social safeguards related grievances.