

**Supplemental Financing Agreement**

dated June 2013

to the Financing Agreement dated 2<sup>nd</sup> of May 2012

between

**KfW, Frankfurt am Main**

("KfW")

and

**the Republic of Armenia**

("Recipient")

represented by the Ministry of Finance  
regarding the conclusion of this Supplemental Financing Agreement  
("MoF") and

represented by the State Committee of Water Economy of  
the Ministry of Territorial Administration  
regarding the implementation of the Project  
("SCWE" or the "Project Implementing Unit")

for

**EUR 550,000**

For Expert Services to the Recipient in the framework of IWRM /AKhouryan River  
financed by a special fund (study and expert fund) provided by the German  
Government

On the basis of the authorisation given by the Government of the Federal Republic of Germany on the 29<sup>th</sup> of May 2013 and the request of the Government of Armenia represented by SCWE, the Recipient and KfW hereby enter into the following First Supplemental Financing Agreement:

## Section 1

### Modifications of the Financing Agreement

The following provisions of the Financing Agreement dated 2<sup>nd</sup> of May 2012 for EUR 250,000.-- (the "Financing Agreement") are hereby modified in their entirety and restated as follows:

a) Article 1.1, sentence 1:

"KfW shall extend to the Recipient a Financial Contribution not exceeding

EUR 800,000.--."

b) Article 1.2:

"The Recipient shall use the Financial Contribution exclusively for financing the expert services as defined in the "Conditions of Tender for Consulting Services" (Annex A, Terms of Reference) dated December 2012 (the "Expert Services") for the planned feasibility study (Annex 3) under Consulting Services I (Update of Feasibility Study "IWRM / Akhouryan River, Phase I") and V) Management Plan for the Akhouryan River Basis) and primarily to pay the foreign exchange costs. Vehicles must not be financed by the Financial Contribution."

c) Article 2.4:

"KfW shall have the right to refuse to make disbursements after December 30, 2014."

## **Section 2**

### **Continuing Validity of the Financing Agreement**

All other provisions of the Financing Agreement shall remain unchanged.

## **Section 3**

### **Termination of this Agreement**

The legal relations between KfW and the Recipient established by this First Supplemental Financing Agreement shall terminate with the end of the useful life of the Project but not later than 15 years after the signing of this First Supplemental Financing Agreement.

## **Section 4**

### **Incorporation of Terms**

The provisions of Article 5 (*Contractual Statements and Power of Representation*) and Article 8 (*Miscellaneous Provisions*) of the Financing Agreement shall be incorporated into this First Supplemental Financing Agreement as if set out in full in this First Supplemental Financing Agreement and as if references in those articles to "this Agreement" are references to this First Supplemental Financing Agreement.

Done in three originals in the English language.

Frankfurt am Main,  
this day of June, 2013

Yerevan,  
this day of June, 2013

KfW

Republic of Armenia, represented by  
the Ministry of Finance

Yerevan,  
this day of June, 2013

Republic of Armenia, represented by  
the SCWE of the Ministry of Territorial  
Administration

Annex 3:  
Conditions of Tender