



Geothermal Exploratory Drilling Project (P152039)

EUROPE AND CENTRAL ASIA | Armenia | Energy & Extractives Global Practice |
Recipient Executed Activities | Investment Project Financing | FY 2015 | Seq No: 7 | ARCHIVED on 19-Feb-2019 | ISR35907 |

Implementing Agencies: Renewable Resources and Energy Efficiency Fund, MINISTRY OF FINANCE, Ministry of Energy Infrastructures and Natural Resources

Key Dates

Key Project Dates

Bank Approval Date: 08-Jun-2015

Effectiveness Date: 25-Aug-2015

Planned Mid Term Review Date: 28-Feb-2019

Actual Mid-Term Review Date: --

Original Closing Date: 31-May-2019

Revised Closing Date: 31-May-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed project development objective 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.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Phase I exploratory drilling program:(Cost \$5.37 M)

Phase II exploratory drilling program and transaction advisory:(Cost \$5.31 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Satisfactory
Overall Risk Rating	● Moderate	● Moderate

Implementation Status and Key Decisions

Based on the results of Phase I of exploration drilling, the Government will seek approval from the SREP Sub-Committee to reallocate the savings to another project within Armenia's SREP Investment Plan approved in 2014.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Low	● Low	● Low
Macroeconomic	● Moderate	● Moderate	● Moderate
Sector Strategies and Policies	● Substantial	● Moderate	● Moderate
Technical Design of Project or Program	● Substantial	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● Moderate	● Low	● Low
Environment and Social	● Low	● Low	● Low
Stakeholders	● Low	● Low	● Low
Other	--	--	--
Overall	● Substantial	● Moderate	● Moderate

Results

PDO Indicators by Objectives / Outcomes

Government has evidence to decide whether or not to proceed with construction of geothermal plant				
▶ Evidence provided to the Government for its decision on whether or not to construct a geothermal power plant at the Karkar geothermal site (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	14-Jan-2015	17-Jul-2018	25-Jan-2019	30-Apr-2018

Development of geothermal power plant on a PPP basis				
▶ If geothermal resource is confirmed, power plant development is competitively awarded to qualified private developer(s) (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	14-Jan-2015	17-Jul-2018	25-Jan-2019	30-May-2019
Comments:	Indicator not applicable if project does not proceed to Phase 2			

Intermediate Results Indicators by Components



Phase I exploratory drilling program				
▶One or two slim exploratory wells drilled to a depth of around 1,200 meters (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	At least 1
Date	30-Mar-2015	17-Jul-2018	25-Jan-2019	30-Sep-2016
▶Percent of registered project related grievances responded to within stipulated service standards for response times (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
Date	30-Mar-2015	17-Jul-2018	25-Jan-2019	30-May-2019
Comments:	There have not been any grievances registered to date			

Phase II exploratory drilling program and transaction advisory				
▶One production-size well drilled to a depth of around 1,800 meters if the results of the drilling of slim well(s) warrantee such drilling (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1.00
Date	30-Mar-2015	17-Jul-2018	25-Jan-2019	30-Sep-2017
Comments:	This indicator is not applicable since the project will be closing and not proceeding to Phase II based on the results of Phase I, which confirmed that the potential geothermal resource would NOT be suitable for power generation.			
▶Feasibility study for a potential power plant completed (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	30-Mar-2015	17-Jul-2018	25-Jan-2019	30-Apr-2018
Comments:	This indicator is not applicable since the project will be closing and not proceeding to Phase II based on the results of Phase I, which confirmed that the potential geothermal resource would NOT be suitable for power generation.			
▶Tendering for private sector involvement in construction of a geothermal power plant completed if results from the feasibility study confirm technical and economic/financial viability of such a plant (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	30-Mar-2015	17-Jul-2018	25-Jan-2019	15-May-2019



Comments:

This indicator is not applicable since the project will be closing and not proceeding to Phase II based on the results of Phase I, which confirmed that the potential geothermal resource would NOT be suitable for power generation.

Overall Comments

Component 2 indicators are not applicable since the project will be closed without proceeding to Phase II based on the results of Phase I, which confirmed that the potential geothermal resource would NOT be suitable for power generation.

Data on Financial Performance

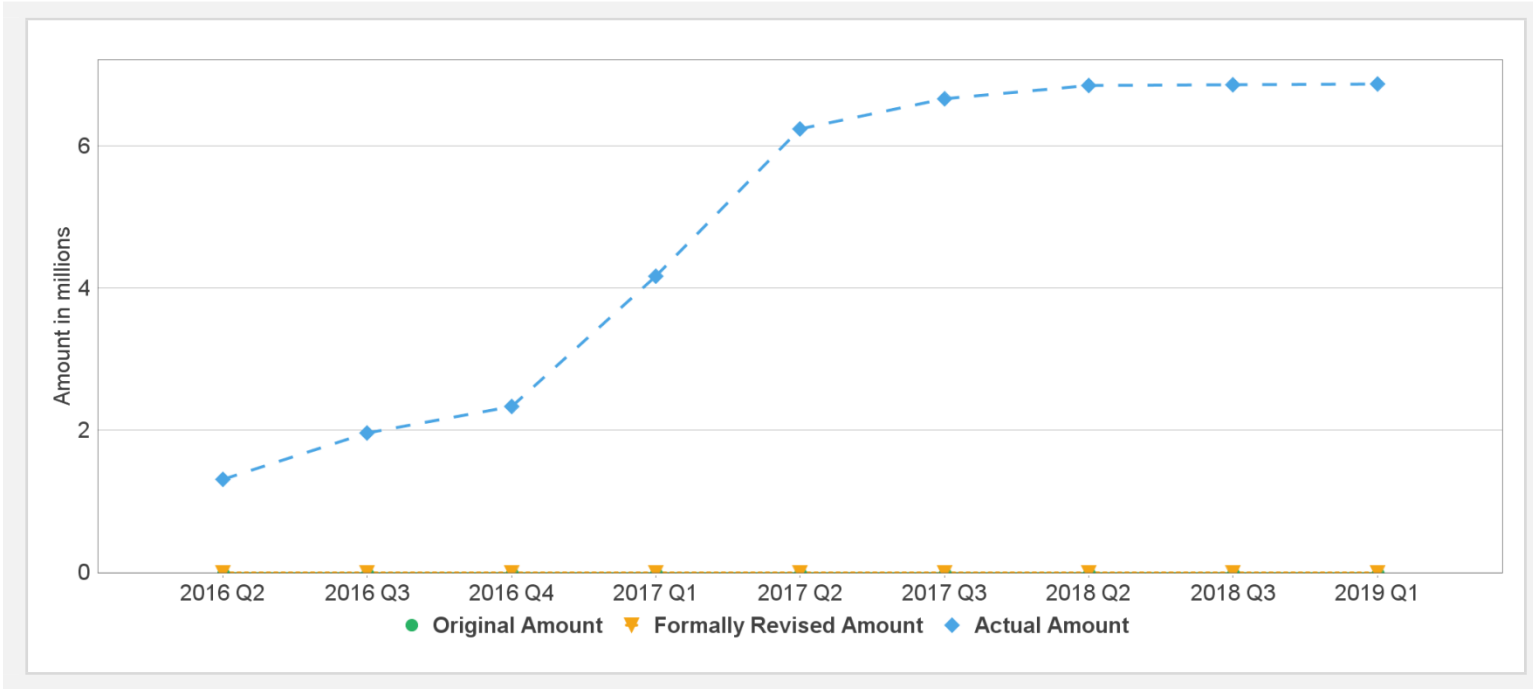
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P152039	TF-A0544	Effective	USD	8.55	8.55	0.00	6.88	1.67	80%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P152039	TF-A0544	Effective	08-Jun-2015	16-Jun-2015	25-Aug-2015	31-May-2019	31-May-2019

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.