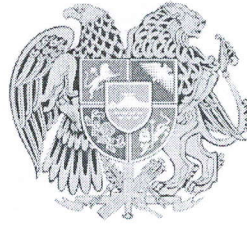


ՀԱՅԱՍՏԱՆԻ
ՀԱՆՐԱՊԵՏՈՒԹՅՈՒՆ
ՏԱՐԱԾՔԱՅԻՆ
ԿԱՌԱՎԱՐՄԱՆ ԵՎ
ԵՆԹԱԿԱՌՈՒՑՎԱԾՔՆԵՐԻ
ՆԱԽԱՐԱՐՈՒԹՅՈՒՆ



THE REPUBLIC OF ARMENIA
MINISTRY
OF TERRITORIAL
ADMINISTRATION AND
INFRASTRUCTURE

ՆԱԽԱՐԱՐԻ ՏԵՂԱԿԱԼ
DEPUTY MINISTER

Երևան-0010, Հանրապետության հրապարակ, Կառավարական տուն 3

Yerevan-0010, Republic Square, Government House 3

«05» 12 2019

N 07/22,3 ՊՊ/22305-19

To: Mr. Zhihong Zhang
Senior Program Coordinator
Climate Investment Funds

Dear Mr. Zhihong Zhang,

I would like to extend my gratitude to the Climate Investment Funds for pioneering the development of Renewable Energy Projects in Armenia. Thanks to your assistance, the Utility Scale Solar Project and Geothermal Exploratory Drilling Project has been implemented and Development of Distributed Geothermal Heat Pump and Solar Thermal Project is on-going in Armenia.

The Ministry of Territorial Administration and Infrastructure of the RA emphasizes the importance of further development of Renewable Energy in Armenia, and delegates Armenia Renewable Resources and Energy Efficiency (R2E2) Fund on behalf of the Government of the Republic of Armenia to propose reallocation of the remaining balance of USD 2.25 million under **Component 1. Geothermal Development Project** to **Component 3. Development of Distributed Geothermal Heat Pump and Solar Thermal Project** of the original SREP IP.

Re-allocation of USD 2.25 million of unused SREP funds will help to increase the impact of GEFF for the Armenian market, ensuring enhanced market penetration of technologies supported by SREP, in particular solar PV, geothermal heat pumps, solar water heaters and biogas.

The USD 2.25 million of unutilized SREP funds from Component 1 are expected to leverage additional USD 13.5 million of the IFI and private sector finance. Extension will allow engaging a larger number of local partner financing institutions to the framework, thus extending the supply channels and the reach out. Framework extension will enable the increase of the local technology production, import, as well as development of the necessary infrastructure (engineers, spare

parts, quality assurance, etc.) to support the momentum and the nascent small-scale RE market in the country.

Once again, I would like to highlight that I am very appreciative of your assistance and look forward to continuing our cooperation targeted at development of Renewable Energy sector in Armenia.

12/4/2019

X



VERIFIED OCSP 12/4/2019 18:36:12 GMT+4



Sincerely, Signed by: VARDANYAN HAKOB 3914890533

Hakob Vardanyan