H. E. Atom Janjughazyan  
Minister of Finance  
Ministry of Finance  
1 Melik-Adamyan Street  
Yerevan  
Republic of Armenia

Republic of Armenia: Credit No. 5504-AM and Credit No. 5505-AM  
(Second Community Agricultural Resource Management and Competitiveness Project)  
Amendment No. 3 to the Financing Agreement

Excellency:


We also refer to your letter dated January 15, 2020, requesting certain amendments to the Financing Agreement.

We are pleased to inform you that the Association agrees to your request and proposes to amend the Financing Agreement. Consequently, the Agreement is hereby amended as follows:

1. Part I of Schedule I to the Financing Agreement is amended to read as follows:

   “Part I. Community Pasture/Livestock Management System

   Carrying out a program of activities to strengthen the capacity, knowledge, and involvement of Pasture User Cooperatives (PUCs), including:

   (a) Development of sustainable Pasture Management and Livestock Development Plans (PMLDPs) by the Community Pasture Management and Livestock Development Committees (CPMLDCs) (supported by Marz Coordinators and technical experts), based on participatory technical pasture and folder assessments.

   (b) Provision of Community Fund financing to implement all necessary activities identified in the PMLDPs.

   (c) Provision of support to the PID Project component coordinators and the Marz coordinators in the areas of coordination, supervision, communication and outreach for activities under this Part I of the Project.

   (d) Supporting the Government of Armenia (GOA) in strengthening sustainable pasture use to secure the sustainability of project outcomes.”

2. Part II of the Schedule I to the Financing Agreement is amended to read as follows:
"Part II. Value Chain Development"

(a) Provision of Targeted Sub-Project Grants for the implementation of sub-projects detailed in business plans aiming to meet domestic demand and access international market opportunities, addressing the bottlenecks of the food value chains of fodder-based milk and meat, processed fruits and vegetables.

(b) Provision to expand of the range of potential products benefiting from value chain investments in direct conformance with PDO and subject to sound technical justification.

(c) Support to the Recipient through the financing of prioritization workshops, publicity, training, information sessions to FBOs, and the operations of a small secretariat to manage the Targeted Sub-Project Grants, including technical review of proposals, submission of applications to the approval committee (which includes Ministry of Economy staff and technical experts), monitor progress of sub-projects' implementation, and the implementation of the corresponding impact assessments."

3. Part III of the Schedule 1 to the Financing Agreement is amended to read as follows:

"Part III. Strengthening Public Sector Institutions"

Provision of capacity building activities for public sector institutions to facilitate business development and market access in selected value chains supported under Parts I and II of the Project. Said activities to include:

(a) Financing animal health services, including: (i) the mobilization, training, and equipping of around twenty (20) community veterinarians (CVs), and (ii) the construction and equipment of four regional-level Veterinary Service Centers (VSCs) to be operated by the CVs.

(b) Financing food safety activities to: (i) strengthen the capacity of food safety institutions for inspection and regulation, (ii) strengthen the support State Service for Food Safety (SSFS) laboratories, and (iii) provide additional equipment for vaccination programs undertaken by the Ministry of Economy or its legal successor.

(c) Financing the seeds and seeding development program of the Scientific Center of Vegetable and Industrial Crops (SCVIC), including civil works and the provision of equipment aiming to improve the production of seeds and seedlings.

(d) Provision to support additional public sector institutions identified by new agriculture sector strategy 2020-2030 in direct conformance with PDO and subject to sound technical justification.

(e) Provision for potential support to establishing linkages with global centers of excellence for agricultural sciences, research and development and technology.

(f) Provision of support to the PID Project component coordinator in the areas of coordination, supervision and outreach for activities under this Part III of the Project."
4. The table in Section IV.A.2 of the Schedule 2 to the Agreement is deleted and replaced with the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of Portion A of the Credit (IDA 5505-AM) Allocated (expressed in SDR)</th>
<th>Amount of Portion B of the Credit (IDA 5504-AM) Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs under the Project (except for activities under Part I(b) and Part II(a) of the Project).</td>
<td>990,000.00</td>
<td>1,324,000.00</td>
<td>75%</td>
</tr>
<tr>
<td>(2) Community Fund financing and Targeted Sub-Project Grants under Part I(b) and Part II(a) of the Project.</td>
<td>1,470,000.00</td>
<td>2,476,000.00</td>
<td>100% of the agreed amounts</td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,460,000.00</td>
<td>3,800,000.00</td>
<td></td>
</tr>
</tbody>
</table>

5. Section IV.B.2 of the Schedule to the Financing Agreement is amended to read as follows:

   "The Closing Date is April 30, 2022."

6. All other terms of the Financing Agreement will remain the same.

Please confirm your agreement on behalf of the Recipient with the above amendments by signing, dating and returning to us one of the original copies of this Amendment. The Amendment will become effective on the date above written upon receipt by the Bank of one fully executed original of this Amendment.
Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Sylvie Bossoutrot
Country Manager for Armenia
Europe and Central Asia Region

CONFIRMED AND AGREED:

REPUBLIC OF ARMENIA

By: [Signature]
Authorized Representative

Name: Atom Janjughazyan
Title: Minister of Finance
Date: 26.03.2020