



## PROJECT DATA SHEET

Project Data Sheets (PDS) contain summary information on the project or program: Because the PDS is a work in progress, some information may not be included in its initial version but will be added as it becomes available. Information about proposed projects is tentative and indicative.

**PDS Creation Date**

–

**PDS Updated as of**

29 Apr 2013

**Project Name**

Urban Development in Secondary Cities

**Country**

Armenia

**Project/Program Number**

45415-001

**Status**

Proposed

**Geographical Location**

Armenia/Vanadzor/Lori, Armenia/Gyumri/Shirak, Armenia/Dilijan/Tavush, Armenia/Jermuk/Jermuk

In preparing any country program or strategy, financing any project, or by making any designation of, or reference to, a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

**Sector and/or Subsector  
Classification**

Multisector  
/ Multisector

**Thematic Classification**

Economic growth  
Environmental sustainability  
Private sector development

**Gender Mainstreaming  
Categories**

–

## FINANCING

Type/Modality of Assistance	Approval Number	Source of Funding	Approved Amount (US\$ thousand)
Technical Assistance	-	-	0
TOTAL			US\$ 0

## SUMMARY OF ENVIRONMENTAL AND SOCIAL ISSUES

**Environmental Aspects**

–

**Involuntary Resettlement**

---

## Indigenous Peoples

---

## STAKEHOLDER COMMUNICATION, PARTICIPATION, AND CONSULTATION

---

### During Project Design

---

### During Project Implementation

---

## DESCRIPTION

---

The Government of Armenia requested the Asian Development Bank (ADB) to provide policy and advisory technical assistance (TA) to prepare city development/investment plans (CDPs) in the four secondary cities: Gyumri, Vanadzor, Dilijan, and Jermuk. The government and ADB approved the Sustainable Urban Development Investment Program in 2011 to finance priority infrastructure projects in urban areas of Armenia for a total amount of \$400 million equivalent. The first tranche for \$50 million will finance projects in Yerevan. The subsequent tranches to be approved in 2013 and onward will mainly focus on secondary cities. The CDPs will focus on key development and policy challenges related to urban sectors including urban transport, water supply and sanitation, solid waste management, district heating, housing, economic development, logistics, tourism, and lighting. The CDPs will span a 10-year period and will specify and prioritize a list of urban investment projects and improvements in the selected cities within the city development/investment plan. ADB agreed with the government on the objectives and scope of the TA, the terms of reference for the consultants, and the cost and implementation arrangements.

---

## PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

---

Being a landlocked country, Armenia's economic development is tied to the construction of transborder infrastructure linking its economy to export markets and to strengthening economic poles able to generate positive spin-offs for its surrounding territory. Unbalanced economic growth among regions poses serious development challenges to planners and policy makers in Armenia. Some cities are growing fast; others are not. Some house only one industry at best while others struggle to attract one. A gradual collapse of its heavy industry in the early 1990s created a rapid shift in the location of commercial and residential centers throughout the country and corresponding changes in the demand for urban and transport network services. These changes have led to poor urban services management, traffic, congestion, loss of green areas, poor air quality, noise, and degraded historical buildings in many cities. As urban areas are the pillars of Armenia's economic growth and home to 2.1 million people (64% of the total country population), the government's objective is to offer balanced and sustainable economic and territorial development that will (i) boost economic growth and job creation, (ii) stimulate private sector investment, and (iii) rebalance development between Yerevan and participating cities. These cities generate almost 90% of the nation's gross domestic product and represent three-quarters of the urban population. The government's strategic orientation revolves around the north-south corridor and focuses on: (i) bolstering Yerevan as the country's engine of growth and improving connection to the neighboring countries, with infrastructure designed according to international standards (British Standard, Deutsche Normen, American Society for Testing and Material); (ii) establishing Gyumri, Vanadzor, and Kapan as the three main trade gateways of Armenia by strengthening the economic and social clusters already identified to offer alternative centers of growth; (iii) strengthening the agribusiness cluster of the four medium cities of Astashat, Ararat, Ashtarat, and Armavir; and (iv) improving accessibility and accelerating development of the four cities of Jermuk, Dilijan, Tsakhkadzor, and Sevan, which have high tourism development potential. Institutional arrangements and strategic planning have been addressed in the water supply sector, and the expertise of the private sector was tapped, but there is still a lot to do in transport and waste management. The quality of urban services in Armenia is low, mainly because of poor performance of the existing services, lack of strategic or integrated planning, and weak enforcement of the law. The financial sustainability of services is therefore ineffective, implying high operating costs and higher tariffs. Ongoing infrastructure development and development partner assistance is important in Armenia, with 10 projects being financed from development partners like the World Bank, the European

Bank for Reconstruction and Development, and KfW, mainly in transport and water, for a total value of about \$230 million, excluding those projects financed by ADB.

## DEVELOPMENT IMPACT

Improved urban and municipal infrastructures in Gyumri, Jermuk, Vanadzor and Dilijan

## PROJECT OUTCOME

Description of Outcome	Progress Towards Outcome
------------------------	--------------------------

Well planned urban development investment projects in Gyumri, Jermuk, Vaqnadzor, and Dilijan	–
--	---

## OUTPUTS AND IMPLEMENTATION PROGRESS

Description of Project Outputs	Status of Implementation Progress (Outputs, Activities, and Issues)
--------------------------------	---

Diagnostics reports for reference in preparing the city development/ investment plans completed A 10-year city strategic vision, city development/ investment plan based on each city's financial situation endorsed An exhibition on CDPs for Gyumri, Jermuk, Vanadzor, and Dilijan conducted Prioritized project list for the four secondary cities completed	–
---	---

## BUSINESS OPPORTUNITIES

Date of First Listing	05 Feb 2013
-----------------------	-------------

Consulting Services	Two types of consultants will be recruited under the TA: a group of individual consultants, and one local communication and marketing agency. The team of individual consultants will comprise seven international individual consultants supported by three national consultants. They will be recruited through ADB s Consultant Management System and will cover the following expertise: urban planning, urban infrastructure, urban financing, institutional, economic development, economic analysis, tourism, and cultural heritage development. They will prioritize a project list in the four secondary cities. Consultants will be recruited in line with ADB s Guidelines on the Use of Consultants (2010, as amended from time to time).
---------------------	---

Procurement	Procurement financed under the technical assistance will be done according to ADB Procurement Guidelines.
-------------	---

Procurement and Consulting Notices	<a href="http://www.adb.org/projects/45415-001/business-opportunities">http://www.adb.org/projects/45415-001/business-opportunities</a>
------------------------------------	---

## TIMETABLE

**Concept Clearance** 05 Dec 2012

**Fact-finding** —

**Management Review Meeting** —

**Approval** 29 Apr 2013

**Last Review Mission** —

## MILESTONES

Approval No.	Approval	Signing	Effectivity	Closing		
				Original	Revised	Actual
—	—	—	—	—	—	—

## TA AMOUNT (US\$ THOUSAND)

Approval Number	Approved Amount	Revised Amount	Total Commitment	Uncommitted Balance	Total Disbursement	Undisbursed Balance
-----------------	-----------------	----------------	------------------	---------------------	--------------------	---------------------

## CONTACTS AND UPDATE DETAILS

**Responsible ADB Officer** Cesar Llorens ( @adb.org)

**Responsible ADB Department** Central and West Asia Department

**Responsible ADB Division** Urban Development and Water Division, CWRD

**Executing Agencies** Ministry of Territorial Administration  
Vache B. Terteryan, First Deputy Minister

## LINKS

**Project Website** <http://www.adb.org/projects/45415-001/main>

**List of Project Documents** <http://www.adb.org/projects/45415-001/documents>