Armenia: Yerevan Urban Development Investment Project

Project Name
Yerevan Urban Development Investment Project

Project Number
54172-002

Country / Economy
- Armenia

Project Status
Approved

Project Type / Modality of Assistance
- Loan

Source of Funding / Amount
Loan 4371-ARM: Yerevan Urban Development Investment Project

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tr>
<td>Ordinary capital resources</td>
<td>US$ 65.17 million</td>
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Operational Priorities
- OP1: Addressing remaining poverty and reducing inequalities
- OP2: Accelerating progress in gender equality
- OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
- OP4: Making cities more livable
- OP6: Strengthening governance and institutional capacity

Sector / Subsector
- **Transport** / Urban roads and traffic management
- **Water and other urban infrastructure and services** / Other urban services

Gender
- Some gender elements

Description
The proposed Yerevan Urban Development Investment Project aims to enhance the economy, livability, and inclusiveness of Yerevan, the capital city of Armenia, through improved sustainable urban mobility and services (output 1) and strengthened institutional capacity for green and inclusive urban mobility (output 2). It aims to support Yerevan in improving the urban environment, enhancing the road network, and promoting climate-resilient infrastructure. The project will benefit up to 1.2 million people.
The project will relieve traffic congestion and significantly improve socioeconomic connectivity and access to green urban space. The river crossing and road capacity will be increased by one-third and travel distances reduced by more than 2 km, thereby reducing travel time (by 10 minutes) and the risk of traffic accidents, decreasing traffic congestion and emissions, and improving the overall environment of the main city arteries.

Project Rationale and Linkage to Country/Regional Strategy

The project is aligned with the following impacts: (i) urban environment improved, connectivity improved, an economy led by investments and job creation strengthened, and private sector participation in urban areas enhanced; and (ii) resilience to climate change improved. The project will have the following outcome: sustainability, inclusiveness, and livability of Yerevan enhanced. These will be achieved through the following outputs:

Output 1: Sustainable and inclusive urban mobility and commuter and recreational experience and services improved. The project will finance (i) the construction of the 1.8 km Admiral Isakov-Arshakunyats urban road; (ii) a 280-meter bridge over Hrazdan River; (iii) pedestrian underpasses with universal access for persons with impaired mobility and with women-friendly designs, including light-emitting diode (LED) street lights, closed-circuit television (CCTV) cameras, and female toilets; (iv) road safety infrastructure; (v) associated drainage systems; (vi) resilience-focused landscaping and equipment to maintain the road and its immediate surroundings; (vii) rehabilitation of 1.3 hectares (ha) of green park using nature-based solutions; and (viii) more than 4,800 new trees and bushes planted along the road and park. The design and construction materials will incorporate climate- and disaster-resilient and low carbon considerations. The project is expected to achieve high economic returns arising from shortened travel time and reduced vehicle operating costs and gas emissions. Land values and recreational benefits will increase.

Output 2: Institutional capacity for green and inclusive urban mobility strengthened. The output is financed by technical assistance and will be achieved through four interlinked activities: (i) preparation of the sustainable mobility corridor concept design and traffic management urban master plan, (ii) development of Yerevan Municipality's capacity for operation and maintenance (O&M) of the PM2.5 monitoring posts, (iii) training in management and control of transport systems, and (iv) promotion of public-private partnerships for urban development. The sustainable mobility corridor concept will build on earlier bus network reform work studies to help Armenia achieve its long-term transport decarbonization goals. A land-use plan with a land value capture assessment for the 66 ha adjacent to the urban road will incorporate features to appeal to public-private partnership investors.24 Gender-inclusive urban planning workshops will be supported.

Impact

Urban environment improved, connectivity improved, an economy led by investments and job creation strengthened, and private sector participation in urban areas enhanced

Resilience to climate change improved
**Project Outcome**

Description of Outcome

Sustainability, inclusiveness, and livability of Yerevan enhanced

Progress Toward Outcome

**Implementation Progress**

Description of Project Outputs

Sustainable and inclusive urban mobility and commuter and recreational experience and services improved

Institutional capacity for green and inclusive urban mobility strengthened

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Nation-wide, Yerevan

**Safeguard Categories**

Environment

- B

Involuntary Resettlement

- B

Indigenous Peoples

- C

**Summary of Environmental and Social Aspects**

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

**Stakeholder Communication, Participation, and Consultation**

During Project Design

During Project Implementation

**Business Opportunities**

Consulting Services

(i) Quality- and cost-based selection (80:20) for 1 contract (283 person-months) estimated at $3.0 million

(ii) Consultants' qualifications selection for 2 contracts (100 person-months) estimated
at $0.5 million

(iii) Single-source selection for 1 contract (60 person-months) estimated at $0.3 million

Procurement
Open competitive bidding to be internationally advertised for 1 contract for civil works estimated at $51.0 million

Contact

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Executing Agencies

Ministry of Territorial Administration and Infrastructure

Timetable

Concept Clearance
11 Apr 2023
Fact Finding
17 Apr 2023 to 04 May 2023
MRM
30 Jun 2023
Approval
03 Nov 2023
Last Review Mission
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Last PDS Update
09 Nov 2023

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