

# ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

## Armenia: 2020 Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments (\$ million)<sup>a</sup>

Product Type	Sovereign	Nonsovereign	Total
Loans	–	35.00	35.00
Grants	2.00	–	2.00
Technical Assistance <sup>b</sup>	5.62	0.38	6.00
Trade and Supply Chain Finance and Microfinance <sup>c</sup>	–	25.44	25.44
<b>Total</b>	<b>7.62</b>	<b>60.82</b>	<b>68.44</b>

– = nil, DMC = developing member country, TA = technical assistance.

Notes:

Commitment is the financing approved by ADB's Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and TA include ADB-administered cofinancing.

<sup>a</sup> Numbers may not sum precisely because of rounding.

<sup>b</sup> Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

<sup>c</sup> ADB-financed commitments from nonsovereign revolving programs of which \$12.4 million is short term.

## Armenia: Cumulative Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments<sup>a, b, c, d</sup>

Sector	No.	Total Amount (\$ million) <sup>e</sup>	% of Total Amount <sup>f</sup>	COVID-19 Response (\$ million) <sup>g</sup>
<b>Projects and Technical Assistance</b>	<b>71</b>	<b>1,575.99</b>	<b>93.17</b>	<b>24.91</b>
Agriculture, Natural Resources, and Rural Development	2	32.80	1.94	–
Education	2	2.75	0.16	0.75
Energy	7	206.02	12.18	20.00
Finance	15	288.60	17.06	0.05
Health	2	14.05	0.83	4.04
Industry and Trade	2	1.38	0.08	0.07
Information and Communication Technology	–	0.14	0.01	–
Multisector	3	80.07	4.73	–
Public Sector Management	9	141.50	8.37	–
Transport	18	635.99	37.60	–
Water and Other Urban Infrastructure and Services	11	172.68	10.21	–
<b>Trade and Supply Chain Finance and Microfinance<sup>f</sup></b>	<b>807</b>	<b>115.55</b>	<b>6.83</b>	<b>19.88</b>
Finance	406	57.78	3.42	9.94
Industry and Trade	401	57.78	3.42	9.94
<b>Total</b>	<b>878</b>	<b>1,691.54</b>	<b>100.00</b>	<b>44.79</b>

– = nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.

<sup>a</sup> Grants and TA include ADB-administered cofinancing.

<sup>b</sup> Includes sovereign and nonsovereign loans and technical assistance.

<sup>c</sup> Using primary sector in reporting of commitments.

<sup>d</sup> Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

<sup>e</sup> Numbers may not sum precisely because of rounding.

<sup>f</sup> ADB-financed commitments from nonsovereign revolving programs of which \$55.4 million is short term.

ADB investments in Armenia will underpin higher economic growth, build on momentum for nonsovereign operations, and scale up technical assistance for knowledge work.

## ARMENIA

The Asian Development Bank (ADB) has been affiliated with Armenia since 2005 and is one of the country's largest multilateral development partners.

ADB's support for Armenia targets inclusive, diversified, and transformative growth. It includes priority infrastructure investments in transport, energy, and urban development; assistance to reform service delivery in education, health, and financial services; and support for regional cooperation and integration.

Since 2005, ADB has committed 36 loans<sup>1</sup> totaling \$1.55 billion (including 23 sovereign loans amounting to \$1.19 billion and 13 private sector loans and 1 equity financing facility amounting to \$356.9 million) and technical assistance grants totaling \$26.6 million, including ADB-administered cofinancing, for Armenia.

Cumulative loan disbursements to Armenia amount to \$1.19 billion. These were financed by regular and concessional ordinary capital resources. As a middle-income country, Armenia has access only to market-based ordinary capital resources.

<sup>1</sup> Including COVID-19 Emergency Response (Special Assistance Grant).

## ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB's active sovereign lending portfolio in Armenia totals \$606.5 million for eight projects in transport, energy, and urban infrastructure and services, and one special assistance grant in health. About 80% of active sovereign loans are for transport projects.

In 2020, ADB approved a \$2 million grant from the Asia Pacific Disaster Response Fund, financed by the Government of Japan, to support the Government of Armenia's efforts to protect its people from the coronavirus disease (COVID-19). The bank also committed a \$20 million nonsovereign loan to Electric Networks of Armenia to ensure vital supplies of electricity during the pandemic; approved \$500,000 in regional technical assistance to procure



personal protective equipment and other medical supplies; and approved technical assistance of \$750,000 to ensure continuous quality education by developing and delivering a distance learning platform.

ADB's investments in transport are helping develop an efficient, safe, and sustainable road network as well as improved domestic and cross-border connectivity for Armenia. The bank has approved \$500 million for the [North-South Road Corridor Investment Program](#) multitranche financing facility and \$400 million for the [Sustainable Urban Development Investment Program](#) multitranche financing facility. It has also committed about \$50 million for the [Armenia-Georgia Border Regional Road \(M6 Vanadzor-Bagratashen\) Improvement Project](#). By rehabilitating and upgrading 51.5 kilometers of the two-lane highway in northern Armenia, this project will enhance international connectivity, reduce the cost of transport, and improve road safety.

In response to Armenia's exposure to natural disasters, ADB's results-based loan of \$88.5 million for the [Seismic Safety Improvement Program](#) continues to help strengthen 46 priority school buildings and improve the government's seismic safety planning and management competencies.

ADB is also helping the government shore up Armenia's energy security. The \$37 million [Power Transmission Rehabilitation Project](#) is working to diversify energy sources while rehabilitating and upgrading electricity transmission and distribution networks.

In view of limited fiscal space for sovereign lending in Armenia, ADB has, in recent years, emphasized support for the country's private sector. Its nonsovereign operations now cover utilities and infrastructure, financial institutions, and agribusiness. In 2020, ADB also approved a \$15 million loan to Armeconombank to [support lending to micro, small, and medium-sized enterprises in Armenia, with a specific focus on women and areas outside the capital, Yerevan](#).

## NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments in loans and equity investments from ADB's own funds in 2020 amounted to \$1.4 billion for 38 transactions in economic and social infrastructure, finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2020, ADB

mobilized \$1.9 billion of long-term project cofinancing and \$3.3 billion of cofinancing through its [Trade and Supply Chain Finance Program](#) and [Microfinance Program](#). Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$14.3 billion as of 31 December 2020.

In 2020, commitments from ADB's own funds amounted to \$35 million for a COVID-19 working capital support project and a gender-inclusive lending to micro, small, and medium-sized enterprises project in Armenia. Total outstanding balances and commitments of ADB's nonsovereign transactions in the country as of 31 December 2020 was \$238.1 million, representing 2% of ADB's total nonsovereign portfolio.

## PARTNERSHIPS

ADB heightened its consultations with development partners through sector working group meetings and during project preparation and implementation. It also closely cooperated with the private sector, think-tanks, and civil society organizations.

ADB partnered with the European Investment Bank to cofinance the [Armenia-Georgia Border Regional Road Improvement Project](#) and the third section of the North-South Road Corridor.

### Armenia: Evaluation Results for Sovereign and Nonsovereign Operations, 2011-2020

	Total Number of Validated and Evaluated Projects and Programs	Evaluation Ratings		
		Highly successful and successful	Less than successful	Unsuccessful
Sovereign Operations	6	5	1	-
Nonsovereign Operations	6	6	-	-

- = nil, IED = Independent Evaluation Department.

Note: The figures indicate the number of sovereign and nonsovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports and extended annual review reports circulated by ADB within the 10-year period from 1 July 2010 to 30 June 2020. See [evaluations](#) related to Armenia.

Source: IED success rate database (as of 31 December 2020).

### Armenia: Projects Cofinanced, 1 January 2016-31 December 2020

Cofinancing	No. of Projects	Amount (\$ million)
Sovereign	3	58.95
Loans	1	56.40
Technical Assistance	2	2.55
Nonsovereign	3	266.88

### Armenia: Ordinary Capital Resources Nonsovereign Commitments by Product

	2020	2016-2020
Number of Transactions Signed (OCR)	2	7
Number of Transactions Signed (Programs)	69	752
	Amount (\$ million)	
Loans	35.00	196.86
Equity Investments	-	30.00
Guarantees	-	-
Trade and Supply Chain Finance Program and Microfinance Program	25.44	104.21
<b>Total</b>	<b>60.44</b>	<b>331.07</b>

- = nil, OCR = ordinary capital resources.

### Armenia: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2019-2020

	2019 (\$ million)		2020 (\$ million)	
	2019 (\$ million)	2020 (\$ million)	2019 (\$ million)	2020 (\$ million)
No. of Ongoing Loans <sup>a</sup> (as of 31 Dec 2020)			7	
Contract Awards <sup>b,c</sup>	21.81	0.02		
Disbursements <sup>b</sup>	84.60	19.66		
No. of Ongoing Grants <sup>a,d</sup> (as of 31 Dec 2020)			1	
Contract Awards <sup>b,c,d</sup>	-	-		
Disbursements <sup>b,d</sup>	-	2.00		
At Risk Projects (%) (as of 31 Dec 2020)				43

- = nil.

<sup>a</sup> Based on commitments.

<sup>b</sup> Includes closed loans/grants that had contract awards or disbursements during the year.

<sup>c</sup> Excludes policy-based, results-based, and financial intermediation/credit loans and grants.

<sup>d</sup> Includes only Asian Development Fund and other ADB special funds.

## Armenia: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2019		2020		Cumulative (as of 31 Dec 2020)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	50.85	0.36	–	–	695.97	0.32
Consulting Services	1.76	0.23	1.13	0.15	18.82	0.13
<b>Total Procurement</b>	<b>52.61</b>	<b>0.35</b>	<b>1.13</b>	<b>0.00</b>	<b>714.79</b>	<b>0.31</b>

– = nil, 0.00 = less than 0.005%.

### Top 5 Contractors/Suppliers from Armenia Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2016–31 December 2020

Contractor/Supplier	Sector	Contract Amount (\$ million)
Vahagn & Samvel LLC and Black Sea Group (JV)	TRA	12.46
Redinet CJSC and Siemens AG Osterreich (JV)	ENE	11.89
Suardi JSC	TRA	9.08
Horizon-95 LLC and Oberosler Cav Pietros SRL (JV)	TRA	8.22
Black Sea Group and AAB Project (JV)	TRA	4.95
Others		256.52
<b>Total</b>		<b>303.12</b>

ENE = energy, JV = joint venture, TRA = transport.

### Top 5 Consultants from Armenia Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2016–31 December 2020

Consultant	Sector	Contract Amount (\$ million)
Grant Thornton CJSC	ENE, PSM, TRA	2.10
Alta VIP LLC	TRA	0.34
Ameria CJSC	FIN	0.17
Uptime LLC	TRA	0.13
Media-Model LLC	TRA	0.13
Individual Consultants		4.42
Others		0.43
<b>Total</b>		<b>7.72</b>

ENE = energy, FIN = finance, PSM = public sector management, TRA = transport.

ADB and the European Bank for Reconstruction and Development cofinanced the Sevan–Hrazdan Cascade Hydropower System Rehabilitation Project (nonsovereign), the Power Transmission and Distribution Network Rehabilitation Project (sovereign), and the Energy Efficiency Improvement and Augmentation Project (nonsovereign). ADB also cofinanced the ArmPower gas-fired power plant project with the International Finance Corporation, German development cooperation through KfW, and the Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development.

### FINANCING PARTNERSHIPS

Financing partnerships enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of loans and grants, technical assistance, and other nonsovereign cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program.

ADB began cofinancing operations in Armenia in 2009. Since then, sovereign cofinancing commitments for Armenia

have amounted to \$323.5 million for three investment projects and \$4.31 million for six technical assistance projects. Non-sovereign cofinancing for Armenia has amounted to \$ 399.72 million for six investment projects.

A summary of projects with cofinancing from 1 January 2016 to 31 December 2020 is available at [www.adb.org/countries/armenia/cofinancing](http://www.adb.org/countries/armenia/cofinancing).

### PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from all ADB members.

#### Share of ADB's Procurement Contracts

##### Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$14.19 billion in 2019 and \$22.79 billion in 2020. Cumulative procurement since 1966 has been \$216.35 billion covering 222,415 contracts.

For contractors and suppliers from Armenia, 238 contracts worth \$695.97 million have been awarded since 2005.

##### Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$756.72 million in 2019 and \$732.11 million in 2020. Cumulative procurement since 1966 has been \$14.13 billion covering 67,086 contracts.

For consultants from Armenia, 371 contracts worth \$18.82 million have been awarded since 2005.

### OPERATIONAL CHALLENGES

The COVID-19 pandemic and the martial law implemented due to 6 weeks of military confrontation in September–November 2020 have resulted in a high undisbursed balance of capital expenditures and generated project implementation challenges in Armenia. In addition, the government's borrowing capacity is constrained by a high level of public debt and high volumes of committed and undisbursed loan projects. For this reason, ADB envisages a flexible and adaptive approach to financing government needs. Where appropriate, sovereign lending will be structured to promote private sector participation, nonsovereign financing, public–private partnerships, and other innovative solutions.

## FUTURE DIRECTIONS

In September 2020, ADB approved the [country operations business plan, 2021–2023 for Armenia](#). The plan is consistent with the country partnership strategy, 2019–2023 and reflects the government’s preference for investment projects over the medium term.

Indicative resources for sovereign operations during 2021–2023 total \$197.4 million. However, given the country’s debt situation, the total firm lending pipeline over the period is \$160 million for selected priority projects. Further support to address the socioeconomic consequences of the COVID-19 pandemic may also be considered.

ADB investments will underpin higher economic growth, build on momentum for nonsovereign operations, and scale up technical assistance for knowledge work. The bank will continue to maximize synergies between sovereign and nonsovereign operations, with sovereign support leveraging private sector expertise and investments to enhance the effectiveness of public investments, strengthen services, and promote sustainability.

## ABOUT ARMENIA AND ADB

### ADB Membership

Joined 2005

### Shareholding and Voting Power

Number of shares held: 31,671 (0.298% of total shares)  
Votes: 70,785 (0.532% of total membership,  
0.817% of total regional membership)

\*Overall capital subscription: \$456.15 million

\*Paid-in capital subscription: \$22.86 million

\*United States dollar figures are valued at rate as of 31 December 2020.

**Tigran Khachatryan** is the Governor and **Vahe Hovhannisyan** is the Alternate Governor for Armenia in ADB.

**Arif Baharudin** is the Director and **Karen Murray** is the Alternate Director representing Armenia on the ADB Board of Directors.

**Paolo Spantigati** is the ADB Country Director for Armenia. The Armenia Resident Mission was opened in 2008 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Armenia.

The Armenia government agencies handling ADB affairs are the Office of the Deputy Prime Minister and the Ministry of Finance of the Republic of Armenia.

## ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from Asia and the Pacific and 19 from other parts of the world. ADB’s main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2020, lending volume was \$26.9 billion (149 projects), with technical assistance at \$293.56 million (275 projects) and grant-financed projects at \$1.08 billion (62 projects). In addition, \$16.41 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB’s Trade and Supply Chain Finance Program and Microfinance Program. From 1 January 2016 to 31 December 2020, ADB’s annual lending volume averaged \$19.69 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$805.5 million and \$230.81 million respectively over the same period. As of 31 December 2020, the cumulative commitments excluding cofinancing were \$323.17 billion in loans for 3,369 projects in 44 countries, \$11.3 billion in 495 grants, and \$5.01 billion in technical assistance grants, including regional technical assistance grants.

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### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Annual Report  
[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)

Asian Development Outlook  
[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

ADB Data Library  
[data.adb.org](http://data.adb.org)

### Notes:

Figures are estimated by ADB unless otherwise stated. “\$” refers to United States dollars. Data are updated as of 31 December 2020 unless otherwise indicated.