The Asian Development Bank (ADB) has been supporting Armenia since 2005 and remains one of the country's largest multilateral development partners. Current ADB operations in Armenia are implemented under the country partnership strategy (CPS), 2019–2023, which targets inclusive, diversified, and transformative growth. The strategy is structured around three pillars—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.

To date, ADB has committed 57 public sector loans, grants, and technical assistance totaling $1.2 billion to Armenia. Cumulative loan disbursements to Armenia amount to $1.27 billion. These were financed by regular and concessional ordinary capital resources. ADB's ongoing sovereign portfolio in Armenia includes 7 loans worth $596.8 million.1

Since 2005, ADB has supported Armenia through various programs, mainly in transport, public finance, energy, water supply, and urban development. About 80% of active sovereign lending portfolio are for transport projects, helping to develop an efficient, safe, and sustainable road network as well as improved domestic and cross-border connectivity for Armenia.

In recent years, ADB has emphasized support for Armenia’s private sector. In 2017–2021, ADB was one of the largest financiers for the private sector among international financial institutions in the country, with operations covering utilities.

**Armenia: 2021 Commitments ($ million)**

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sovereign</th>
<th>Nonsovereign</th>
<th>Total</th>
<th>COVID-19 Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>20.00</td>
<td>20.00</td>
<td>40.00</td>
<td></td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>0.43</td>
<td></td>
<td>0.43</td>
<td></td>
</tr>
<tr>
<td>Trade and Supply Chain Finance Program</td>
<td>16.61</td>
<td>16.61</td>
<td>16.61</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>37.04</td>
<td>40.67</td>
<td>17.04</td>
<td></td>
</tr>
</tbody>
</table>

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

**Armenia: Cumulative Commitments**

<table>
<thead>
<tr>
<th>Sector</th>
<th>No.</th>
<th>Total Amount ($ million)</th>
<th>% of Total Amount</th>
<th>COVID-19 Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project and Technical Assistance</td>
<td>74</td>
<td>1,600.04</td>
<td>92.37</td>
<td>25.33</td>
</tr>
<tr>
<td>Agriculture, Natural Resources, and Rural Development</td>
<td>2</td>
<td>32.89</td>
<td>1.90</td>
<td>–</td>
</tr>
<tr>
<td>Education</td>
<td>2</td>
<td>226.04</td>
<td>13.05</td>
<td>20.00</td>
</tr>
<tr>
<td>Energy</td>
<td>8</td>
<td>289.06</td>
<td>16.69</td>
<td>0.36</td>
</tr>
<tr>
<td>Health</td>
<td>2</td>
<td>14.11</td>
<td>0.81</td>
<td>4.09</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>2</td>
<td>1.40</td>
<td>0.08</td>
<td>0.07</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td></td>
<td>–</td>
<td>0.23</td>
<td>0.01</td>
</tr>
<tr>
<td>Multisector</td>
<td>3</td>
<td>80.11</td>
<td>4.62</td>
<td>–</td>
</tr>
<tr>
<td>Public Sector Management</td>
<td>10</td>
<td>142.14</td>
<td>8.21</td>
<td>0.06</td>
</tr>
<tr>
<td>Transport</td>
<td>18</td>
<td>636.40</td>
<td>36.74</td>
<td>–</td>
</tr>
<tr>
<td>Water and Other Urban Infrastructure and Services</td>
<td>12</td>
<td>174.41</td>
<td>10.07</td>
<td>–</td>
</tr>
<tr>
<td>Trade and Supply Chain Finance Program1</td>
<td>887</td>
<td>1,322.16</td>
<td>76.3</td>
<td>36.50</td>
</tr>
<tr>
<td>Finance</td>
<td>486</td>
<td>74.39</td>
<td>4.29</td>
<td>26.55</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>401</td>
<td>57.78</td>
<td>3.34</td>
<td>9.94</td>
</tr>
<tr>
<td>Total</td>
<td>961</td>
<td>1,732.21</td>
<td>100.00</td>
<td>61.83</td>
</tr>
</tbody>
</table>

**Notes:**
- = nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.
- Includes loans, grants, equity investments, TA, and private sector programs.
- Using primary sector in the reporting of commitments.
- From 2020, financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.
- Numbers may not sum precisely because of rounding.
- ADB-financed commitments from private sector programs of which $57.23 million is short term (with maturity of less than 365 days).

**ADB supports Armenia’s economic recovery from the COVID-19 pandemic and builds foundations for inclusive, diversified, and transformative growth.**

The Asian Development Bank (ADB) has been supporting Armenia since 2005 and remains one of the country's largest multilateral development partners. Current ADB operations in Armenia are implemented under the country partnership strategy (CPS), 2019–2023, which targets inclusive, diversified, and transformative growth. The strategy is structured around three pillars—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.

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In recent years, ADB has emphasized support for Armenia’s private sector. In 2017–2021, ADB was one of the largest financiers for the private sector among international financial institutions in the country, with operations covering utilities.

1 Sovereign portfolio consists of loans, grants, equity investment, and sovereign guarantee committed and not financially closed. Regional projects with loans/grants to multiple countries are reported separately.

Published in April 2022
and infrastructure, financial institutions, and agribusiness. In 2021, ADB approved a $35 million loan to modernize electricity distribution networks in Armenia that will ensure reliable electricity supply, especially in the provinces. This second phase of funding comprises a $20 million loan from ADB and a $15 million loan from the Leading Asia’s Private Infrastructure Fund, administered by ADB.

The coronavirus disease (COVID-19) pandemic added considerable stress on Armenia. ADB was among the first development partners to help the country mitigate COVID-19 impacts. As an immediate response, in 2020, ADB approved a $2 million grant from the Asia Pacific Disaster Response Fund, financed by the Government of Japan and a $500,000 regional technical assistance to procure equipment and medical supplies. In 2020, ADB also approved a technical assistance of $750,000 to ensure continuous quality education by developing and delivering a distance learning platform. A $20 million nonsovereign loan to Electric Networks of Armenia helped ensure vital supplies of electricity during the pandemic.

**Nonsovereign operations.** Total outstanding balances and undisbursed commitments of ADB’s nonsovereign transactions in Armenia as of 31 December 2021 was $211.35 million representing 1.5% of ADB’s total private sector portfolio.

**Operational challenges.** A high level of public debt, medium-term fiscal consolidation, and the high volume of undisbursed balance of loan projects committed by the government from international financial institutions continue to affect the government’s borrowing capacity. For this reason, ADB envisages a flexible and adaptive approach to government needs and considers supporting priority investments in infrastructure and further public finance reforms as fiscal space opens up in 2022–2024. Where appropriate, sovereign lending will be structured to promote private sector participation, nonsovereign financing, public–private partnerships, and other innovative solutions.

**KNOWLEDGE WORK**

Knowledge products and services are integral elements of ADB support under each of the three strategic pathways of the CPS. These include technical assistance programs for the development of digital platforms to help improve land management, support distance learning, and health workforce information system.

Among the knowledge products produced in 2021 are publications on The Impact of Tariff Changes on Armenia’s Foreign Trade, Climate Risk Country Profile for Armenia, and Civil Society Brief for Armenia. Due to COVID-19–related travel restrictions, several capacity building events and workshops were delivered virtually, including a series of Futures Thinking and Transformative Foresight workshops aimed at generating more forward-looking policy solutions.
FINANCING PARTNERSHIPS

Financing partnerships enable ADB’s partner governments or their agencies, multilateral institutions, and private organizations to participate in ADB projects. The additional funds may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in Armenia:

- Sovereign cofinancing: $293.5 million for 2 investment projects and $5.61 million for 7 technical assistance projects since 2009
- Nonsovereign cofinancing: $486.67 million for 6 investment projects since 2004

A summary of projects with cofinancing from 1 January 2017 to 31 December 2021 is available at www.adb.org/countries/armenia/cofinancing.

FUTURE DIRECTIONS

ADB planned projects and technical assistance that support the government’s new development agenda, as outlined in the national development program for 2021–2026, in four areas—the economy, infrastructure development, human capital development, and institutional development.

ADB assistance will focus on public finance and debt management reforms, health system development and transformation, smart regional territorial development, agriculture value chain development, and regional road construction and regional integration.

The nonlending program reflects the government’s requests for knowledge support and capacity development. While preparation and implementation of public finance and debt management reforms continue to progress under ADB support, ADB policy-based lending from 2022 onward will depend on fiscal needs and debt management conditions. Additional financing will be provided in 2022 to ensure completion of retrofitting and reconstruction of 46 schools targeted by the Seismic Safety Improvement Program.
ADB AT A GLANCE

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. It has 68 members—of which 49 are from Asia and the Pacific and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,693 staff from 65 of its members as of 31 December 2021.

ADB maximizes the development impact of its assistance to its developing members by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others. It mobilizes financial resources through cofinancing from official, commercial, and export credit sources.

ADB pivoted swiftly to answer the needs of its developing members and will remain agile and responsive in the years ahead. It has started to see the shoots of a green recovery, but the long-term effects of the COVID-19 pandemic, climate change, and the outbreak of conflicts still threaten lives and prosperity. ADB will continue to work closely with members and development partners through these challenges to achieve a better future for all in Asia and the Pacific.

ADB operations. In 2021, ADB committed $22.8 billion in loans, grants, equity investments, private sector programs, and technical assistance both to the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of $12.9 billion.

As of 31 December 2021, ADB’s cumulative commitments in 45 countries stood at $342 billion covering 4,061 loans, $11.7 billion in 521 grants, and $5.2 billion in technical assistance grants, including regional technical assistance grants.

In addition to loans, grants, and technical assistance, ADB uses guarantees and equity investments to help its developing member countries.

Total commitments in nonsovereign loans and equity investments from ADB’s own funds in 2021 amounted to $1.2 billion for 35 transactions in economic and social infrastructure, finance sector, and agribusiness.

In 2021, ADB mobilized $1.7 billion of long-term project cofinancing and $5.8 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and undisbursed commitments of nonsovereign transactions funded by ADB’s own resources stood at $14 billion as of 31 December 2021.

FINANCING PARTNERSHIPS

Total sovereign and nonsovereign cofinancing commitments, 2021

- $12.93 billion for 187 projects, of which:
  - $12.38 billion, 75 investment projects,
  - $134.67 million, 110 technical assistance projects,
  - $422.87 million transaction advisory services for 2 projects.

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2021

- $140.43 billion for 3,165 projects, of which:
  - $136.6 billion, 1,098 investment projects,
  - $2.8 billion, 2,061 technical assistance projects,
  - $1.07 billion transaction advisory services for 6 projects.

PROCUREMENT

ADB’s Procurement Contracts, 2021

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:

- $22.93 billion in 2020
- $15.6 billion in 2021
- $232.16 billion covering 225,336 contracts, cumulative procurement since 1966

Consulting Services

ADB’s procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations:

- $730.78 million in 2020
- $697.03 million in 2021
- $14.86 billion covering 71,348 contracts, cumulative procurement since 1966

MORE ABOUT ARMENIA AND ADB

Shareholding and Voting Power

Number of shares held: 31,671 (0.3% of total shares)
Votes: 70,785 (0.53% of total membership, 0.82% of total regional membership)
*Overall capital subscription: $443.26 million
*Paid-in capital subscription: $22.21 million

*United States dollar figures are valued at rate as of 31 December 2021.

ADB Governor: Tigran Khachatryan
ADB Alternate Governor: Vahe Hovhannisyan
ADB Director: Arif Baharudin (Indonesia)
ADB Alternate Director: Karen Murray (New Zealand)

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Asian Development Bank websites
www.adb.org
Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook
ADB Data Library
data.adb.org

Useful ADB websites

Notes: (i) Figures are estimated by ADB unless otherwise stated.
*”$” refers to United States dollars. (ii) Data are updated as of 31 December 2021 unless otherwise indicated.