



RÉPUBLIQUE
FRANÇAISE

*Liberté
Égalité
Fraternité*



AFD Group AND **Armenia**



€260 M

of loans

€15 M

of grants

€46 M

support to the
private sector

AFD Group has been present in Armenia since 2013.

AFD finances development projects via loans as well as grants, notably from the European Union. It is mainly active in the sectors of irrigation, rural development, energy efficiency and public finance management. We finance investment projects and support public policy reforms through public policy loans.

Proparco, dedicated to the private sector, finances Armenian financial sector including banks, and microfinance institutions reaching particularly SMEs and farmers as well as manufacturing and agribusiness corporates through credit lines and loans. Expertise

France, as technical cooperation agency, cooperates with Armenia for an improved governance framework.

OUR ACTION IN Armenia

AGENCE FRANÇAISE DE DÉVELOPPEMENT | ARMENIA

In line with its regional strategy, AFD group seeks to finance projects that contribute to the fight against climate change and work towards fair and inclusive transitions. We support sustainable land management and natural resources preservation, energy transition, connectivity and urban services.

1

Improving governance and public finance management

Since 2016, AFD is supporting the fiscal and economic reforms in Armenia through several programs with budget supports. Expertise France is contributing to Armenia's efforts towards sustainable financing of fiscal equity and efficient public resources management support to the State Revenue Committee.

AFD supports the Government of Armenia in improving the efficiency and sustainability of its public services and in developing public and private investments to contribute to climate change mitigation and adaptation. AFD contributes to strengthening public financial management and to developing money and public security markets. The programs implemented also help reinforce corporate transparency while broadening the country's base of financial instruments and investors. In parallel, AFD accompanies the implementation of the public investment management reform at the Ministry of Territorial Administration and Infrastructures and Expertise France supports the consolidation of the justice system.

2

Promoting renewable energies and energy efficiency

Lack of thermal insulation standards, the intensity of winter and extreme poverty make lower-income Armenian households spend a significant budget on energy. The most vulnerable ones do not have access to credit facilities for the needed renovation.

AFD finances the National Mortgage Company through two credit lines (€10 million in 2013 and €20 million in 2021) with the aim of encouraging Armenian financial institutions to grant smaller loans for the renovation of the habitat and introducing awareness and good practices in energy efficiency housing and finance.

3

Supporting rural development

Agriculture is a strategic economic sector for Armenia. Irrigation schemes, on which 80 % of the agricultural production depends, are now deteriorating. AFD supports the Government of Armenia with a €75 million loan to improve the sustainability of water resources in the fertile plain of Ararat and the performance of the agricultural sector. The construction of the Vedi reservoir will help secure additional sustainable water reserves, reduce the consumption of electricity, while the network modernisation will improve irrigation efficiency. This loan is backed by a €10 million grant from the European Union to reinforce the capacities of the sector's stakeholders.

4

Sharing knowledge and expertise in city planning for Yerevan

In 2022, AFD signed a €1 million grant with the Ile-de-France Region for expertise sharing and transfer of know-how to the city of Yerevan in the fields of waste, urban mobility and urban planning.

5

Supporting the private sector

Proparco primarily supports the financial sector in Armenia mainly through leading banks in the country (Ameriabank, ACBA Bank, Araratbank and Armeconombank) as well as micro institutions, who provide financing to farmers and rural SMEs. Proparco supported Farmcredit, a credit union for farmers in the country, with a subordinated debt of an amount of €1.5 million. Proparco also provides direct financing to support the manufacturing, agribusiness, and service sectors through a senior loan facility to Spayka, one of Armenia's leading fruit and vegetable exporting companies, in 2018.