



RÉPUBLIQUE
FRANÇAISE

Liberté
Égalité
Fraternité



AFD Group and **Armenia**



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€670

million in
cumulative commitments

€29

million in technical
assistance and grants

€50

million in support
to the private sector

Present in Armenia since 2013, AFD Group finances and accelerates the country's transitions toward a fairer and more sustainable future. It supports projects addressing climate change and social inequalities through loans and grants, from both French and European sources.

Its financing benefits the State, public banks, and civil society in key sectors such as water resource management for agriculture, energy efficiency, and public finance management. Proparco supports the private sector (banks, microfinance, infrastructure projects, and SMEs), while Expertise France provides technical assistance to strengthen Armenian public policies in a wide range of fields.

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OUR ACTION IN Armenia

1 *Supporting agricultural development and strengthening the resilience of rural regions*

In 2015, AFD granted a €75 million loan to finance the construction of the Vedi reservoir in the Ararat plain, aiming to secure water resources and improve agricultural productivity. An additional €10 million grant from the EU finances technical assistance to support irrigated agriculture in the Ararat and Armavir regions (over 3,000 hectares). AFD has extended its commitment with a new program that supports both the integrated territorial development of the Syunik region and the nationwide improvement of irrigation and drinking water infrastructure, in partnership with the World Bank. At the regional level, Expertise France is also implementing the EU4Green Recovery project, which promotes the circular economy and protects water resources in Armenia and several neighboring countries.

2 *Supporting budgetary, financial, and institutional reforms*

Since 2016, AFD has supported the improvement of Armenia's governance and public financial management framework through several budget support operations totaling €215 million, alongside our partner, the Asian Development Bank, which provides complementary funding. The reforms supported contribute to more efficient and sustainable public services, the development of the financial sector, and the transition to a green economy. At the same time, we mobilize French grants to assist the Armenian State in implementing these reforms, with projects deployed by Expertise France since 2015. Within this framework, Expertise France is implementing the Green P2FT project, which integrates climate issues into public budgets, strengthens sustainable finance, and supports the reform of Armenia's financial sector. AFD also supports the reform of public investment management within the Ministry of Territorial Administration and Infrastructure. Finally, through its International Technical Experts, Expertise France assists the authorities in major reforms, from modernizing infrastructure and connectivity to improving education and healthcare.

3 *Promoting renewable energy and energy efficiency*

In the absence of insulation standards and facing harsh winters, low-income Armenian households spend a large share of their budgets on energy. The most vulnerable have no access to credit to finance improvement works. Since 2013, AFD has supported the National Mortgage Company (NMC) with credit lines and a green bond issuance to encourage commercial banks to finance energy-efficient renovations for households and SMEs. Grants, including European ones, have strengthened NMC's expertise in residential energy efficiency.

4 *Supporting private sector development*

Proparco supports Armenia's financial sector through the country's main banks as well as microfinance institutions that finance farmers and rural SMEs. In late 2024, Proparco became a shareholder of ACBA Bank, holding 10% of the credit institution's capital. In parallel, Expertise France fosters economic development through innovation, notably via the regional EU4Innovation East project, which supports the startup ecosystem and innovative entrepreneurship in Armenia.

5 *Strengthening Franco-Armenian partnerships*

AFD supports cooperation between French and Armenian local authorities and CSOs for inclusive development. A FICOL grant (€1 million) funds a project in Yerevan on waste management, mobility, and urban planning. It also supports four CSO projects (€2.4 million): improving obstetric and gynecological care (UGAB, ASF), developing ecotourism (AFRAT), and integrating displaced people from Nagorno-Karabakh (La Guilde) through social support and assistance to local associations.