



Armenia: Infrastructure Sustainability Support Program

Project Name	Infrastructure Sustainability Support Program								
Project Number	46220-001								
Country	Armenia								
Project Status	Closed								
Project Type / Modality of Assistance	Loan Technical Assistance								
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Loan 3155-ARM: Infrastructure Sustainability Support Program</td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 49.00 million</td></tr><tr><td colspan="2">TA 8710-ARM: Strengthening Sector Management Capacity in Road and Water Sectors</td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 900,000.00</td></tr></table>	Loan 3155-ARM: Infrastructure Sustainability Support Program		concessional ordinary capital resources lending / Asian Development Fund	US\$ 49.00 million	TA 8710-ARM: Strengthening Sector Management Capacity in Road and Water Sectors		Technical Assistance Special Fund	US\$ 900,000.00
Loan 3155-ARM: Infrastructure Sustainability Support Program									
concessional ordinary capital resources lending / Asian Development Fund	US\$ 49.00 million								
TA 8710-ARM: Strengthening Sector Management Capacity in Road and Water Sectors									
Technical Assistance Special Fund	US\$ 900,000.00								
Strategic Agendas	Inclusive economic growth								
Drivers of Change	Governance and capacity development Partnerships								
Sector / Subsector	Public sector management - Public expenditure and fiscal management Transport - Road transport (non-urban) - Transport policies and institutional development - Urban roads and traffic management Water and other urban infrastructure and services - Urban policy, institutional and capacity development - Urban water supply								
Gender Equity and Mainstreaming	No gender elements								
Description	The Asian Development Bank (ADB) partners with the Government of Armenia (government) to improve road and water service provision under the Infrastructure Sustainability Support Program (program). The program supports the government's development agenda on sustainable infrastructure provision as articulated in the Draft Armenia Development Strategy, 2013- 2025; Medium-Term Expenditure Framework, 201-3_2015; and the Republic of Armenia Government Program. It is closely aligned with ADB's Strategy 2020; the Water Operational Plan, 2011- 2020; the Sustainable Transport Initiative Operational Plan; and the development priorities identified in the country operations business plan, 2012_-2013 update. ADB has partnered with the government in road transport and water supply sectors, and for policy-based loans.								

Project Rationale and Linkage to Country/Regional Strategy	<p>Economic growth facilitated by improved infrastructure is a government development priority. Infrastructure assets are aging fast in Armenia, and resources for their rehabilitation or replacement are increasingly limited. The road and water sectors are of particular importance, given their impact on the economy and quality of life. Both sectors are acutely underfunded, with the government's long-term planning and sector management capacity limited. In the road sector, distortions between operating budgets and predominantly development agency-funded capital expenditures are increasing. Aging water sector assets cannot be maintained with limited public funding and tariffs. Under-provision or poor provision of roads limits people's access to markets, health, and education facilities. Better maintained road networks around economic hubs can improve access and create opportunities for economic integration of those in peri-urban and rural areas. Reliable and clean water supply would have direct health benefits. During the design background work, the following were identified as prerequisites for better sector management and service delivery: (i) integrated sector management informed by sound asset management; (ii) effective financial management and additional financing options; (iii) aligned responsibilities, functions, and accountabilities of all departments and agencies in each sector to help achieve sector targets.</p> <p>The government has partnered with development agencies and the private sector to improve road infrastructure and water supply, but the current need far exceeds the resources available. The program helps strengthen results-based management systems to address these constraints and to achieve road and water sector development priorities. The program also introduces a cross-sectoral approach for sector and finance ministries, scaled up to all four levels of results-based management_planning, budgeting, implementation, and monitoring_within and between sectors. The program partners with the Ministry of Economy (MOE) to align sector development plans with country development targets, with the Ministry of Finance (MOF) for adequate resource mobilization and optimal allocation, with the Ministry of Territorial Administration (MTA) for water and regional roads, and with the Ministry of Transport and Communication (MOTC) for the road network.</p>
Impact	Improved service delivery in the road transport and water supply sectors

Project Outcome

Description of Outcome	Results-based management systems implemented in the road transport and water supply sectors
Progress Toward Outcome	The program has finished. The government has implemented new results-based management systems through the introduction of program-based budgeting. The implementation will continue over the coming few years.

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. Sector management systems improved 2. Strategies and processes to allocate investments more efficiently developed 3. Regulatory frameworks improved 4. Monitoring systems strengthened
Status of Implementation Progress (Outputs, Activities, and Issues)	The program has finished and the outputs have been met.
Geographical Location	Armenia

Safeguard Categories

Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	This program loan supports better financial management and administration of road and water sectors in Armenia. It has no direct investment or project component which may trigger any of the safeguards.
Involuntary Resettlement	This program loan supports better financial management and administration of road and water sectors in Armenia. It has no direct investment or project component which may result in involuntary resettlement.
Indigenous Peoples	This program loan supports better financial management and administration of road and water sectors in Armenia. It has no direct investment or project component with an impact on indigenous people.

Stakeholder Communication, Participation, and Consultation

During Project Design The primary stakeholders for the program are beneficiaries of road and water services, the Ministry of Finance, Ministry of Economy, Ministry of Transport and Communication, Ministry of Territorial Administration, the State Committee on Water Economy, private sector providers of water and road transport services and infrastructure. These stakeholders have been consulted extensively on the policy conditions and timetable for implementation during workshops, focus group discussions, working group sessions held intermittently from March to August 2013.

During Project Implementation

Business Opportunities

Consulting Services The TA required a total of 520 person-months of international consulting services and 976 person-months for national consultants, with the following expertise: (i) international public financial management (PFM) specialist, (ii) international roads engineer, (iii) international water economist, (iv) international public utilities regulatory affairs specialist, (v) international project director, (vi) international water sector engineer, (vii) international road transport economist, (viii) international water sector expert, (ix) national PFM specialist, (x) national water engineer, (xii) national transport engineer, (xiii) national legal expert, (xiv) national data and systems management specialist, and (xv) national audit specialists.

Responsible Staff

Responsible ADB Officer	Hodge, Matthew W.
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD
Executing Agencies	<i>Ministry of Finance (MOF)</i> <i>PRESS@MINFIN.AM</i> <i>1 Melik Adamyanyan, Yerevan</i> <i>Armenia</i>

Timetable

Concept Clearance	11 Nov 2013
Fact Finding	04 Nov 2013 to 15 Nov 2013
MRM	25 Apr 2014
Approval	28 Aug 2014
Last Review Mission	-
Last PDS Update	30 Mar 2016

Loan 3155-ARM

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
28 Aug 2014	03 Oct 2014	19 Dec 2014	30 Sep 2015	31 Dec 2015	11 Nov 2015

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	49.00	Cumulative Contract Awards			
ADB	49.00	28 Aug 2014	45.56	0.00	100%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	28 Aug 2014	45.56	0.00	100%

TA 8710-ARM

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual

28 Aug 2014

19 Sep 2014

19 Sep 2014

30 Sep 2015

31 Dec 2015

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Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
900,000.00	0.00	100,000.00	0.00	0.00	0.00	1,000,000.00	28 Aug 2014	863,659.37

Project Page <https://www.adb.org/projects/46220-001/main>

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