



Armenia: Increasing Gender-Inclusive Lending to Micro, Small, and Medium-Sized Enterprises Project

Project Name	Increasing Gender-Inclusive Lending to Micro, Small, and Medium-Sized Enterprises Project		
Project Number	52168-001		
Borrower/Company	Armeconombank OJSC		
Country	Armenia		
Location	Nation-wide		
Approval Number	7626/3899		
Type of ADB Assistance / Amount	3899	Ordinary capital resources	USD 15.00 million Approved
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Private sector development		
Sector / Subsector	Finance - Small and medium enterprise finance and leasing		
Gender Equity and Mainstreaming	Gender equity		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Rohner, Tina		
Project Sponsor(s)			
Description	The transaction involves a loan of up to \$15,000,000 to Armeconombank OJSC (AEB) for the Increasing Gender-Inclusive Lending to Micro, Small, and Medium-Sized Enterprises Project in Armenia.		
Objectives and Scope	The project entails the Asian Development Bank (ADB) providing longer-tenor financing to AEB to support AEB's lending operations to micro, small, and medium-sized enterprises (MSMEs) in Armenia, with a focus on areas outside the national capital, Yerevan, and on MSMEs owned by women. By improving access to finance, the project is expected to support the expansion of small businesses and the generation of additional jobs, which in turn will contribute to poverty reduction.		
Linkage to Country/Regional Strategy	AEB's emphasis on lending to segments with high potential for employment and income generation will support inclusive growth. ADB funds will help AEB provide loans to MSMEs to meet their investment needs and support overall growth. The increased focus on lending to MSMEs owned by women delivers the strategic operational priority of increasing women's economic empowerment as articulated in ADB's operational priority 2 (accelerating progress in gender equality). This is consistent with the government's efforts to promote growth and economic diversification, and with ADB's country partnership strategy for Armenia, 2019- 2023.		
Safeguard Categories			
Environment	FI		
Involuntary Resettlement	FI-C		
Indigenous Peoples	FI-C		
Summary of Environmental and Social Aspects			
Environmental Aspects	AEB's social and environmental management policy guides the bank's activities and operations and defines its principles and approach regarding environmental and social assessment procedures. The management responsibilities in upholding this policy are also laid out in the document. The policy commits AEB to the adoption of robust safeguards and management practices, aligned with the practices of international financial institutions, to avoid, minimize, and mitigate adverse environmental and social impacts associated with subprojects.		
Involuntary Resettlement	AEB's portfolio includes financial services for trade, food and service, production, agriculture, and tourism. A few transactions of 10,000 ,20,000 involve transport and communications, while some transactions of 100,000, 200,000 involve construction companies. These business activities are unlikely to entail any physical or economic displacement as a result of land acquisition using eminent domain laws, or restrictions of access on lands or natural resources, or any displacement of nontitled users of privately purchased land.		
Indigenous Peoples	The project is not expected to generate any impacts on indigenous peoples.		
Stakeholder Communication, Participation, and Consultation	AEB's market analysis involves interactions with current and prospective clients to understand their needs and to develop products and outreach activities that will ensure that these needs are met. AEB will need to ensure that its environmental and social management system (ESMS) includes the development of mitigation and management measures through meaningful stakeholder consultation.		
Timetable for assistance design, processing and implementation			
Concept Clearance	24 Jul 2018		
Due Diligence			
Credit Committee Meeting	17 Jan 2020 to 17 Jan 2020		
Approval	24 Mar 2020		
Last PDS Update	25 Mar 2020		

Project Page	https://www.adb.org/projects/52168-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=52168-001
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