

 Early Warning System

ADB-58405-001

Resilient and Inclusive Road Sector Improvement Project II



## Quick Facts

<b>Countries</b>	Armenia
<b>Specific Location</b>	Dilijan
<b>Financial Institutions</b>	Asian Development Bank (ADB)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	A
<b>Borrower</b>	Government of Armenia
<b>Sectors</b>	Infrastructure, Transport
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 165.00 million
<b>Loan Amount (USD)</b>	\$ 165.00 million



## Project Description

As stated by the ADB, the project aims to establish a high-quality, climate-resilient road network in northern Armenia, which will enhance trade, and stimulate inclusive economic growth. By improving the resilience and transport connectivity, the project seeks to promote a more balanced development across the region. Additionally, it focuses on enabling the development of future roads that are sustainable, safe, inclusive, and support low-carbon mobility, ensuring long-term benefits for the environment and communities.

## PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Armenia, a landlocked country in the South Caucasus region, is bordered by Georgia and Azerbaijan to the north and east and by Iran, Azerbaijan's exclave Nakhchivan, and Türkiye to the south and west. The country heavily relies on road connections to Georgia for trade, making a resilient road network vital for its economic growth and stability. Armenia's road network handles 77% of freight traffic (by tonnage) and nearly all passenger transport. However, several challenges impact its resilience, and any disruption to critical routes significantly affects the economy.

Moreover, climate change exacerbates these issues, leading to increasingly severe weather events. For instance, the May 2024 floods caused extensive damage to critical transport infrastructure, including the M6 and M4 roads and railway connections to the Bagratashen border crossing point, which handles 80% of the country's imports and exports. This event severely disrupted transport services across the road network, increasing total vehicle travel time by 7,200 hours (3%), and total vehicle-kilometers traveled by 276,200 kilometers (km) (2%).

Additionally, around 52% of Armenia's roads are in poor or very poor condition, highlighting a pressing need for investment in rehabilitation and maintenance to ensure an efficient and robust road network with all-weather access, particularly for republican and local roads. Road safety is also a major concern, with the socio-economic costs of fatal and severe injuries estimated at 5% of the gross domestic product annually. Addressing these challenges requires strategic investments in critical transport infrastructure, a systematic and proactive approach to scaling up climate adaptation and infrastructure resilience measures, and implementation of effective road safety policies and actions.

The Asian Development Bank's (ADB) transport sector strategy for Armenia has centered on three key objectives:

- (i) enhancing connectivity along the North-South Road Corridor (NSRC),
- (ii) improving links with Georgia, and
- (iii) strengthening road subsector management.

Since 2009, ADB has been supporting the construction of the NSRC, through a Multi-Tranche Financing Facility (MFF). The three ADB-financed tranches are either completed or on schedule for completion in 2025. Leveraging the lessons from the MFF and the ongoing Armenia-Georgia border regional road improvement project, ADB's proposed support in the road transport aims to assist the government in enhancing road subsector management and enabling the transition to an inclusive, safe, and low-carbon transport system.

The Government of Armenia has sought assistance from the ADB to rehabilitate and reconstruct the Pushkin and Dilijan tunnels. This project also includes the 'build back better' reconstruction of the M6 sections damaged by flooding. Improving these critical road infrastructures will improve the resilience of transport services and regional trade flows in Armenia and with trading partners.

This is the second phase of the proposed Resilient and Inclusive Economic Corridor Improvement Project.



### Early Warning System Project Analysis

The ADB categorized the project E&S risks as follows:

Environment - A

Involuntary Resettlement - B

Indigenous Peoples - C



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**Investment Description**

- Asian Development Bank (ADB)



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## Contact Information

### ADB Team Leader:

Michael Anyala

Email: [manyala@adb.org](mailto:manyala@adb.org)

### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



### Bank Documents

- [Initial Environmental Examination - Part 1](#)
- [Initial Environmental Examination - Part 2](#)
- [Initial Environmental Examination - Part 3](#)
- [Initial Environmental Examination - Part 4](#)
- [Initial Environmental Examination - Part 5](#)



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### Other Related Projects

- ADB-56317-001 Resilient and Inclusive Economic Corridor Improvement Project
- ADB-56317-002 Preparing the Resilient and Inclusive Economic Corridor Improvement Project