

 Early Warning System

EBRD-55804

GCF GEFF Regional - GEFF Armenia II - Converse Bank



Quick Facts

Countries	Armenia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-11-05
Borrower	Converse Bank CJSC
Sectors	Climate and Environment, Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 2.25 million
Loan Amount (USD)	\$ 2.25 million
Project Cost (USD)	\$ 3.00 million



Project Description

According to the EBRD, the project consists of the provision of a senior loan to Converse Bank CJSC ("CB") of up to USD 3 million, of which up to USD 2.25 million to be provided by the European Bank for Reconstruction and Development ("EBRD") and up to USD 0.75 million by the Green Climate Fund ("GCF") under the GCF-Green Economy Financing Facility ("GEFF") Regional Programme.

The proceeds of the loan will be used for financing investments in climate change mitigation and adaptation technologies by local private sector commercial sub-borrowers in a gender-responsive way, in line with the standards and reporting requirements for the GEFF in Armenia. 100% of the loan proceeds will be related to Green Economy Transition investments. In addition to long-term financing, eligible subborrowers will benefit from investment incentives upon successful completion of their investment projects. CB will benefit from Technical Cooperation ("TC") in form of trainings, capacity building and support for project implementation from the dedicated programme consultants. The Project's use of proceeds may include solar sub-projects. Such sub-projects will be managed in line with "The Proposed Management Approach for Solar Supply Chain Risk Management" (CS/FO/21-35), (CS/FO/21-35 (Add 2)) and any subsequent guidance developed under that approach.

The operation will benefit from TC support financed by the GCF and the Climate Investment Fund. The objective of the TC is to assist financial intermediaries in Armenia, including CB, with capacity building, marketing, project assessment and general monitoring and reporting. Furthermore, investment incentives to CB's clients, granted by the Scaling-up Renewable Energy Programme in the amount of up to USD 300,000 will be deployed to stimulate climate change mitigation and adaptation projects with significant positive externality and to encourage early movers to adopt innovative technologies to reach a critical mass.



Early Warning System Project Analysis

The EBRD categorized the project risk as FI.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Converse Bank CJSC](#) (Financial Intermediary)



Private Actors Description

As stated by the EBRD, Converse Bank is a commercial bank focused on servicing business and retail segments in Armenia. Among the 18 banks, CB ranked 6th by total assets and 7th by loan portfolio, with market shares of 5.5% and 5.4% respectively, as of YE2023.



Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:

http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>