Early Warning System

EBRD-56726
FIF - SMECI RRWA - InecoBank



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Quick Facts

Countries	Armenia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Proposed
Bank Risk Rating	U
Borrower	Inecobank CJSC
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 8.31 million

Project Description

According to the Bank's website, the project consists of the provision of a senior loan to Inecobank CJSC in amount of up to EUR 7m under the Refugee Response Window of the SME Competitiveness and Inclusion Programme in Eastern Partnership, to support refugee-led businesses and encourage local firms to create employment opportunities for refugees and invest in their skills development, contributing to long-term inclusive impact. The loan will have a tenor of up to 4 years.

The project aims to foster inclusive economic growth by supporting the entrepreneurial activities of refugees and displaced population, as well as incentivising local MSMEs to create employment opportunities for them. Aligned with the Programme's primary objective of helping MSMEs upgrade their operations to EU standards, the transaction will enable local companies to invest in modernising their production processes, with a particular focus on green technologies. These upgrades are expected to enhance the competitiveness of Armenian businesses in the European market, aiming to achieve at least 70% share of Green Economy Transition ("GET") aligned investments under the Programme.

Early Warning System Project Analysis

Categorised FI (2024 ESP). Inecobank is an existing client and performs in compliance with the environmental and social (E&S) standards under existing exposures.

Investment Description

• European Bank for Reconstruction and Development (EBRD)

Provision of a senior loan in amount of up to EUR 7m under the Refugee Response Window of the SME Competitiveness and Inclusion Programme in Eastern Partnership. The loan will have a tenor of up to 4 years.

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.

• Inecobank CJSC (Financial Intermediary)

Private Actors Description

Inecobank CJSC is a long standing EBRD partner bank. It was the 5th largest bank in Armenia by total assets and loan portfolio with 7.0% and 6.8% respective shares in the system as of YE 2024. It is rated Ba3 (stable outlook) by Moody's.

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

Bank Documents

• PSD Translation (Armenian)