

ARMENIA

S T A T E M E N T

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Avag Avanesyan, Alternate Governor

Deputy Minister

Ministry of Economy of the Republic of Armenia

Honorable Mr. Chairman,
Esteemed Mr. President,
Distinguished Governors and Delegates,
Ladies and Gentlemen,

It is my honor to represent Armenia in the 2020 Annual Meeting of the European Bank for Reconstruction and Development and address the statement on behalf of the Republic of Armenia. First of all allow me to express our great great appreciation of the excellent effort by the EBRD management to make the annual meeting happen despite the seemingly insurmountable challenges, hence, creating an opportunity for dialogue.

This year has been challenging for the region and the world in general due to the COVID 19 crisis with its plethora of humanitarian and economic implications and consequences. The world will need a coordinated effort by development institution and sovereign nations to make sure that the recovery, when it arrives, is quick and inclusive.

To this extent, we greatly value an excellent job of the EBRD to mobilise rapid Covid-19 response package. Despite the economic and financial volatility and structural challenges, the Bank has managed to successfully implement its core mandate of ensuring the transition impact and has continuously contributed to the development of the region.

Beyond rapid response agenda, we utterly believe that the long-term recovery and growth will be achieved through structural reforms targeting deep economic transformation. This would imply speeding up development and absorption of green technologies, ensuring better and equal access to knowledge and information, as well as encouraging further development and spread of international value chains. To tackle the newly arising vulnerabilities and support the recovery we may need to evaluate the need to allocate more concessional resources, especially in the regions being affected the most.

We appreciate the efforts to build the Strategic and Capital Framework 2021-2025, the priorities of which are aligned with the national development priorities of Armenia. We express support for the SCF and hope, that the proven efficiency of the Bank's business model and its unique mandate would be effectively utilized to reach the preset goals. We also welcome the approach of review and monitoring mechanism of the SCF, which will inform the Bank and the Board on implementation and further priorities.

Regarding the geographical expansion and operational envelope, we believe, that for the initial period of recovery and while the consequences of the crisis are not yet mostly addressed, the engagement by the Bank in the countries of current coverage is a more preferable strategy. Considerations on the operational expansion should be made when the planning horizon clears up and a thorough analysis of possible risks, opportunities and challenges can be performed.

We also appreciate the effective longstanding partnership with the EBRD. 2019 was a very successful year with 15 projects engaged by EBRD capping euro 118 mln of investments. The current portfolio of about 380 million euros is predominantly in energy, infrastructure, financial institutions, industry, commerce, and agribusiness. About 85 percent of the EBRD's operations in Armenia are in the private sector. Armenia is interested in continuing working with the EBRD around sustainable recovery and building more effective policy dialogue for a better future.

Unfortunately, the efforts we all pooled together for decades to open for the region and countries of operation the prospects for sustainable development, ensure effective transition, build strong democracies with effective institutions and market economy are threatened.

Dear colleagues,

While we speak of shared prosperity and growth, of a sustainable future and an effective transition that awaits us after the pandemic is overcome, while we speak of cooperation and inclusion, for already ten days, the people of Artsakh (Nagorno Karabakh) have been fighting for their existential right to life.

The military aggression against Artsakh by Azerbaijan, which is fueled by the full and direct support of Turkey and is accompanied by gross violations of international humanitarian law has endangered the security of the entire region. Foreign terrorist fighters from Syria and Libya are deployed in the military operations by Turkey and Azerbaijan. The civilian population and infrastructures are deliberately targeted with cluster munitions, and other weapons of varying calibers. The people of Artsakh defend not only their own security, but also stand for universal values, for democracy and human rights, they stand against terrorism, violence, and oppression.

Despite the calls by the OSCE Minsk Group Co-Chair countries and the international community to immediately cease the military actions, Azerbaijan and Turkey continue the large-scale aggression.

This intentional destruction of peaceful settlements and the loss of human life take an extreme toll on the peace and stability in the region. The negative effects will, unfortunately, be deep and long-lasting, requiring extensive political and economic mobilization to mitigate and overcome. An instant understanding that the conflict has only a peaceful solution is vital, otherwise the region is on the brink of a humanitarian crisis.

Dear colleagues,

The Republic of Armenia remains committed to the founding principles of this institution. We ensure that the current challenges will not take us off the predetermined course of democracy and shared prosperity, and we look forward to more fruitful cooperation and positive achievements.

To conclude, once again I would like to say a word of thank you to the EBRD Acting President, Mr. Jürgen Rigterink, as well as the management team for their efforts of arranging the Annual Meeting during such volatile times. I would like to express sincere gratitude to our Constituency for the accomplished year.

The EBRD is and will remain an important partner for Armenia.