
International Financial Institutions Look To Continue Cooperation With Armenia Despite Its Customs Union Orientation

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After Armenia's announcement of its decision to join the Customs Union, the international financial organizations that have provided assistance and credits to Armenia have been trying to clarify prospects for further cooperation.

Although immediately after the announcement by President Serzh Sargsyan on September 3 there were fears that Western foundations and banks will stop cooperation with Armenia, some two weeks after the event it became clear that a political decision has been made to continue and even build up this cooperation. Over the past two days at least three major financial partners of Armenia declared about the continuation of their programs.

The United States Agency for International Development (USAID) will provide financial aid of \$43 million to Armenia, said Prime Minister Tigran Sargsyan. For the purpose of establishing a competitive and diversified private sector, by September 2017 USAID will provide \$10.4 million to the Armenian government. The prime minister also said that the U.S. has provided \$1 million in additional aid to Armenia for agricultural registration.

The mission of the International Monetary Fund (IMF), which arrived in Yerevan on September 5, made progress in discussions with the Armenian authorities on the action plan for the current and subsequent years, the statement by the head of the IMF Armenia mission Mark Horton says.

Based on the results of the inspections Armenia will be granted an additional funding of \$84 million. Thus, the total issuance in accordance with arrangements will amount to \$407.2 million.

The new head of the Yerevan office of the European Bank for Reconstruction and Development (EBRD) Mark Davis is also going to make an effort to continue the implementation of the Bank's programs to promote private sector development in Armenia. To this day, the EBRD has invested over 656 million euros (about \$888 million) in 120 programs. In 2012, the Bank signed an agreement in Armenia on 15 programs for a total amount of 94 million euros (about \$127 million).

In an interview with RFE/RL's Armenian Service U.S. Ambassador to Armenia John Heffern said that support for reforms in Armenia will be continued and that the Customs Union does not prevent it. European officials have also said that "the EU will not abandon Armenia." And the fact that financial institutions have decided to continue working with Armenia suggests that in Armenia, parallel to the "political" accession to the Customs Union, a closer "economic" integration with the West may be launched.

The opening in Armenia of the office of one of the world's most renowned IT companies, Oracle, could mean that Washington intends to launch the second stage of "diversification" of Armenia. And this company certainly will not be the last.

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