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## **EDB PROVIDES ARMENIA WITH LOAN TO UPGRADE ELECTRICITY GRID**

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The Eurasian Development Bank (EDB) has provided a 20 million US dollar loan to the Electrical Networks of Armenia (ENA).

The project aims to implement the uninterrupted supply and distribution of electricity throughout Armenia, contribute to the countrys sustainable economic growth, help and maintain employment and ensure stable electricity supplies to consumers.

The loan will be directed to the reconstruction of the electrical grids network economy, the improvement of the electricity metering system and effects on the qualitative change in the companys financial conditions, said Vsevolod Smakov, the head of the EDBs industry and energy unit.

Karen Harutynyan, the general director of ENA, said that the loan represented the first step of the 10-year investment programme in the company, which is worth of a total of 726 million US dollars and aims to modernise its distribution networks and substations, connect new consumers, replace and install electricity metres and implement global management standards.

Investors, before extending loans, assess all possible risks, including the possibility of lowering tariff rates. Besides, power grids are guided in their activities by margin rates, which are regulated by law, said Mr Harutynyan.

The loans have been granted at interest rates of 2.7-3.7 per cent, low for Armenia. The EDB is also working with the European Bank for Reconstruction and Development (EBRD) and Asian Development Bank (ADB) on a programme to modernise Armenias electricity grids, as well as negotiating with the EBRD, ADB and International Finance Corporation (IFC) to secure a long-term credit package.

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