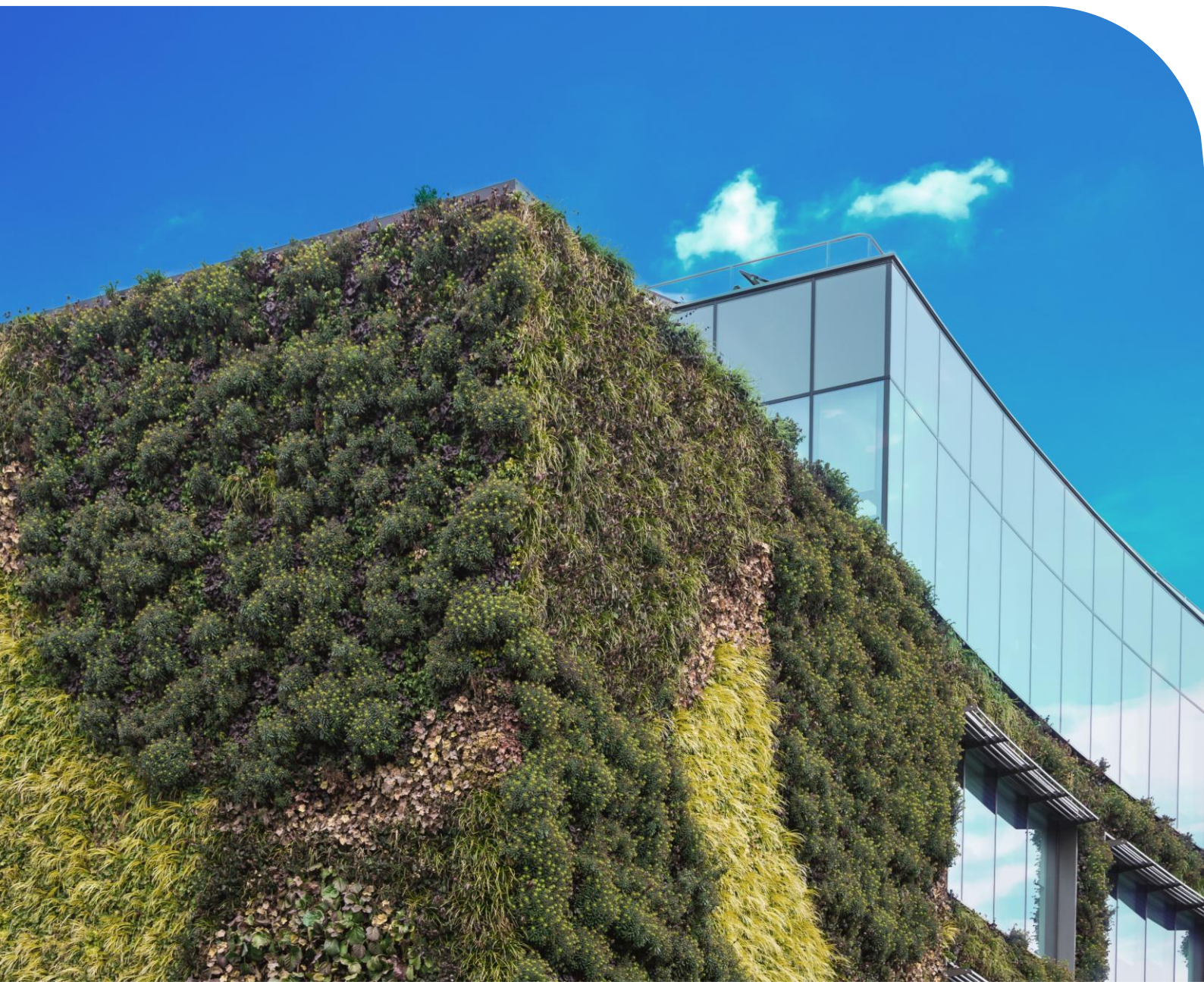


ESG and Sustainable Finance: South Caucasus and Central Asia

Armenia

September 2026



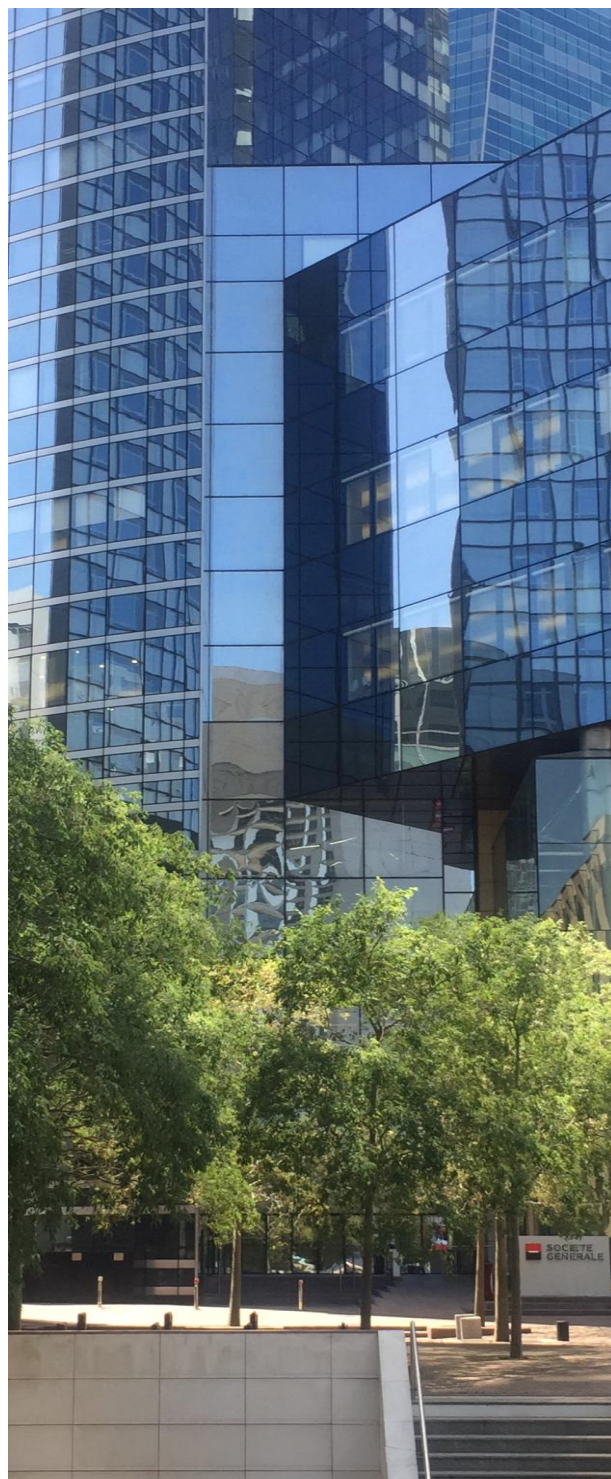
Executive Summary

Armenia has assembled a coherent sustainable finance framework in a short time — but its disclosure instruments remain guidance rather than binding obligation. The Central Bank of Armenia anchors the process through a National Sustainable Finance Roadmap (2023) and the 2024 Climate Risk Reporting and Disclosure Framework aligned with IFRS S2, alongside the Green Taxonomy — the latter led by the Ministry of Economy with World Bank support. The Climate Law now gives parts of the wider climate framework statutory force, but the disclosure instruments themselves carry no binding requirement. In practice, the most rigorous ESG report including externally assured reporting comes from a large mining exporter rather than a bank.

IFI engagement is broad and multi-layered — IFC, EBRD, World Bank, ADB, AFD and EIB at the core, with Proparco, FMO and the Green Climate Fund also active — spanning policy assistance, bank credit lines and direct participation in labelled bond issues. This depth of engagement is the framework's biggest accelerant, and its most significant structural dependence.

Green issuance is not new. Ameriabank opened the market several years ago, and the most recent transactions came from Electric Networks of Armenia with a green bond and Team Telecom Armenia with a sustainability-linked bond. The deals remain occasional and bespoke.

What is missing is the standing market structure around them — a dedicated Green Bond Segment on the Armenia Securities Exchange and formalised Green Bond Guidelines, neither of which is yet in place. Until they are, Armenia has the rules but not the channel to turn individual deals into routine issuance.



Introduction

This publication is part of a seven-country series examining ESG and sustainable finance regulation across Central Asia and the South Caucasus. The series covers Armenia, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan - seven countries building regulatory infrastructure for sustainable finance at markedly different speeds and from different starting points. Each publication draws on primary regulatory documents, IFI technical reports, and company-level disclosures. The series is benchmarked against “Sustainability in Financial Regulation Across the CIS Region: A Comparative Overview,” published by Grant Thornton Armenia in August 2025.

Armenia’s sustainable finance story is one of deliberate, IFI-supported construction. The Central Bank of Armenia has moved methodically from strategy to taxonomy to disclosure standard, with an unusually rich ecosystem of international partners. What Armenia has not yet achieved is the shift from construction to operation — from instruments on paper to requirements that generate verifiable disclosure across the financial sector. Bank practice is beginning to move: Ardshinbank's report mirrors CBA disclosure expectations, Acba Bank is has published a GRI-referenced report in September 2026, Armswissbank publish report on GHG emissions and Ameriabank reports within Lion Finance Group. That gap, and what is being done to close it, is the central question this publication addresses.

This publication series covers:



Armenia



Georgia



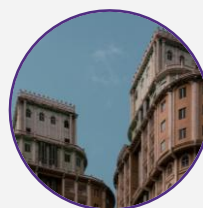
Kazakhstan



Kyrgyz Republic



Mongolia



Tajikistan



Uzbekistan

1. The Regulatory Framework



National Sustainable Finance Roadmap

Strategic foundation across four pillars: mobilizing capital, market data, CBA supervision, sector capacity. First systematic climate-risk read of the loan book — construction (8.6%) and manufacturing (8%) most exposed.



Green Taxonomy

Defines which activities qualify as green — the intended green bond eligibility reference. The taxonomy's first version is adopted, but operationalization remains incomplete: eligibility and verification criteria are still undeveloped.



Corporate Governance Code

Approved by the Ministry of Economy, it applies a comply-or-explain approach to governance, transparency and reporting.



Climate Law

Adopted by the National Assembly, it establishes the national framework for mitigation, adaptation and greenhouse-gas reporting — the first instrument in the stack with statutory force.



CBA Sustainability Report

Sets out banking-sector action steps for 2025 and introduces a reporting template for banks, issued as an Excel workbook and built on TCFD and ISSB reference points.

Completing it is not mandatory at this point: the template sets the expected shape of bank disclosure rather than a reporting obligation.



2. Oversight and Sectoral Reach

Multiple Authorities, Distinct Responsibilities

The Ministry of Economy leads the Green Taxonomy, and the Ministry of Finance is responsible for enforcing non-financial reporting standards. This division makes inter-agency coordination essential for effective implementation. Within the financial sector the CBA remains the single integrated regulator — structurally comparable to Georgia's NBG — giving IFI partners one coherent interlocutor, though sustainable finance policy as a whole is shared across ministries. The Ministry of Environment contributes to climate policy development and related consultations. The Union of Banks of Armenia joined SBFN in 2023, adding an industry-level voice.

Bank Focused & Voluntary

The CBA's 2024 Climate Risk Reporting and Disclosure Framework applies to banks as guidance rather than binding requirement. It therefore creates no mandatory reporting obligation, either for banks or for other financial institutions such as insurers, asset managers and pension funds. AMX lists approximately 63 issuer entries across multiple instruments as of September 2026. Armenia's two pension funds held approximately AMD 1.44 trillion in combined assets at end-2025, yet face limited ESG investment opportunities and data, constraining further market development.

5 sectors within the financial regulatory landscape



Banks



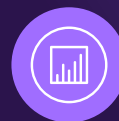
Credit institutions



Insurers



Asset managers



Securities markets

AMD 1.44 tn

The largest pool of domestic institutional capital, and the most plausible future buyer of labelled bonds if ESG data and eligible instruments become available.

3. Disclosure in Practice & Standards in Use

Where Disclosure Actually Comes From

ZCMC (Zangezur Copper Molybdenum Combine) produces Armenia's most developed sustainability reporting — multi-year, multi-framework and third-party assured, now in its fourth year, using GRI, SASB, TCFD and, in its September 2026 report, TNFD, assured by Grant Thornton. It is a mining company: the country's most sophisticated ESG disclosure sits outside the financial sector the CBA's framework regulates.

Labelled issuance has come from banks and corporates alike — Ameriabank in the financial sector, Electric Networks of Armenia with a green bond and Team Telecom Armenia with a sustainability-linked bond.

NMC issued a USD 26 million green Eurobond in December 2024—Armenia's first green Eurobond. The related disclosure is transaction-specific rather than institution-wide sustainability reporting.

A third channel is parent-driven: Coca-Cola HBC Armenia has published Armenia-level impact reports since 2020, most recently for 2022–2023 in November 2024, using GRI as a reference under its parent's group-wide methodology.

Three Levels, No Single Standard

Regulatory framework level: IFRS S2 and Basel Committee guidance, via the 2024 Climate Risk Reporting and Disclosure Framework. Transaction level: ICMA Green Bond Principles, via the NMC's green bond framework. Voluntary company level: GRI, SASB, TCFD and TNFD, the last applied in ZCMC's September 2026 report. A November 2025 “Sustainable Bond Market Readiness Assessment Report” assessment recommends future National Green Bond Guidelines align with ICMA Principles and the EU Green Bond Standard — not yet adopted instruments. No single mandatory reporting standard applies across the sector.



1 Regulatory
IFRS S2 + Basel Committee

2 Transaction
ICMA Green Bond Principles

3 Voluntary company
GRI · SASB · TCFD · TNFD

4. IFI Engagement

IFI support works on three levels at once: shaping the rules, funding the banks, anchoring the deals — selected documented engagements, not an exhaustive account.



Shaping rules

EIB funds the CBA's sustainable bond work (IKI Fund, DAI-led). IFC backed the Roadmap as SBFN secretariat. The World Bank supports the Ministry of Economy-led taxonomy. Supervisory tooling is donor-built too: early ESG risk screening drew on DSIK's ESG Risk Radar, and the CBA's April 2026 climate transition risk stress test was developed with World Bank support.



Funding banks

EBRD's GEFF lends through Acba, ArmSwissBank, Inecobank, Ardshinbank, Araratbank, Converse and Evocabank, alongside EUR 135M to Ardshinbank and EUR 150M to Ameriabank. IFC signed with three banks in Dec 2024, ADB with Ameriabank and Converse, FMO with Ameriabank. ArmSwissBank is Armenia's first GCF-accredited private entity.



Anchoring deals

Team Telecom's USD 75M sustainability-linked bond was anchored jointly by ADB, EBRD, IFC and Proparco. AFD backed the NMC's inaugural green bond in 2024. Labelled issuance has so far relied on development finance taking the anchor position.

Why it matters: every level runs through development finance, and the next step, Green Bond Guidelines, is IFI-funded too. What is not yet visible is a domestic investor base able to absorb an issue without them.

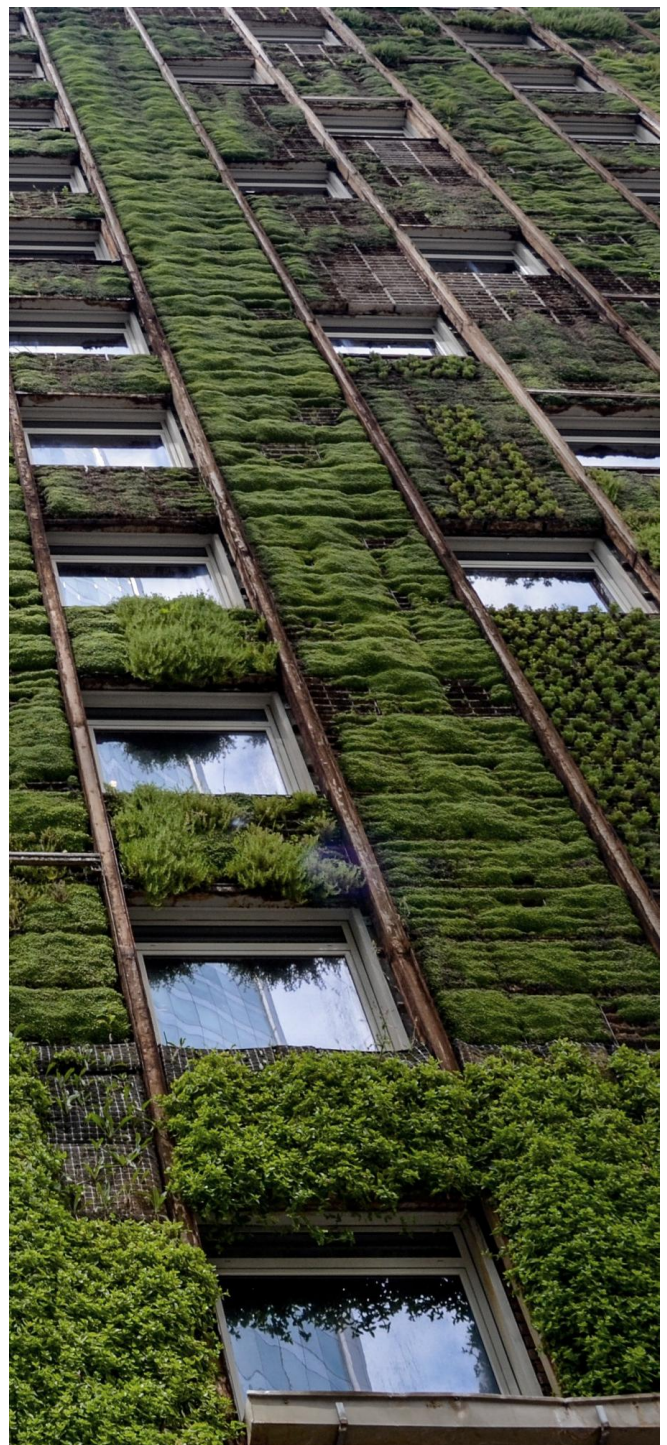
Conclusions & What's Next

Armenia's sustainable finance trajectory is coherent and well-supported.

A central bank with demonstrated regulatory intent, a logical sequence of instruments from strategy to taxonomy to disclosure framework, and a genuinely rich IFI ecosystem actively working toward the next milestone. What is missing is the transition from construction to obligation — from instruments that describe what should happen to requirements that mandate it and verify that it has.

Three dependencies define what comes next.

Almost every layer of the market — the rules, the credit lines, the labelled issues — runs through development finance, and the Green Bond Guidelines now in preparation are IFI-funded too. No domestic investor base is yet able to absorb a labelled issue without them. And bank reporting is only beginning to move from mirroring supervisory expectations toward standards-referenced disclosure. A green bond segment on the Armenia Securities Exchange is a recommendation of the November 2025 CBA–EIB readiness assessment, not a dated deliverable — practical force will come from whether disclosure becomes a requirement rather than an expectation.



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You have questions? We have the answers.



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