Table 1. PIMA Summary Assessment for Armenia

Phase/Institution			Institutional Strength	Effectiveness	Reform priority
A. Planning	1	Fiscal targets and rules	MEDIUM. Armenia has fiscal rules for central government but not general government and the MTEF distinguishes current and capital.	HIGH. Armenia's debt and deficit have been within limits and capital budgets in line with the MTEF.	LOW
	2	National and sectoral planning	MEDIUM. Government Action Plan includes some capital projects but costing and output targets are partial in coverage.	MEDIUM. There is a moderate link from the Five-Year Action Plan to the budget and limited systematic use of KPIs.	HIGH
	3	Coordination between entities	MEDIUM. Requirements to share SNG development programs, transparent capital transfers, and requirements for disclosing SOE and PPP liabilities.	MEDIUM. SNG capital plans are somewhat coordinated with government, budget transfers are timely and PPPs are reported, but not most PPAs.	LOW
	4	Project appraisal	MEDIUM. There are requirements for systematic appraisal, with a standard methodology which includes risk analysis but significant exemptions.	MEDIUM. Requirements are not applied to all major projects; but many are appraised – including risk - through IFI processes.	MEDIUM
	5	Alternative infrastructure financing	MEDIUM. Regulatory framework established in key sectors, PPP framework in place, and some rules for SOE coordination but there is no consolidated report of SOE investments.	MEDIUM. There is private participation in energy and telecoms, SOE investment plans are agreed with line ministries, but PPP use is lower in recent years.	LOW
B. Allocation	6	Multi-year budgeting	MEDIUM. MTEF includes multiyear projections with sector ceilings, but project costs only for IFI projects.	MEDIUM. Capital budgets are in line with MTEF, but sector ceilings are not guiding budgeting and changes in project costs are not explained.	MEDIUM
	7	Budget comprehensive-ness and unity	HIGH. Investment is through the budget, current costs are presented together, and most externally financed projects are disclosed.	HIGH. There is no extrabudgetary investment, budget documents provide detailed view of public investments.	LOW
	8	Budgeting for investment	MEDIUM. Appropriations are annual, virements from capital to current spending require Government decision but total costs not required to be disclosed.	HIGH. The Budget shows project costs for many major capital projects, virements are rare, and projects receive required funding.	LOW
	9	Maintenance funding	MEDIUM. There are methodologies for maintenance but some fragmentation. Spending is identified in the budget.	MEDIUM. Budgets for routine maintenance are low, but capital maintenance is growing and maintenance budgets are executed.	MEDIUM
	10	Project selection	MEDIUM. There is a central review and prioritization criteria, and arrangements for pipeline of appraised projects but these are weakly connected to investment budgeting.	LOW. Central review screens out projects, but investments enter the budget without coming through the PIM system.	HIGH
C. Implementation	11	Procurement	HIGH. Competitive bidding required by law, procurement is centrally reported and there is a review and appeals process.	MEDIUM. High use of urgent procurement in practice, a procurement database is available, and a court-based procurement review process.	HIGH
	12	Availability of funding	HIGH. Monthly cash flow forecasts and quarterly allotments are required, and donor funds are integrated into the TSA.	HIGH. Cash flow forecasts are reliable, releases are timely and information on external finance is up to date.	LOW
	13	Portfolio management and oversight	MEDIUM. Requirements for implementation monitoring and scope for reallocation, but not for ex-post reviews.	LOW. Significant budget under-execution, reallocation does not happen in practice and ex-post reviews are not conducted.	HIGH
	14	Management of project implementation	MEDIUM. Implementation plans are required and ex-post audits are possible, but no process for project adjustment.	LOW. Execution plans in place prior to approval, but project adjustment is not systematic and very few audits completed.	MEDIUM
	15	Monitoring of public assets	MEDIUM. Asset registers and deprecation required, but non-financial assets are not required in financial statements.	LOW. Infrastructure not generally covered in asset registers, not consolidated into public sector reporting.	HIGH

Table 2. C-PIMA Summary Assessment for Armenia

Phase/Institution			Institutional Strength	Reform priority
Climate - PIMA	C1	Climate-aware planning	MEDIUM. Strategies incorporate climate investment costs, guidance on mainstreaming climate in national strategies and building codes incorporate energy efficiency standards but spatial planning lacks specific reference to climate risks and impacts.	MEDIUM
	C2	Coordination between entities	MEDIUM. The new Climate Law provides a strong basis for improving the coordination of climate investment across central and sub-national governments, but SOEs remain outside of the coordination framework.	MEDIUM
	C3	Project appraisal and selection	LOW. The PIM process requires some climate assessment in appraisal, but this does not fully inform selection, and the PPP framework does not contain climate risk allocation.	HIGH
	C4	Budgeting and portfolio management	LOW. Identification of climate-related expenditures in the budget is a legal requirement in the Climate Law, but climate perspectives not included in ex-post reviews, audits or asset management policies.	HIGH
	C5	Risk management	MEDIUM. Armenia has a legally grounded Disaster Risk Management framework, contingency financing mechanisms, and published fiscal risk analysis, but lacks a mandatory update cycle, systematic asset-level risk assessment, dedicated disaster risk financing architecture, and quantitative analysis.	HIGH

Recommendations

Table 3. PIMA and C-PIMA Recommendations

#	Recommendation	Priority
Investment Planning		
1	Develop a 5 to 10 year National Infrastructure Strategy, based on an assessment of cross-sectoral needs, with agreed priorities and an indicative capital envelope (Office of the Deputy Prime Minister (DPM), Q3 2027).	HIGH
2	Take stock of all PPAs and include the assessment of related fiscal risks in the Fiscal Risk Statement, prioritizing the largest contracts (MoF, Q4 2028).	MEDIUM
Investment Allocation		
3	Update the BSL and PIM Decree to remove exemptions for medium and large projects, include a formal project selection process and mandate that only mature, stringently appraised, climate-screened and National Infrastructure Strategy-aligned projects - regardless of financing source or procurement model - are prioritized in the budget (MoF, Q3 2027).	HIGH
Investment Implementation		
4	Enact measures to restrict the use of urgent procurement and publish and update a rolling 1–3 year procurement pipeline, (in time, derived from the National Infrastructure Strategy), to provide market visibility, enable early market engagement, strengthen competition and private sector preparedness (MoF, Q4 2027).	MEDIUM
5	Introduce a central portfolio management function to validate the rationale for legacy projects, track financial and physical progress of the largest projects, review bottlenecks to delivery and take decisions to accelerate portfolio implementation, including reallocation between projects (DPM & MoF, Q3 2027).	HIGH
6	Expand asset registers to systematically cover major infrastructure with attached values and standardized valuation approaches (MoF, Q1 2028).	MEDIUM
Climate-Sensitive Public Investment Management		
7	For key SOEs in energy, transport and water, use the *Declaration of Substantiation of Ownership* process to mandate that investment strategies be consistent with climate policy and that all major projects are appraised, incorporating climate adaptation and mitigation (MoF, Q1 2027).	MEDIUM
8	Update the guidance for pre-feasibility and feasibility studies with more detailed processes for climate appraisal and mandate that only climate-screened projects are considered for budget funding (MoF, Q2 2027).	MEDIUM
9	Improve the climate sensitivity of asset management by reflecting the climate-exposure of selected critical infrastructure assets in transport, water and energy in asset registers, develop risk mitigation and climate-informed asset maintenance strategies (MoF, Q2, 2028).	HIGH
10	Publish an enhanced Fiscal Risk Statement that strengthens the long-term fiscal risk analysis under different climate scenarios and provides quantitative analysis of climate fiscal risks and risks to public infrastructure (MoF, Q4 2027).	MEDIUM
Cross-Cutting Issues		
11	Adopt a sequenced Public Investment Capability Building Strategy that develops skills in project preparation, delivery, portfolio oversight, and risk management, with practical measures to professionalize roles and embed learning across government (MoF & DPM, Q4 2027).	HIGH