

MAIN CONCEPTS

PIM	<p>Public investment management</p> <p>A system of applicable settings and control mechanisms for identification, development, selection, and implementation of public investment projects within the framework of the public finance management.</p>
Public investment project or project	<p>Acquisition or significant improvement of physical or other fixed assets at the expense of the state budget (including finances envisaged by an international loan or grant agreement concluded by the RA Government), as well as the public-private partnership project envisaged by the RA Law on Public-Private Partnership. In this regard, the restoration, reconstruction or expansion of an asset aimed at increasing the productivity or extending the service life of a fixed asset is considered a significant improvement. Those expenditures that have a recurring nature and are aimed at maintaining the current condition of an asset or replacing an existing depreciated asset are not considered a public investment project.</p>
Pre-evaluation of a public investment project (project)	<p>A preliminary assessment carried out in accordance with the evaluation criteria of public investment projects approved by the decree of the RA Prime Minister based on the project concept.</p>
Evaluation of a public investment project (project)	<p>An evaluation carried out in accordance with the evaluation criteria of public investment projects approved by the Decree of the RA Prime Minister based on the project's technical and financial (feasibility) study.</p>
PPP	<p>Public-private partnership</p> <p>PPP is a contractual relations on the provision of services between public and private partners, which is aimed at financing, construction, renovation, management, maintenance and operation of infrastructures and is based on the Private Partner Selection Process (PPSP) by unified, competitive, transparent, public principles and arrangement of long-term cooperation by non-discriminative fundamentals.</p>
PPP project	<p>Public-private partnership project</p> <p>A project which involves partnership relations between a public partner and a private partner. It is based on the PPP agreement and compliant with the PPP criteria.</p>
Potential PPP project	<p>A public investment project which can be implemented as PPP if the conducted analyses prove the project's compliance with the PPP criteria.</p>
PPP Contract	<p>Public-private partnership contract</p> <p>An agreement on implementation of a PPP project concluded between a public partner and a private partner with a mid-term or long-term timeline.</p>

Authorized body	Authorized body A body of the public administration system that develops and implements the policy of the RA Government in the field of public finance management.
Competent authority	Competent authority The RA Government, a body of the public administration system that develops and implements a policy in a specific field of public administration, a local self-government body of the Republic of Armenia.
Public partner	Public partner A competent authority which countersigns a PPP agreement with a successful tenderer.
Private partner	Private partner A private legal entity established and operating in accordance with the legislation of the Republic of Armenia, which countersigns a PPP agreement with a public partner.
Result-based payments	Payments that are made by customers and (or) a public partner to a private partner for the products sold and services delivered by the private partner.
Availability payments	Periodic payments that are made by a public partner to a private partner and which are based on the availability of public infrastructure that is compliant with the performance indicators defined in a PPP contract.
Public infrastructure	A fixed asset of public interest or public benefit (including buildings, structures, equipment) and (or) an intangible asset that is used for (or in connection with) the provision of public services and whose operation and (or) construction and (or) improvement and (or) technical maintenance is provided by a private partner in accordance with a PPP contract.
Risk matrix	A report made about a potential PPP project and a draft PPP project that describes each risk inherent to the project, the risk implication, its management and mitigation approach, as well as the partner responsible for it.
EIRR	Economic Internal Rate of Return EIRR is a metric used for economic planning to assess the net benefits of potential investments for the public. The economic internal rate of return is the discount rate at which the net present value of all economic benefits and costs of the project under consideration equals to zero.
FIRR	Financial Internal Rate of Return FIRR is a metric used for capital budgeting to assess the profitability of potential investments. The financial internal rate of return is the discount rate at which the net present value of the net cash flows of the financial income and expenditures of the project under consideration equals to zero.

NPV	<p>Net present value</p> <p>The net present value is the difference between the present values of cash inflows and outflows during the implementation of the project under consideration, and the discount rate applied during the calculation of this difference is determined by PPP procedures.</p>
VFM	<p>Value for money</p> <p>The difference between the cost of implementation of the project under consideration and the value of the best similar project implemented by a general procedure envisaged by the Republic of Armenia legislation that provides a similar or comparable public infrastructure or public service, which means that the infrastructure project is likely to provide a higher value if implemented as PPP rather than via public procurement.</p>
Fiscally affordable	<p>Fiscally affordable</p> <p>The PPP project does not result in exceeding the maximum limit of general contingent liabilities defined by the RA Government.</p>
PFS	<p>Pre-feasibility study</p> <p>A preliminary study of all significantly important issues related to the public investment project, including economic, financial, technical, legal, implementation timelines, and possible alternative solutions, as a result of which basic information is provided on the risks and feasibility of the project implementation.</p>
FS	<p>Feasibility study</p> <p>A study of all significantly important issues related to the public investment project, including economic, financial, technical, legal, implementation timelines, and possible alternative solutions, as a result of which detailed information is provided on the risks and feasibility of the project implementation.</p>
Contingent liabilities	<p>Contingent liabilities</p> <p>An obligation that becomes binding at the time or in the case when or if conditions for making it binding arise. For example, the obligation of the guarantor, the fulfillment of which becomes obligatory if the guaranteed person fails to fulfill the guaranteed obligation.</p>
Investment committee	<p>A current working committee that coordinates the economic sphere and is headed by the RA Deputy Prime Minister, the structure and activity of the working committee is defined by the order approved by the RA Government.</p>