



Trade Promotion and Quality Infrastructure (P146994)

EUROPE AND CENTRAL ASIA | Armenia | Finance, Competitiveness and Innovation Global Practice | IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 13 | ARCHIVED on 23-Jun-2021 | ISR47088 |

Implementing Agencies: Ministry of Finance, Ministry of High-Tech Industry, Office of the Prime Minister

Key Dates

Key Project Dates

Bank Approval Date: 02-Jul-2014

Effectiveness Date: 14-Jan-2015

Planned Mid Term Review Date: 28-Feb-2019

Actual Mid-Term Review Date: 20-Mar-2019

Original Closing Date: 30-Jun-2020

Revised Closing Date: 31-May-2022

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to strengthen the government's capacity to provide export promotion, investment attraction and quality management services to firms.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

Component 1: Improving the Effectiveness of the Trade promotion and Quality system:(Cost \$10.00 M)

Component 2: Promoting Investment and Exports:(Cost \$34.90 M)

Component 3: Modernizing the National Quality Infrastructure:(Cost \$2.00 M)

Component 4: Project Management and Monitoring and Evaluation:(Cost \$1.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Implementation Status and Key Decisions

As of June 2021, the overall project disbursement of the World Bank loan is US\$18.43 million (38.4 percent disbursement rate), and the overall project implementation is rated Moderately Satisfactory. In February 2020, the PDO rating was upgraded to Moderately Satisfactory after the Project underwent a significant restructuring to streamline activities under slow disbursing components and extend the closing date by nearly 23 months. As a result, a few secondary and non-performing activities were dropped, and available funds were reallocated to the well-performing priority activities. The Project remains highly relevant for the country and provides a timely contribution to Armenia's COVID-19 response through PPP, Innovation Matching Grants, and Exporter Development Grants Programs. In particular, in April 2020, the government launched a call for proposals to mobilize Armenian engineers and startups in developing innovative solutions to fight COVID-19. Over 100 proposals were received to develop prototypes and launch the production of medical supplies, including a promising proposal to develop and produce lung ventilation equipment in the country. Quick results were possible thanks to the cluster of engineering companies (7 companies collaborated to produce a



working prototype in 6 days), operating at the Engineering City and demonstrating its effectiveness and innovative potential. In parallel, the Enterprise Incubator Foundation (EIF) developed an online education platform for schools as a COVID-19 response measure. More recently, the Project launched the Innovation Matching Grants and Exporter Development Grants Programs that combined have 24 beneficiary companies. The grant programs provide both financial and non-financial support to SMEs thus helping alleviate the pressures arising from COVID-19.

Component 1: 12 out of 14 Disbursement-Linked Indicators (DLIs) have been achieved as scheduled. The disbursement rate under the component reached 97 percent.

Component 2. Promoting Investment and Export demonstrates progress in all four sub-components:

- **Subcomponent 2.1:** The government engaged the Armenian National Interests Fund (ANIF) to support the implementation of the subcomponent. A comprehensive communications outreach to foreign investors for ANIF is ongoing. ANIF is also progressing well in establishing representative offices in major foreign markets. It has opened and operates offices in Moscow and Paris.
- **Subcomponent 2.2:** The Investment Support Center announced a call for proposals under the Exporter Development Grants Program in January 2020. Overall, 111 applications (requesting about US\$6 million in total) were received. The counterpart selected 9 subprojects utilizing the full budget allocated for this type of grants. The Enterprise Incubator Foundation has signed 7 grant agreements amounting to US\$ 500,000 under the Innovation Matching Grants Program. Additional 8 contracts amounting to US\$ 500,000 are to be signed before the end of July.
- **Subcomponent 2.3:** The Project Steering Committee approved three out of five PPPs (the Engineering City, the Supercomputer Center, and the Cybersecurity Incubator and R&D Lab). For the Engineering City PPP, there has been significant progress: design works for renovation of area/infrastructure of EC have been completed, the respective tender for infrastructure construction works is to be launched in July 2021. In addition, the Business Accelerator building design works are to be completed in June 2021 with a construction tender expected to start in July 2021. The implementation of the Advancing High-Tech Education in Gyumri PPP is expected to start in late June 2021 upon the government's approval of the allocation of the building.
- **Subcomponent 2.4:** The Terms of Reference for the General Partner and a Concept of the National Venture Fund (NVF) have been developed and approved. The call for proposals for potential fund managers was announced on June 14, 2021, and the counterpart plans to select the General Partner by October 2021 with the Fund launch by January 2022.

Component 3:

- Under Subcomponent 3.1, Four employees were trained in an internationally accredited modern calibration laboratory operating in Germany.
- In the framework of the Procurement Plan, ToRs were developed for the procurement of computers and laptops for NIM building and laboratories.
- Equipment for NIM Thermal Measurements Laboratory has been delivered.
- Equipment for NIM Mass and Related Quantities Measurements Laboratory has been delivered.
- A tender for NIM laboratory renovation was announced in June 2021, with construction works to start in August 2021.

Component 4: The PMU is staffed with key personnel and fully operational. The hiring of an engineer, assistant, and M&E expert is completed. The PMU has also been strengthened with an Environmental and Social Specialist.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	☐ Moderate	☐ Moderate
Macroeconomic	--	☐ Moderate	☐ Moderate
Sector Strategies and Policies	--	☐ Moderate	☐ Moderate
Technical Design of Project or Program	--	☐ Moderate	☐ Moderate
Institutional Capacity for Implementation and Sustainability	--	☐ Substantial	☐ Substantial
Fiduciary	--	☐ Substantial	☐ Substantial
Environment and Social	--	☐ Moderate	☐ Moderate



Stakeholders	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Other	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Overall	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Results

PDO Indicators by Objectives / Outcomes

Strengthen the government's capacity to provide export promotion, investment attraction and quality				
▶ 1. Number of exporters accessing new markets and/or introducing new products (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	18.00	18.00	50.00
Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022
▶ 2. Cluster development and research and skills development PPPs established (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	6.00
Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022
▶ 3. Successful investments facilitated by IEPI (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	4.00	10.00
Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022
▶ 4 (DLI 10). Industrial Laboratories of the National Institute of Metrology (NIM) accredited by an accreditation organization that is a signatory to an MLA/MRA from ILAC or IAF. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00
Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022
▶ 5 (DLI 14). National Accreditation Body (NAB) becomes a signatory to a Multilateral agreement (MLA) or Mutual Recognition agreement (MRA) with an international accreditation organization (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not a member	Not a member	Not a member	NAB achieves MLA or MRA



Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022
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Intermediate Results Indicators by Components

Component 1: Improving the Effectiveness of the Trade promotion and Quality System				
▶ 1.1. Strengthening investment and export promotion services (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	See Sub Indicators	See Sub Indicators	See Sub Indicators	See Sub indicators
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020
□ DLI 1. Decree on Investment Reform Map issued (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not in existence	ACHIEVED: Decree issued by the Government on October 8, 2015	ACHIEVED: Decree issued by the Government on October 8, 2015	Decree on Investment Reform Map issued
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	31-Jul-2015
□ DLI 2. Merger of ADA and IDF into IEPI completed (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not in existence	ACHIEVED	ACHIEVED	Merger of ADA and IDF
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2015
□ DLI 3. Government decree issued to establish the NTO (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not in existence	ACHIEVED	ACHIEVED	Decree issued to establish the NTO
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2015
□ DLI 4. IEPI staffed with organizational structure in line with international best practice (monitored throughout the project period) (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not in existence	IN PROGRESS: Actions that were anticipated to be completed by June 2018 were achieved. Agreed review timing for 2018 allocation is September 2019.	IN PROGRESS: Actions that were anticipated to be completed by June 2018 were achieved. Agreed review timing for 2018 allocation is September 2019.	IEPI staffed with organizational structure in line with international best practice



Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020
□DLI 5. Adequate budget for IEPI included in State budget (monitored throughout the project period) (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not in existence	IN PROGRESS: Actions that were anticipated to be completed by June 2018 were achieved. Agreed review timing for 2018 allocation is September 2019.	IN PROGRESS: Actions that were anticipated to be completed by June 2018 were achieved. Agreed review timing for 2018 allocation is September 2019.	IEPI budget for agency included in State budget
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020
□DLI 6. Monitoring and Evaluation of IEPI conducted (monitored throughout the project period) (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not in existence	IN PROGRESS: Actions that were anticipated to be completed by June 2018 were achieved. Agreed review timing for 2018 allocation is September 2019.	IN PROGRESS: Actions that were anticipated to be completed by June 2018 were achieved. Agreed review timing for 2018 allocation is September 2019.	Monitoring and Evaluation of IEPI conducted
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020

Component 2: Promoting Investment and Exports

► 2.1. Number of investment inquiries that lead to site visits generated by foreign representatives (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	108.00	108.00	128.00
Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022

► 2.2. Number of export related leads generated by foreign representative offices (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	262.00	262.00	342.00
Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022

► 2.3. Number of beneficiaries of the Exporter Development Grants (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	24.00	50.00



Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022
<input type="checkbox"/> Female beneficiaries of the Exporter Development Grants (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	17.00	30.00
<input type="checkbox"/> Number of public-private partnership concepts approved (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	6.00
Date	14-Jan-2015	31-Mar-2020	01-Jun-2021	31-May-2022
<input type="checkbox"/> Establishment of the National Venture Fund (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	14-Jan-2015	31-Mar-2020	01-Jun-2021	31-May-2022
<input type="checkbox"/> Investments made by the National Venture Fund (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	9,000,000.00
Date	14-Jan-2015	31-Mar-2020	01-Jun-2021	31-May-2022
<input type="checkbox"/> The beneficiaries who reported that the approaches discussed in the framework of the discussions held during the Project reflect their opinion (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	50.00	75.00
Date	30-Jun-2015	31-Mar-2020	01-Jun-2021	31-May-2022
Comments:	Currently, PIU follows a three-stage approach to track the indicator: 1) PIU formed and constantly updates a database of beneficiaries of the IMG and EDG grant programs; 2) it conducts quantitative survey at the call for proposal/selection stages to find out the grantee's opinion about the grant program preparatory stage as well as their expectations from the Project; 3) at the implementation stage, PIU conducts a qualitative survey among beneficiaries during monitoring visits.			

Component 3: Modernizing the National Quality Infrastructure

1.2. Strengthening national metrology services (Text, Custom)

Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	See Sub Indicators	See Sub indicators	See Sub indicators	See Sub indicators
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020
<input type="checkbox"/> DLI 7. NIM staffed with organizational structure in line with international best practice (monitored throughout the project period) (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not adequately staffed	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	NIM staffed with organizational structure in line with international best practice
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020
<input type="checkbox"/> DLI 8. Adequate budget for NIM included in State budget (monitored throughout the project period) (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not adequately budgeted	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	Adequate budget for NIM included in State budget
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020
<input type="checkbox"/> DLI 9. Monitoring and Evaluation of NIM conducted (monitored throughout the project period) (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not in existence	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	Monitoring and Evaluation of NIM conducted
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020
<input type="checkbox"/> DLI 10. International Accreditation attained for at least 2 metrology laboratories (Please see Indicator 4 in the Project Development Objective Indicators) (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	International Accreditation for at least 2 metrology laboratories not attained	0.00	0.00	International Accreditation attained for at least 2 metrology laboratories
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	31-May-2022
<input checked="" type="checkbox"/> 1.3. Strengthening accreditation services (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	See Sub Indicators	See Sub Indicators	See Sub Indicators	See Sub indicators
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020



□DLI 11. NAB staffed with organizational structure in line with international best practice (monitored throughout the project period) (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not adequately staffed	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	NAB staffed with organizational structure in line with international best practice
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020
□DLI 12. Adequate budget for NAB included in State budget (monitored throughout the project period) (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not adequately budgeted	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	Adequate budget for NAB included in State budget
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020
□DLI 13. Monitoring and Evaluation of NAB conducted (monitored throughout the project period) (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not in existence	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	IN PROGRESS: Actions that were anticipated to be completed by July 2019 were achieved.	Monitoring and Evaluation of NAB conducted
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	30-Jun-2020
□DLI 14. NAB attains MLA or MRA in testing laboratories (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not a member	Not a member	Not a member	NAB achieves MLA or MRA
Date	31-Mar-2014	31-Mar-2020	31-Mar-2020	31-May-2022
▶3.1. Number of Industrial metrology laboratories built (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00
Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022
▶3.2. Number of accreditations conducted in line with international practice issued by NAB (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	16.00	10.00



Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022
► 3.3. Share of NIM technical staff trained in internationally recognized calibration methods (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	70.00
Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022
► 3.4. Share of NAB technical staff trained in international methodology for Accreditation (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	70.00	40.00
Date	31-Mar-2014	31-Mar-2020	01-Jun-2021	31-May-2022
► The beneficiaries who reported that the approaches discussed in the framework of the discussions held during the Project reflect their opinion (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	14-Jan-2015	31-Mar-2020	31-Mar-2020	31-May-2022

Performance-Based Conditions

Data on Financial Performance

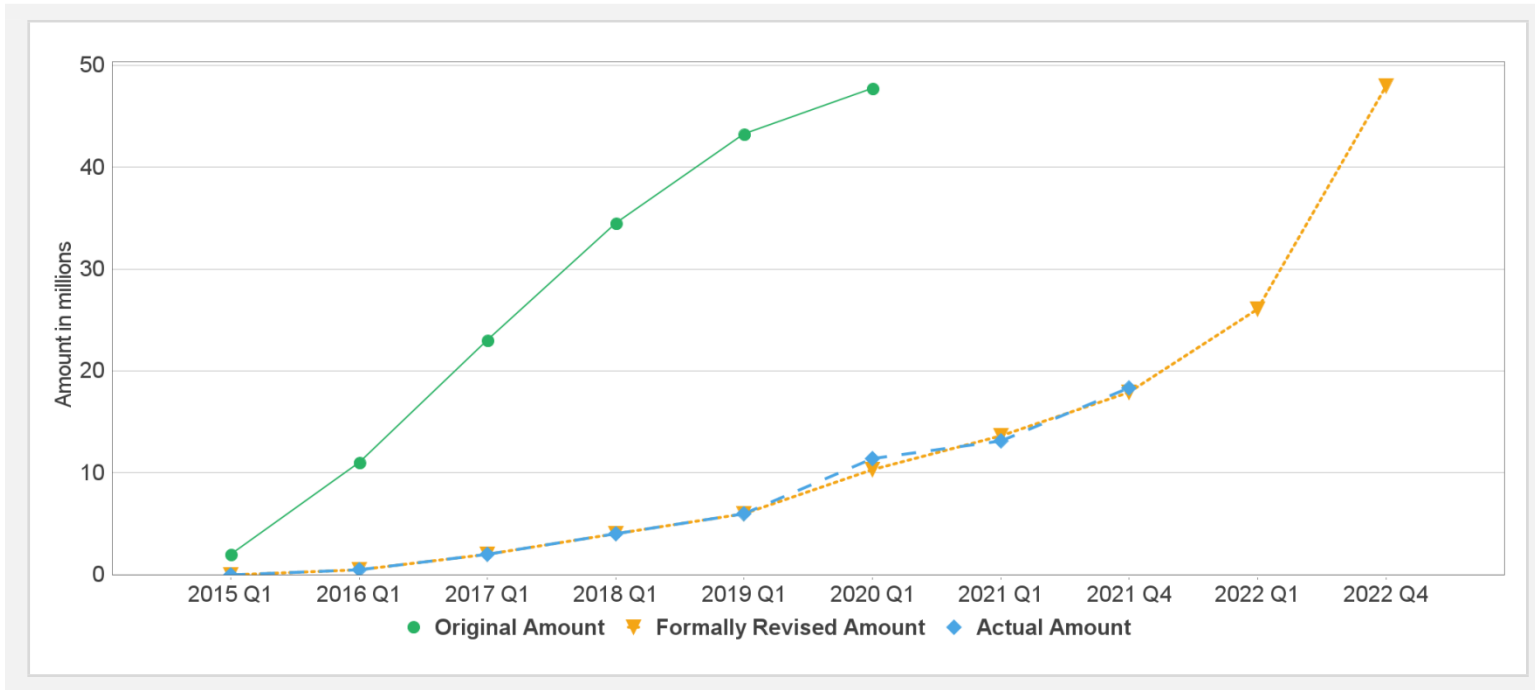
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P146994	IBRD-83900	Effective	USD	50.00	48.00	2.00	18.43	29.57	38%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P146994	IBRD-83900	Effective	02-Jul-2014	06-Aug-2014	14-Jan-2015	30-Jun-2020	31-May-2022

Cumulative Disbursements



PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC

Restructuring History

Level 2 Approved on 20-May-2019 ,Level 2 Approved on 01-Jan-2020 ,Level 2 Approved on 28-Oct-2020

Related Project(s)

There are no related projects.