



LN 8390-AM

Supplemental Letter No. 2

REPUBLIC OF ARMENIA

August 6, 2014

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: Loan No.8390-AM
(Trade Promotion and Quality Infrastructure Project)
Performance Monitoring Indicators

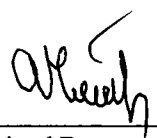
Dear Sirs and Mesdames:

This refers to the provisions of paragraph 1 of Section II.A of Schedule 2 to the Loan Agreement of this date between the Republic of Armenia (the Borrower) and the International Bank for Reconstruction and Development (the Bank) for the above-captioned Project.

The Borrower hereby confirms to the Bank that the indicators set forth in the attachment to this letter shall serve as a basis for the Borrower to monitor and evaluate the progress of the Project and the achievement of the objectives thereof.

Very truly yours,

REPUBLIC OF ARMENIA

By 
Authorized Representative

Attachment

(Trade Promotion and Quality Infrastructure Project)
Performance Monitoring Indicators

Results Framework and Monitoring

Armenia: Trade Promotion and Quality Infrastructure Project

Project Development Objectives

PDO Statement

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

These results are at

Project Level

Project Development Objective Indicators

Indicator Name	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ methodology	Responsibility for Data Collection	Description (see table below)	
			YR1	YR2	YR3	YR4	YR5					End Target
1. Number of new customers for exporters generated through the foreign representatives	Number of customers	0	0	6	12	30	35	40	Annual	Project progress reports	PMU Project Manager	
2. Number of cluster development and research and skills development PPPs developed	Number of facilities	0	0	2	3	5	6	7	Annual	Project progress reports	PMU Project Manager	
3. Number of successful investments	Number of investments	0	0	1	2	3	3	4	Annual	Project progress reports	PMU Project Manager	

facilitated by IEPI										reports	
4. Industrial Laboratories of the National Institute of Metrology accredited by an accreditation organization that is a signatory to an MLA/MRA from ILAC or IAF.	Number of accredited labs	0	0	0	1	1	2	Annual	Project progress reports	PMU Project Manager	
5. National Accreditation Body becomes a signatory to a Multilateral agreement (MLA) or Mutual Recognition agreement (MRA) with an international accreditation organization such as ILAC or IAF	Text	Not a member	NAB becomes an affiliate member of an international organization (ILAC, IAF)				NAB achieves MLA or MRA	Annual	Project progress reports	PMU Project Manager	

Intermediate Results Indicators

Indicator Name	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ methodology	Responsibility for Data Collection	Description (see table below)
			YR1	YR2	YR3	YR4	YR5				
Component 1: Improving the Effectiveness of the Trade Promotion and Quality system¹											
I. Strengthening investment and	Text	ADA and IDF with	i. ii.	iv. v.	iv. v.	iv. v.	iv. v.	Annual			

¹ See DLI Table in Annex 3 for detailed description of indicator, data sources and responsibility for data collection

<p>export promotion services</p> <ol style="list-style-type: none"> i. Decree on Investment Policy issued ii. Merger of ADA and IDF into IEPI completed iii. Government decree issued to establish the NTO iv. IEPI staffed v. IEPI budget for agency included in State budget vi. Monitoring and Evaluation of IEPI conducted 		<p>duplicative functions</p>	<ol style="list-style-type: none"> iii. iv. v. vi. 	vi.	vi.	vi.	vi.	vi.				
<p>2. Strengthening national metrology services</p> <ol style="list-style-type: none"> i. NIM staffed ii. Adequate budget for NIM included in State budget iii. Monitoring and Evaluation of NIM conducted 	Text	<p>NIM not in accordance with international standards</p>	<ol style="list-style-type: none"> i. ii. iii. 	<ol style="list-style-type: none"> i. ii. iii. 	<ol style="list-style-type: none"> i. ii. iii. 	<ol style="list-style-type: none"> i. ii. iii. 	<ol style="list-style-type: none"> i. ii. iii. 	<ol style="list-style-type: none"> i. ii. iii. 	Annual			
<p>3. Strengthening accreditation services</p>	Text	<p>NAB not in accordance with</p>	<ol style="list-style-type: none"> i. ii. iii. 	<ol style="list-style-type: none"> i. ii. iii. 	<ol style="list-style-type: none"> i. ii. iii. 	<ol style="list-style-type: none"> i. ii. iii. 	<ol style="list-style-type: none"> i. ii. iii. 	<ol style="list-style-type: none"> i. ii. iii. 	Annual			

<p>i. NAB staffed ii. Adequate budget for NAB included in State budget iii. Monitoring and Evaluation of NAB conducted</p>		international standards											
--	--	-------------------------	--	--	--	--	--	--	--	--	--	--	--

Component 2 – Promoting Investment and Exports

<p>1. Number of investment inquiries that lead to site visits generated by foreign representatives</p>	Number	0	0	3	6	9	10	12	Annual	Project progress reports	PMU Project Manager		
<p>2. Number of export related leads generated by foreign representative</p>	Number of leads	Not in existence	0	30	50	80	90	100	Annual	Project progress reports	PMU Project Manager		
<p>3. Share of beneficiaries of the Exporter Development Grants that access new markets and introduce new products (firm ownership disaggregated by gender)</p>	percent	Not in existence	0	5	10	30	40	50	Annual	Project progress reports	PMU Project Manager		

Component 3: Modernizing the National Quality Infrastructure

1. Number of Industrial metrology laboratories built	0	0	0	0	3	5	6	7	Annual	Project progress reports	PMU Project Manager	
2. Number of accreditations conducted in line with international practice issued by NAB	0	0	0	5	10	15	18	20	Annual	Project progress reports	PMU Project Manager	
3. Share of NIM technical staff trained in internationally recognized calibration methods	0	0	0	10	20	40	50	60	Annual	Project progress reports	PMU Project Manager	
4. Share of NAB technical staff trained in international methodology for Accreditation	0	0	0	10	20	40	50	60	Annual	Project progress reports	PMU Project Manager	