



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
TRADE PROMOTION AND QUALITY INFRASTRUCTURE
APPROVED ON JULY 2, 2014
TO

MINISTRY OF ECONOMIC DEVELOPMENT AND INVESTMENTS

FINANCE, COMPETITIVENESS AND INNOVATION

EUROPE AND CENTRAL ASIA

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The World Bank

Trade Promotion and Quality Infrastructure (P146994)

ABBREVIATIONS AND ACRONYMS

FFPMC Foreign Financing Project Management Center

PID Project Implementation Department

RA Republic of Armenia



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

BASIC DATA

Product Information

Project ID P146994	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 02-Jul-2014	Current Closing Date 30-Jun-2020

Organizations

Borrower Ministry of Economic Development and Investments	Responsible Agency Ministry of Transport, Communication and Information Technologies
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Project Development Objective (PDO)

Original PDO

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

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-83900	02-Jul-2014	06-Aug-2014	14-Jan-2015	30-Jun-2020	50.00	9.81	40.19

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status

1. The Trade Promotion and Quality Infrastructure Project for Armenia is designed to provide adequate incentives to ensure improved effectiveness of the government in delivering trade promotion and quality infrastructure services to firms. The Project is comprised of four components:

- (a) **Component 1 Improving the Effectiveness of the Trade Promotion and Quality System** is a results-based financing of reforms to improve export and investment promotion as well as quality infrastructure services (US\$10 mln). These reforms are complemented by investments envisaged in Components 2 and 3.
- (b) **Component 2 Promoting Investment and Export** aims at strengthening capacity of local exporters, attract FDI and facilitate PPP activities (US\$29.235 mln):
 - (i) Subcomponent 2.1: Support services provided by Investment, Export Promotion and Industrial Development Agency (US\$6.3 mln).
 - (ii) Subcomponent 2.2: Export Promotion Grants (US\$3.65 mln).
 - (iii) Subcomponent 2.3: PPP to promote research skills and cluster development (US\$19.29 mln).
- (c) **Component 3 Modernizing the National Quality Infrastructure** finances modernization of metrology and accreditation services to strengthen competitiveness of local manufacturers (US\$8.64 mln).
- (d) **Component 4 Project Management and Monitoring & Evaluation** finances project implementation support (US\$2 mln).

2. The project was approved on July 2, 2014, closes on June 30, 2020 and has not been restructured to date. The project QER was conducted on January 22, 2019. It recommended restructuring with partial cancellation of loan amount. The Mid-term review was carried out in March 2019. It recorded an uptake in project implementation. The Government suggested to keep the loan amount unchanged and to proceed with a two-years extension. The authorities and the Bank team agreed to re-discuss restructuring options in July and to make a decision based on the progress in project implementation by July 2019.

B. Rationale for restructuring

1. This project restructuring is in response to the request from the Ministry of Finance of the Republic of Armenia (MoF) dated April 1, 2019 (enclosed). The request is to replace the Foreign Financial Projects Management Center (“FFPMC”) as the project implementing agency under MoF responsible for fiduciary functions with the newly created Project Implementation Department (“PID”). The PID is the new name of the same implementing agency which has been subject to organizational changes for absorbing the subordinate project implementing unit (PIU) within the structure of MoF. The proposed amendment does not entail any other changes to the project. The project team re-assessed the financial management and procurement arrangements, and concluded that the capacity remains satisfactory.

The financial management arrangements under the project are adequate and acceptable to the Bank, and there are no overdue audits under the project



II. DESCRIPTION OF PROPOSED CHANGES

Note: Formatting instructions for this document.

C. Proposed changes to the Loan Agreement

1. Replace the Foreign Financial Projects Management Center (“FFPMC”) as the Project implementing agency, under the Ministry of Finance, responsible for fiduciary functions with the newly created Project Implementation Department (“PID”).
2. The proposed amendment does not entail any other changes to the Project. The Recipient/Borrower remains committed to the Project. The proposed amendment will not affect the project schedule, as the FFPMC’s functions are transferred to PID in full.

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I. SUMMARY OF CHANGES

	Changed	Not Changed
Institutional Arrangements	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓



Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)