
WORLD BANK GROUP HELPS IMPROVE INSPECTIONS SYSTEM IN ARMENIA, REDUCE COSTS

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A World Bank Group advisory project has helped save businesses in Armenia up to \$20 million in terms of time and money spent on inspections, boosting improvements in the countrys business environment.

The Armenia Investment Climate Reform Project has provided advisory support to the government on strengthening its risk-based inspections system, which has reduced inspections of businesses whose risk levels are low, while retaining the protections the process provides. The project has also helped streamline inspection bodies by removing overlaps and ensuring better governance.

The improvements were confirmed by a survey of 600 businesses conducted by the project between July and September 2017. Sixty-four percent of those surveyed said the inspections system had improved over the last three years, while a clear majority – 76 percent – believed inspectors were fair. Sixty percent said the burden of inspections had decreased and 65 percent felt it was now easier to check inspection rules. More than half said the length of inspections had been reduced.

A favorable investment climate is key for private sector growth, the main driver of job creation and economic growth, said Jan van Bilsen, IFC Regional Manager for the South Caucasus. Confidence and trust in the inspections system is one of the prerequisites of an improved investment climate, so were delighted to see progress in Armenia in that direction.

The project has implemented training programs to help improve professionalism and enable inspectors to guide businesses on how to comply with rules, rather than punishing for non-compliance. It has also conducted a public awareness campaign to allow entrepreneurs to provide feedback about the inspection process.

The three-year Armenia Investment Climate Reform Project, which is due to finish in March 2018, has been implemented by IFC – sister organization of the World Bank and member of the World Bank Group – in partnership with Austrias Federal Ministry of Finance and Hungarian Partnership Funding/Hungary EXIM Bank.

Armenia became an IFC member in 1995. Since then, IFC has provided over \$480 million, including nearly \$118 million mobilized from other lenders, to finance 49 projects across a range of sectors, including financial markets, manufacturing, agribusiness, services, and mining. In addition, IFC has

also supported trade transactions worth more than \$130 million through its trade finance program, and implemented advisory projects focused on private sector development.

<https://www.armradio.am/en/2018/01/17/world-bank-group-helps-improve-inspections-system-in-armenia-reduce-costs/>

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