**Annex 2**

Contribution of above-mentioned mission* to SMEDA indicators:

| Overall Objectives & indicators | The **overall objective** is to lay the ground for the creation of employment opportunities by enhancing private sector development in Armenia; measured through following indicators: | |
|---|---|---|
| 1) | Increase the **contribution of SMEs to the overall economy**: increase the share of small and medium enterprises (SME) from 7% to 15% in the overall number of micro, small and medium enterprises (MSME) in Armenia. | x |
| 2) | Increase share of SME in **employment** from 25% to 30%. | x |
| 3) | Increase share of SME in **GDP** from 27% to 35%. | x |
| 4) | Increase of **added value** created by SMEs (OECD/statistics) | x |
| Specific objective & indicators | The **specific objective** is to improve the national business and investment climate and support the creation and development of SMEs to enable broad based growth; measured through following indicators: | |
| 1) | The specific number of businesses that benefited (increased turnover, reduction of operating cost e.g. RIA) from the support provided by the project (estimated 2,000 a year). | x |
| 2) | Number of new businesses created within the framework of this project (disaggregated by targeted sectors and gender: targeting from 10% to 30% of businesses led by women and increasing overall ratio of businesses led by women) (estimated 100 a year). | |
| 3) | 500 new jobs created within the framework of this project (disaggregated by targeted sectors and gender: targeting from 10% to 30% of women). | x |
| Indicators R1 | Result Area 1 – Policy Making Processes (Source for measurement: focus-groups interviews, representatives' survey) | |
| 1) | At least 50 % of business organisations confirm a better involvement of private sector in policy making and legislative processes | |
| 2) | At least 50% of respondent SME enterprises which participated in state SME support measures can name the improvements made as a result of the perceived measures (respondent will be disaggregated by sex) | |
| 3) | 8 recommendations on improving doing business for SME elaborated in PPD mechanisms have been introduced in policy/legislative decision processes | |
| 4) | All programme and policy indicators to monitor SME development are properly set up with corresponding data and baselines | |
| Indicators R2 | Result Area 2 – Strengthening Business Organisations (Sources of measurement: data of baseline study with PSO) | |
| 1) | The range of services that are provided and used has increased by at least 30%. | x |
| 2) | Increased membership of min. 20% in at least 3 business associations | x |
| 3) | 6 recommendations of SME policy/strategy implemented | x |
| Indicators R3 | Result Area 3 – Linking Science and Private Sector (Sources of measurement: baseline study, interviews) | |
| 1) | 5 cooperation platforms including (MEDI and) research organisations/universities, in particular economic sectors, have been established and work on a sustainable and regular base (1 to 4 times a year) | |
| 2) | 15 recommendations of these platforms as to how to improve the link between businesses and research have been implemented by the respective partners | x |
| 3) | 4 new joint cooperation projects between companies and universities or research institutes (requires monitoring system in universities) are established | x |
| 4) | Up to 4 successful proposals with Armenian participation to H2020 - Success rate of Armenia in EU calls for proposals related to innovation in science and technology (H2020) | |
| Indicators R4 | Result Area 4 – Improving Management of Economic Clusters (Sources of measurement: proof of evidence (concept), interviews) | |
| 1) | The concept for the design and improved management of economic clusters (business incubators, technoparks, FEZ) has been elaborated or reviewed with close cooperation of private sector and government | x |
| 2) | 4 economic clusters have improved their management practices (income growth rate has increased or cost of management have decreased) | x |
| 3) | 40 SME have been registered in economic clusters and are using services | x |
| Indicators R5 | Result Area 5 – Improving Access to Finance (Sources of measurement: EIF statistics/monitoring) | |
| 1) | 50 start-ups and existing small businesses are using new financial services (innovation grants, crowd funding, angel investments etc.) | |
| 2) | 30 new/innovative ideas that have been applied by private sector and lead to the establishment of a company or new products and services. | |
| 3) | 15% of newly registered companies (30% of them are women) are operating for at least 2 years | x |

*this should guide the contractor in the focus of the mission on activities relevant to actively contribute directly or indirectly to the fulfilment of the indicators and to report accordingly to SMEDA.