**Programme:** Private Sector Development and TVET South Caucasus

The EU4Business “Innovative Tourism and Technology Development for Armenia” project

**PN: 16.2179.6-009.00**

**AV:** Hans-Juergen Cassens

**TL:** Michaela Johanna Weber

**Activity**: Concept development for attracting regional and international tech and entrepreneurship talent

**Period: estimated: 25th of May to 10th of July 2020**

**1. Brief Introduction**

The EU4Business “Innovative Tourism and Technology Development for Armenia” project started in November 2019 and will run until April 2023. It is co-funded by the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ) and is being implemented by German Development Cooperation GIZ under the umbrella of the Private Sector Development and TVET South Caucasus Programme. The project is part of the EU4Business initiative ([www.eu4business.eu](http://www.eu4business.eu/)) of the European Union. The project has an overall objective to foster shared and balanced inclusive growth in tourism and innovative industries. This will be achieved through a) transformative, innovative tourism ventures in the Northern regions of Armenia, b) support to high tech and innovative entrepreneurs, c) international knowledge exchanges for high tech researchers and entrepreneurs as well as tech start-up institutions and 4) networks for the benefit of entrepreneurship culture for students and general population groups.

The EU4Business “Innovative Tourism and Technology Development for Armenia” project targets two main directions/components: **development of innovative tourism and of start-ups and existing investable and innovative technology ventures**. Methods used will be competitions for grants, technical assistance by experts, community and stakeholder participation, and the entrepreneurial eco-system development.

The **first component** is focused on the **development of enhanced tourism offerings**, especially in the Northern regions leading to good jobs, sustainable businesses and responsible tourism value added. It foresees the conceptualisation and implementation of three financial/grant schemes focusing on tourism ventures. Furthermore, it includes the strengthening of the Tourism Committee, including supporting data driven tourism marketing activities.

The **second component** of the project is focused on **transformative creation and development of SMEs to enable diversification of economic growth**. It will also support the entrepreneurship ecosystem, as well as technology ventures through a grant scheme approach as well as through innovation partnerships between science, education and businesses, including innovative youth at universities and aiming at an increased participation in Horizon 2020 / Horizon Europe grants.

**2. Context and current situation in the field of assignment**

One of the intervention areas of the second component of the EU4Business “Innovative Tourism and Technology Development for Armenia” project is support to entrepreneurship ecosystem and tech venture pipeline.

The entrepreneurship ecosystem in Armenia is developing steadily, turning Armenia into a new regional hub of advanced technology and innovation.

Being the Soviet Union’s scientific hub and center of its research activities, providing around 30% of the high-tech needs of the Soviet military, it served post-soviet Armenia as a solid ground to embrace the power of technology in the 2000s and give it an exponential rise after years of brain drain and struggles in the 1990s. Already for more than last 10 years Armenia registered 20-27% annual growth in the technology industry[[1]](#footnote-1).

In order to further refine and to accelerate the development of the Armenian entrepreneurship ecosystem international outreach as well as fostering inbound and outbound mobility of entrepreneurs and tech talent (management and tech talent) will be one of the targeted topics in the frame of the project.

Activities of connecting institutions to other ecosystems’ players (mainly Europe and USA) has the potential to attracting international capacities (individuals, e.g. as Entrepreneurs in Residence), which in turn will create new opportunities for the Armenian entrepreneurship ecosystem development and will contribute to growth of enterprises through their international partners sharing experiences and knowledge also with other supported activities by the project. In addition to the knowledge provided by the talent, entrepreneurs will have an opportunity to access regional and international networks, projects, market know-how and potentially finance.

Currently there are already several projects which somehow target the topic, particularly:

* [“Neruzh”](http://neruzh.am/en/) has been initiated and organised in December 2018 by the Ministry of Diaspora of the Republic of Armenia in cooperation with several other organisations such as FAST, IDeA, Impact Hub. The second batch was implemented in December 2019. It is a Diaspora Youth Startup Programme for young entrepreneurs of Armenian descent who wish to bring their startup ideas and projects to Armenia. The programme is aimed at 18-35-year-old diaspora Armenians.
* [#landed](https://www.herohouse.am/landed) was launched by SmartGateVC in August 2018. Its main aim is to support professionals in becoming a true part of the Armenian tech scene. The programme is designed for engineers and professionals in business development, Machine Learning, Cybersecurity, Internet of Things, Blockchain, Startups, Quantum Computing, growth hacking, and other domains to connect or reconnect with the growing Armenian entrepreneurship ecosystem. The programme is consistent with attracting talent and interest in the Armenian technology sector and provides participants with opportunities to pursue entrepreneurship, join startups and become involved in research.
* [IT is Armenia](http://itis.am/eng) is a programme launched in August 2018 that is designed to showcase and attract Diaspora Armenians and IT professionals to come and live, work in and contribute to the growing technology ecosystem in Armenia. Working with a panel of over 100 companies the intent of this programme is to deliver top Armenian and foreign talent to areas of Mobile tech, gambling and gaming, augmented reality, Artificial Intelligence, advertising technology, data science, audio and voice, big data analytics, etc.
* [Repat Armenia](https://repatarmenia.org/) was established in September 2012. For those considering moving to Armenia, Repat offers insight and assistance for personal and individual integration services around the concept of repatriating diaspora Armenians back to their homeland. Repat Armenia offers a wide berth of industries and sectors not just focusing on the IT sector and its massive growth.
* [Birthright Armenia](https://www.birthrightarmenia.org/en/), which is also known as Depi Hayk, was founded in 2003, as an international non-profit organisation. It is a volunteer internship enhancement programme that also offers travel fellowships, host family living arrangements, excursions, language classes, forums and more to eligible participants (Diaspora Armenians aged 21-32), with the mission of assisting in the development of Armenia and enhancing relationships between the homeland and Diaspora youth. As of 2019, over 1800 individuals from more than 48 countries have participated in the Birthright Armenia programme. It partners with 978 internship organisations.
* [Armenian Volunteer Corps](https://armenianvolunteer.org/) (AVC), which is a volunteer placement organisation, was founded in 2000. It offers individuals to come to Armenia to perform short or long-term volunteer service, giving them a chance to contribute to the country's economic and social development. Their mission is to serve Armenia through volunteerism and help strengthen a culture of volunteerism in Armenia. As of 2019, over 904 individuals, aged 21 and up, from more than 52 countries have participated in the Armenian Volunteer Corps programme. It works with over 980 placement partners from the fields of business, education, environmental sciences, arts and culture, finance, health.

Although the above-mentioned projects are important and valuable for the development of the ecosystem to a diverse degree, those are targeting mainly diaspora Armenians, partly tech sector and only in part talent.

At the current stage, the project aims to contract a company (hereinafter Contractor) to conduct an analysis of what has been successful and what not, to develop a costed concept for attracting regional and international tech and entrepreneurship talent.

The assignment contributes to the following outcome Indicator of the project: “Number of new/innovative ideas applied by supported private sector initiatives and leading to the establishment of a new company or new products and services within existing companies”.

**3. Conditions of the assignment**

* 1. **Objective and tasks**

The Objective of this assignment is to explore the status quo of the ecosystem with regards to attracting regional and international talent to Armenia and to develop a concept for the pilot programme.

The assignment should provide qualitative insights, corroborated by in-depth interviews with key stakeholders on the mentioned topic.

To raise the effectiveness of this process two assignments will be commissioned. This assignment for local expertise will be complemented by the assignment of international contractor. Taking into consideration the current situation in the world related to Coronavirus, the international contractor will work remotely (no missions to Armenia are envisaged). The coordination of the activities for both project teams is part of the assignment. Both contractors are responsible for the overall success of this approach and shall contribute with their tasks. For all major adjustment and feedback the project is acting as a steering point.

The assignment is estimated to start on 25th of May and to last until 10th of July 2020.

The assignment consists of the following parts:

1. **Analysis on the current situation in the field**, which includes:
	* assess similar projects in the local ecosystem

Analyse all available similar projects (not only including the above-mentioned ones under section 2) and provide detailed information about at least the three most relevant projects closer to attracting **tech talent** to Armenia.

* + assess extent to which firms employ foreign talent or talent acquired in a foreign country (existing firms 50% and start-ups 50%) considering management of firms and staff positions)
	+ assess the need of the ecosystem

The Contractor shall implement at least 15 in-depth interviews with key actors of the ecosystem such as Ministry of High-Tech Industry, EIF, Catalyst foundation, BANA, other incubators (such as EPIC’s entrepreneur in residence) and supporting structures (also actors who implement the projects under the previous point), venture capitalists and IT companies with 10 or more employees and subsidiaries of larger IT companies to identify the need for talent highlighting sectors, specialisations, and potential supply markets, etc.

For this part the Contractor shall provide a draft questionnaire for the interviews and list of the interviewees to be discussed with the project during the first week of the assignment.

This part closes with an analytical report with findings and recommendations and on key points for the concept. The draft analysis report should be provided to the project for commenting before finalization.

1. **Concept development**

As a final output of the assignment, based on the results of the analysis the Contractor shall develop a concept for the pilot programme for attracting regional (CIS) and international tech and entrepreneurship talent, which will also offer concrete ways to build future collaborations around the topic.

The concept should provide detailed information about action plan and methodology of the pilot programme. In this section the feasibility and necessary conditions (estimated costs, potential partner institutions, companies) of the concept should be addressed to evaluate the programme's potential for success.

The documentation must be provided in English.

The Contractor in his proposal may suggest additional topics, which will be determined by the project.

* 1. **Deliverables and resources**

The following deliverables are to be submitted during the assignment period:

| **Tasks & Deliverables** | **Timeline** | **Man days (max) / location** |
| --- | --- | --- |
| **I. Analysis on the current situation in the field**1. Draft list of interviewees and questionnaire (and survey draft)
2. Draft analysis report to be submitted to the project for discussion and approval, which includes as an annex:
	* information about all available similar projects and detailed information and results over time about at least the three most relevant ones;
	* list of the interviewees;
	* list of potential international partners (with brief information, contact details, etc.).
3. Final analysis report in Word format (up to 30 pages)

**Deliverables:** Draft and final analysis report (Word format) | 2nd week 3rd - 4th week after contracting start date5th week | Armenia 2 Team Lead3 Analyst10 Team Lead10 Analyst8 Team Lead |
| **II. Concept development**1. Draft Concept to be submitted to the project for discussion and approval
2. Final Concept in Word format (up to 20 pages) and in Power Point presentation (up to 20 slides)

**Deliverables:** Costed concept in Word format and in Powerpoint format | 6th, 7th week after contracting start date | 10 Team lead / Armenia |
| **Total** |  | **30 Team lead****13 Analyst**  |

* 1. **Submission of offers**

The Contractor’s offer needs to include:

* The **Financial offer** requires the Contractor to submit for consideration a summary of costs with respect to the above sections. It should be based on 43 Expert days.
* The **Technical offer** requires the Contractor to submit:
	+ the Contractor’s relevant experience to this assignment, CVs of all expert(s);
	+ comments/suggestions on the Terms of Reference, description of approach, methodology and work;
	+ the Contractor’s possible connection to local and international tech and entrepreneurship ecosystems and brief background on the topic under the review by the Contractor (to demonstrate experience in this field).

The description of approach, methodology and work plan must include activities and deliverables as indicated in above table.

* 1. **Coordination and communication**

The Contractor reports to the Team Leader of the EU4Business “Innovative Tourism and Technology Development for Armenia” project, as well as closely collaborates with the responsible Project Advisor or assigned team member and the administrative support team in Armenia.

* 1. **Submission Requirements**

The Contractor needs to provide an offer for the following team members and their respective requirements:

* Lead Consultant:
	+ Strong proven expertise and knowledge in the area of assignment (tech and entrepreneurship development, concept elaboration, etc.) of at least 5 years with working experience in at least one other country. Master or PhD degree in innovation management, finance, or economics.
	+ Solid connection to local and international tech and entrepreneurship ecosystems will be considered as an advantage
* Analytics consultant:
	+ Set up survey, develop representative sample;
	+ Disseminate survey; prepare Q&A;
	+ Analysis of survey responses;
	+ Bachelor’s in economics or related field with experience in surveys and quantitative survey analysis. At least 2 years working or similar project experience.
* Proficiency in English and Armenian languages (written and spoken)
1. [Tech and Entrepreneurial Ecosystem Mapping Report](https://www.smeda.am/uploads/libraries/Tech%20and%20Entrepreneurial%20Ecosystem%20Mapping%20%28web%29.pdf), October 2019, p. 10 [↑](#footnote-ref-1)