

- Programme:** Private Sector Development and TVET South Caucasus
EU4 Business “Innovative Tourism and Technology Development for Armenia” project
- PN:** 16.2179.6-009.00
- Activity:** Comprehensive studies on Grant Scheme 2 (Upscaling existing innovative tourism ventures) and Grant Scheme 3 (Clusters of innovative tourism ventures) in Armenia’s three northern regions
- Period:** Estimated duration 7 weeks; 08.06.2020.-27.07.2020

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) of the European Union. The EU4Business “Innovative Tourism and Technology Development for Armenia” project has an overall objective to foster shared and balanced inclusive growth in tourism and innovative industries. This will be achieved through a) support to 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: **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 conceptualization and implementation of three grant schemes focusing on tourism ventures. Furthermore, it includes the strengthening of the Tourism Committee of the Ministry of Economy, 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

The **tourism component's specific goal** is the development of an enhanced tourism offer leading to good jobs and sustainable businesses for a transformative and inclusive growth in the three northern regions of Armenia, Shirak, Lori and Tavush. Under **tourism sub-component 1.1 (Grant Schemes for Innovative Tourism Ventures)** the project aims to improve the tourism offer regarding diversity, quality, innovativeness and competitiveness by **awarding grants via 3 different schemes** to competitively selected and eligible organisation, start-ups, businesses or ventures.

Grant Scheme 2 – Upscaling existing innovative tourism business concepts and/or innovative tourism ventures – especially aims to improve the start-up ecosystem for investible, high-value tourism ventures to offer enhanced tourism products and accelerate their growth. Through Grant Scheme 2 up to 25 ventures, planned to be implemented in the three northern regions, will be awarded with up to 39.000 EUR. In addition, and throughout the grant cycle(s) interested parties, potential grantees, applicants and awarded grantees will be supported through incubation and acceleration programs to build capacity, nurture ideas, raise applications' quality and support the awarded projects' implementation.

Grant Scheme 3 – Clusters of innovative tourism ventures in the three northern regions – especially aims to create thematic clusters of innovative private and/ or public tourism ventures to better exploit the touristic potential through involved companies' and NGOs pooling of resources, improving cooperation amongst these actors and, eventually, targeting the grants. By unifying and harmonising potential tourism ventures the grant scheme aims to develop attractive, marketable and competitive tourism offers. Through Grant Scheme 3 up to 25 ventures organised in three thematic clusters, each to be established in one of the three northern regions of Armenia, will be awarded with up to 25.000 EUR.

Preliminarily, three thematic clusters have been identified to have potential to being developed in the three northern regions:

- Winter sports and tourism (Shirak)
- Ecotourism (Lori)
- Wine tourism (Tavush)

In order to thoroughly design Grant Scheme 2 and Grant Scheme 3, two comprehensive studies are planned to be commissioned.

3. Conditions of the assignment

3.1 Objective and tasks

The **study on Grant Scheme 2** is planned to identify investment and business needs and to give recommendations which types of innovative tourism business ideas and ventures could be targeted through Grant Scheme 2 and examine other stakeholders activities in the sector (including infrastructure investments and institutional capacity building). Current tourism trends, market developments and regional development approaches should also be considered to support the advice.

In addition, the study is supposed to look at the potential economic effects the grants could have on the local economy, to what extent the supported ventures could influence the market, i.e. spur innovation and imitation and hence increase the attractiveness for touristic visits (local and international) and impact employment rates and income of local population.

The main objectives of the study on Grant Scheme 2 are:

- To identify type of (and concrete examples of) firms or consortia of firms or Public Private consortia to which small to medium scale co-funding could be deployed with the objective to develop investable and scalable private sector driven ventures over the next three years.
- To assess the type of co-funding possible per type of firm or consortia of firms or PP venture. Types of firms could be small or medium size firms or NGOs that can register as firms in sub-industries such as hospitality, food and beverages, experiences' offerings (parks, etc), cultural and artisans' products and services, etc.).
- To calculate sample rate of returns for at least 5 different grant types and their potential impact on rate of return of similar or neighbouring companies;
- To evaluate the ability of categories of firms or consortia of firms or PP ventures to absorb grants (i.e. assess and make recommendations on the size and sequencing of the grants and the scope of support (pre- and post-grant services) needed for effective grant implementation and for achieving the indicators of inclusive growth, employment and skills enhancement.
- To evaluate and recommend themes (approaches such as innovative financial models, ventures using digital tools, addressing accessibility, using inclusive models, following green approaches etc.) the grant scheme could specifically target if any;
- To assess other stakeholders' (donors, Governments, foundations') interventions in tourism and relevant economic or social sectors in the target areas that could intersect with the EU4Business tourism project interventions in order to build on existing initiatives and to avoid duplications;

The study on Grant Scheme 3 study is planned to assess the three target regions' potential to establish the respective clusters, amongst others taking into account private sector activities, public sector approaches, other international organisations' development projects, current tourism trends and market developments. The study also is to find out about the existence of a critical mass of relevant ventures, about their common interests, willingness to cooperate and to recommend a mechanism to institutionalize the clusters.

In addition, the study is supposed to **evaluate the potential economic value of the indicatively identified clusters for the destination's tourism industry development** as well as the potential effects the grants will have on the local economy looking at criteria such as prospective effects on job and income generation

The main objectives of the study on Grant Scheme 3 are:

- To evaluate the target regions potential to develop specific thematic tourism products (ideally as a cluster) as preliminary indicated or recommend alternatives
- Once the potential cluster themes are identified or validated evaluate the feasibility of the cluster approach (including readiness of cooperation between different actors influenced by cultural norms or other factors)
- Evaluate the type of co-funding potential (institutions, banks, impact funding, foundations, other, etc).
- To recommend a mechanism to institutionalize respective clusters
- To evaluate the ability of categories of firms or of consortia of firms or Public private ventures to absorb cluster related grants (i.e. assess and make recommendations on the size and

sequencing of the grants and the scope of support (pre- and post-grant services) needed for effective grant implementation

- To assess the economic potential or the lack thereof of the clusters' relevance and the impact of the respective grant schemes on innovation and for the economic development of the respective three northern regions
- To assess other stakeholders' (donors, Governments, foundations) interventions in tourism and relevant economic or social sectors in the target areas that could intersect with the potential cluster tourism project interventions in order to build on existing initiatives and to avoid duplications;

In line with the objectives outlined above the EU4Business "Innovative Tourism and Technology Development for Armenia" project **seeks to contract an Armenia registered consulting company to conduct two comprehensive studies:**

1. **Study #1 on Grant Scheme 2** to assess the tourism sector in the three northern regions, identifying priority intervention directions (types and target groupings) and providing recommendation on ventures to especially target through grants of this scheme.

The task includes to consult with foundations, banks, impact investors, and other funders as well as government officials after reviewing briefings on consultations by the EU-ITTD team.

The activities for this study should be conducted during **up to 42 person days within 7 weeks** after assignment's starting date as contracted.

The contractor shall produce the study as outlined in the table #1 below.

2. **Study #2 on Grant Scheme 3** on the feasibility of the introduction and set-up of thematic tourism clusters in the three northern regions and the potential impact on the clusters' development of financial support through grants of this scheme.

To include specific tourism related expertise and support the contractor's team virtually/ distantly on the three indicative cluster topics it is expected to sub-contract suitable experts based abroad or in Armenia.

The activities for the study #2 should be conducted during **up to 80 person days** (up to 50 local person days + up to 30 person days for international expertise) **within 7 weeks** after assignment's starting date as contracted.

The contractor shall produce the study as outlined in the table #2 below.

Draft versions of both studies and final studies have to be provided in English.

If, in the contractor's opinion, feasible, both studies may be combined in one study.

3.2 Deliverables and resources

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

Table #1 – Study #1 on Grant Scheme 2 (Upscaling existing innovative tourism ventures)

Tasks & Deliverables	Timeline deliverable	Person days (max) (Tourism expert)	Person days (max) (Financial expert)
Preparation: preparatory meeting with the EU4Business “Innovative Tourism and Technology Development for Armenia” project team, study of project and concept papers and relevant background information, development of working plan Deliverable: working/ activity plan including travel plan and meeting agenda	1 st and 2 nd week after contract signing	4	1
Implementation: Meeting with relevant stakeholders in Yerevan and the target regions, visit of selected destinations in the target area, collecting of necessary information Deliverable:	3 rd and 4 th week after contract signing	15	4
Evaluation of the collected data and elaboration of the draft study, 2 rounds of editing with the EU4Business “Innovative Tourism and Technology Development for Armenia” project team, finalization of the study Deliverable: full study to be delivered in English	5 th and 6 th week after contract signing	9	4
Presentation of the study and its results to the EU4Business “Innovative Tourism and Technology Development for Armenia” project team Deliverable: ppt presentation	7 th week after contract signing	1	1
Total (person days)		32	10

Table #2 – Study #2 on Grant Scheme 3 (Clusters of innovative tourism ventures)

Tasks & Deliverables	Timeline deliverable	Person days (max) (Tourism expert)	Person days (max) (Financial expert)
<p>Preparation: preparatory coordination with the project team, study of project and concept papers and relevant background information, development of working plan and provide preliminary list of potential interviewees.</p> <p>Deliverable: working/ activity plan including travel plan to the regions (if feasible in the current situation) and (virtual) meeting agenda</p>	1 st and 2 nd week after contract signing	4	1
<p>Implementation 1: Meetings with relevant stakeholders in Yerevan and the target regions, visit of selected destinations in the target area, collecting of necessary information</p> <p>Deliverable: meeting minutes, visitation reports</p> <p>Implementation 2: Coordination with international experts</p> <p>Deliverable: processing and inclusion of information and advice provided by international experts on suggested three potential cluster topics</p>	3 rd and 4 th week after contract signing	20	4
<p>Evaluation of the collected data and elaboration of the draft study, 2 rounds of editing with the EU-ITTD team, finalization of the study</p> <p>Deliverable: full study in English</p>	5 th and 6 th week	10	4
<p>Presentation of the study and its results to the EU-ITTD project team</p> <p>Deliverable: ppt presentation</p>	7 th week	1	1
Total (national person days)		40	10
In addition Contribution of sector-specific experts with international experience for wine, eco and winter tourism supporting the contractor’s team up to 10 person days per cluster topic.		30	

3.3 Conditions and payment terms

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 including
 - Study #1
 - Costs for tourism expert for up to 32 person days
 - Costs for financial expert for up to 10 person days
 - Study #2
 - Costs for tourism expert for up to 40 person days
 - Costs for financial expert for up to 10 person days
 - Costs for sub-contracted international (virtual) expertise for up to 30 person days
 - Costs associated with travel and other costs if any related to Study #1 and #2
- The **Technical offer** requires the contractor to submit the relevant contractor's experience to this assignment; comments/suggestions on the Terms of Reference, description of approach, methodology and work. The description of approach, methodology and work plan must include activities and deliverables as indicated in above table.

Payment terms:

- Final payment upon satisfactory fulfilment of the contract.

3.4 Coordination and communication

The Contractor reports to the Tourism Component Lead of the The EU4Business "Innovative Tourism and Technology Development for Armenia" project and also closely collaborates with the responsible Project Expert and the administrative support team within the project.

3.5 Submission Requirements

- Provision of an expert team with proven expertise in the area(s) of assignment
 - Financial Expert or Applied Economist or entrepreneur who has acted as an advisor for such programs and/ or has carried out similar socio-economic studies with at least 10 years of professional experience. Master level education in finance, economics or equivalent.
 - Tourism or Specialised Experts with at least 10 years of experience in tourism product and/or destination development projects in the region. Master level education in business, management, tourism, geography or equivalent.
 - 3 experts based in Armenia or abroad with at least 10 years of international working experience in the respective industries i.e. a tourism consultancy, a DMO/tourism board, a sectoral business association, a tourism or sectoral development project, a vineyard and related to the respective indicative clusters' topics to be sub-contracted to virtually support the contractor's team concerning winter tourism, ecotourism, and wine tourism. Each consultant has to have a Master level in Business, Management,



Tourism, Geography, Oenology or the equivalent of 15 years more relevant experience than other candidates.

- Flexibility and readiness to make adaptations/changes upon request
- Proficiency in English (written and spoken)

3.6 Additional Documentation

1. Action Document for EU4Armenia – Regional Development

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/c_2018_7717_f1_annex_en_v1_p1_1000253.pdf