

SUSTAINABLE PLATFORM TO PROMOTE INNOVATION (SPPI), SEVAN MUNICIPALITY, ARMENIA

Mayors for Economic Growth (M4EG) Pioneer Project



PROJECT FACTSHEET

The project in a nutshell

Timeframe: 2018-2020

Budget: EUR 538,577 (EU contribution - EUR 480,000)

Partners: Sevan Municipality (Gegharkunik province), the Chamber of Commerce and Industry of Armenia

Geographic coverage: Sevan district with 11 neighbouring rural communities

Target groups: SMEs, local business representatives, job seekers (including women, young people and people who are at a disadvantage on the labour market)

CONTEXT

The district of Sevan is located in Armenia's Gegharkunik region. Its 1,776 km² are home to over 40,500 people. The district consists of the town of Sevan (its administrative centre) and the 11 rural communities that surround it. The town is the focal point of the 11 neighbouring rural communities—an economic centre with all the key infrastructure, resources and services they need.

The district's economic potential is relatively diverse, and is concentrated in the touristic and agricultural sectors. The primary economic focus in the district's rural areas is agriculture, with around 12,000 local farms. Tourism is a key branch of the local economy and one of the main sources of employment. The SME sector is a driving force for inclusive local economic growth, regional development, employment and poverty reduction in the district.

PROJECT GOAL AND OBJECTIVES



The Project's main goal is to contribute to sustainable economic growth in the Sevan district with positive results for employment through a complex and systemic approach to local economic development with a special emphasis on entrepreneurship and the promotion of start-ups. The Project will run in the Sevan district to achieve the following *specific objectives*:

- 1) To set up and manage a market-oriented and innovation-focused **Sevan Business Centre for the Promotion of Innovation (SBCI)** in the Sevan district in order to improve the access of SMEs to a wide range of business development and support services in the district and neighbouring areas;
- 2) To facilitate and provide business development services to SMEs and start-ups in Sevan district;
- 3) To increase professional skills in strategic sectors of the Sevan district and match job seekers with employers.

PROJECT ACTIONS

A **Sevan Business Centre for the Promotion of Innovation (SBCI)** will be developed in the Sevan district as a multi-functional business support centre, coworking space and knowledge-sharing platform for local SMEs and entrepreneurs.



The Centre will foster contacts between businessmen from different industries and serve as a platform for cooperation between local entrepreneurs. It will also organize business networks and value chain linkages in order to improve market access across value chain positions.

The SBCI will also provide organisational and marketing support to develop and implement:

- 1) **Micro-franchising Models** involving model operational procedures for local businesses, a market access strategy, an efficient supply chain and inventory system, support for business operations and improved quality assurance and control mechanisms;
- 2) **A Tourism Value-Chain Participatory Development Strategy** that will help to increase the economic benefits of tourism for the Sevan district, to build a strong and competitive tourism sector as a pillar of the local economy, increase employment and attract investment to the district's urban and rural areas.

The Project's actions also include:

- Recruiting 50 start-ups and 50 existing local enterprises and helping them to increase their uptake of product, process and inter-chain innovation (develop new/upgraded products, make the best use of online technologies and platforms, testing new products or services before expanding, etc.);
- Helping local enterprises to improve their market and financial access by organizing "open houses" with financial institutions and facilitating their access to loans;
- Recruiting 70 job seekers in collaboration with employment centres. Priority will be given to women, young entrepreneurs and job seekers who are at a disadvantage on the labour market.

ESTIMATED RESULTS

- **150** local organizations will access the SBCI's services in the Sevan district;
- **100** local enterprises (including start-ups) will receive support through training and advice and will bear witness to the SBCI's positive impact during the Project's first year;
- **70** local enterprises will become more competitive;
- **150** employees will take part in the SBCI's capacity building programmes;
- **70** local job seekers will receive direct support (capacity building, networking, training, etc.) from the Project.

The Project will focus on innovation uptake as the key to sustainable economic growth and inclusive employment. Increased local capacity and business infrastructure will have a positive impact on economic outputs and the annual turnover, costs and productivity of enterprises. As a result, the economic well-being of people living in the Sevan district and the 11 neighbouring rural communities will be improved.

The pioneer project "Sustainable Platform to Promote Innovation (SPPI)" is being implemented in Armenia as part of the Mayors for Economic Growth (M4EG) Initiative. The M4EG Initiative began to operate in January 2017 within the Eastern Partnership framework. Its overall goal is to help mayors and municipalities in Eastern Partnership countries to become active facilitators for economic growth and job creation at local levels. For more information, please visit www.m4eg.eu.



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