



Empowering Young Entrepreneurs in the regions of Armenia



March- June 2016

[Eurasia Partnership Foundation](#) (EPF) implemented an “Empowering Young Entrepreneurs in the Regions of Armenia” Project with the support of the [Small and Medium Entrepreneurship Development National Center in Armenia](#), as part of the Partnership for Rural Prosperity Program, funded by US AID.

The overall objective of the proposed project was *to increase social and economic activity by young people in the regions of Armenia*. EPF aimed at combining its youth leadership and empowerment practices with SME DNC’s expertise in start-up entrepreneurship and business support knowledge and practices, to promote youth civic and economic activism.

The Project is implemented in 7 communities of Armenia: Noyemberyan, Ijevan, Ararat, Armavir, Gavar, Vanadzor and Stepanavan. EPF's YouthBank program committees located in Tavush, Lori, Gegharkunik, Armavir and Ararat regions facilitated the youth entrepreneurship skills-building program in the mentioned seven target-communities. Through the Program activities, more than 250 young people became part of the young entrepreneurs' network, participated in practical workshops and developed small-scale business ideas. Nineteen small-scale ideas, generated and implemented by young people with a great potential to start and run businesses, were supported and financed by YouthBank committees as last stage of the project.

Background Information

Rural communities in border regions (nine out of 10 regions of Armenia border different countries: Iran, Turkey, Azerbaijan and Georgia) are among the most remote and isolated from larger cities and towns and among the hardest hit by poverty. With their two longest international borders closed to trade, these border regions suffer from particularly high unemployment and desperate economic circumstances. With the advancing global economic crisis, large-scale businesses are affected most severely. Providing local alternatives to development, such as supporting small business development, has been the remedy for reducing the hardships of economic decline. Therefore, as in many other countries, there is a need in developing small-scale business opportunities for young people who are the main carriers of the effects of unemployment in their isolated communities.

Young people aged 16 – 30 comprise approximately one fourth of Armenia's population. More than one third lives in rural areas. Young people, particularly those in rural areas, are disproportionately affected by unemployment and poverty compared to those living in the cities.

Yet people under the age of 30 remain an untapped resource in the fight against poverty and social and economic exclusion. Eurasia Partnership Foundation (EPF) believes that young people living in the regions have a crucial role to play in local economic and social developments. The current project helped young people to learn and become entrepreneurial, increase their knowledge on how to engage in economic activity, and in turn improve their self-reliance and social well-being of their communities.

Youth entrepreneurship skills development becomes an effective means for increased social and economic activity for youth people, leading to potential employment, self-employment, and income generation opportunities. To create opportunities for young people of rural areas to engage in economic and entrepreneurial activity and increase chances for income generation and employment, the EPF with support of SME DNC empowered young entrepreneurs in the regions of Armenia through:

- Introducing the culture of entrepreneurial and proactive thinking among rural youth;
- Providing basic skills in understanding the anatomy of business and income generation and access to finance and financial planning;
- Increasing social and economic activity of rural youth by participating in joint learning and planning exercises.

The proposed initiative relates very closely to the mission of the [Eurasia Partnership Foundation](#): “to empower people to effect change for social justice and economic prosperity through hands-on programs, helping them to improve their communities and their own lives,” Even further, it will use several of EPF's

successfully implemented projects, such as the [Youth Bank](#), a youth capacity building program where groups of young people develop leadership potential to increase their own and their peers' social and economic activity.

Program activities

- **A planning session of YB coordinators** from five YB committees involved in the Project has been conducted. The project activities were discussed and the decision made to recruit new committee members to strengthen the organizational potential of the YB committees. The Projects timelines and operational specifics were also introduced, such as the upcoming participant profiles for Entrepreneurship trainings; process of recruitment of participants, process of selection of trainers.
- **Recruitment of Project participants**: During December, 2015, YouthBank committees in Martuni, Armavir, Ararat, Vanazor, Ijevan and Dilijan announced the recruitment of new committee members for YouthBanks. EPF staff representatives traveled with local NGO representatives to interview the applicants. As result, 39 young people were selected to coordinate the Program to be implemented in seven pre- determined communities. Following the selection of the YB committee members, EPF initiated a training of the YB committee members on the YB methodology. EPF's resources from other programs were used to cover the expenses of a 3-day workshop in Yerevan. Upon completion of the training, 40 YB committee members, including those from the regions involved in the current program, received tasks and set timelines for specific project related activities. The YB committees have developed their Action plans and started the recruitment of 30 participants in each community to participate in the Entrepreneurship trainings.
- [*Example from selection meetings in Martuni.*](#)



- **Developing the training program.** To design the training program for young entrepreneurs, EPF has developed and announced a [Request of Letters of Interest to select the Trainer\(s\)](#) for conducting the workshops in 7 communities of Armenia. EPF has assigned a committee composed of the three Program specialists to make recommendations for selecting the trainer. Concurrent to the selection, the schedule of workshops and logistical preparations were done in cooperation with YouthBank committees. The Workshops were planned during February-March, 2016.
- **Selection of the Trainers and adapting the program**: The selection committee recommended Mannik Sahakyan and Maria Hovoumyan from Impact Solution Ltd. to conduct the entrepreneurship workshops in seven communities. EPF worked with the trainers to refine the training module and make necessary arrangements for training materials, training venue, participant logistics and modifications in the module.

- **Entrepreneurship workshops for young people:** The Entrepreneurship training announcements were disseminated in Noyemberyan, Ijevan, Ararat, Armavir, Vanadzor, Stepanavan and Gavar communities. Five YouthBank committees operating in Lori, Tavush, Ararat, Armavir and Gegharkunik regions have coordinated the trainings and implementation in seven communities. Youth Bank committee members coordinated the process of announcement, recruitment, and logistical arrangements. In each of the communities, **between 30-35 highly motivated young people** aged 18-35 have been recruited to participate in the workshop (**246 youth in total**).

The content of the workshop included: discussion of the advantages and risks of doing business, characteristics necessary for running a successful business, components of the business model and how to generate ideas and select the entrepreneurial model.

Methodology of the Training workshops included a combination of tools: presentation of concepts, brainstorming of ideas, group exercises and simulation of a business activity.

Materials: PPT, printed handouts, exercises were produced. Each workshop was accompanied with the presentation of the follow-up plans for development of small-scale projects and submission process. The application process and the form were presented. Each participant received a certificate, a package of documents including a one-pager with the description of the project, an application form, and an idea generation chart for future activities.

The regional representatives of SME DNC attended the workshops and introduced SME DNC's strategies for particular regions, presented available support schemes for local businesses, and expressed their willingness to provide consultation to young entrepreneurs. The trainings were implemented according to the following agenda:

- Vanadzor - 17.02.2016
- Ararat - 19.02.2016
- Armavir - 24.02.2016
- Gavar - 07.03.2016
- Stepanavan - 09.03.2016
- Ijevan - 10.03.2016
- Noyemberyan - 10.03.201

The YB committees actively used online platforms in the process of information dissemination in the initial stages of the project as well as for covering the process of workshops. After each training session the participants were asked to fill in the feedback forms: most of the young people provided constructive and appreciative opinions stating that they developed essential skills for entrepreneurial thinking and action.

Link: [The article and photos of training in Gavar](#)

Link: [The article about the training in Armenpress.am](#)



- **Announcements for small-scale funding for youth-led entrepreneurial projects**

YouthBank committees have actively disseminated the call for a small-scale funding opportunity. The deadline was March 18. During that period, they were actively promoting the funding opportunity during the different events, conducting outreach activities, answering questions and providing the consultancies related to the application and selection criteria. Most of the possible applicants were interested to know whether they were eligible to apply if they were not yet 18 years old or if they did not have an implementation team.

- **Evaluation of the applications and selection**

YouthBanks have specific evaluation methodology that enables fair and efficient decision-making. The steps are the following:

- **Initial screening and summarizing of ideas**

Firstly, the committee members read all the applications, do an initial screening and eliminate the applications, which are incomplete or do not meet the requirements. Afterwards they make brief summary of each idea. Martuni YouthBank received 14 applications: mostly from Martuni, but also from Gavar, Sevan, Karmir, Hayrivanq, Lijq and Getik communities.

- **Interviews with the applicants**

Once the initial screening was done, the YouthBank committee arranged interviews with the applicants. During the interviews YB members, met the applicant in person, got more insight on the feasibility of the idea, and talked about the need and the impact of the initiatives. For instance, Mariam Stepanyan and Karen Stepanyan wanted to open up a traditional handicraft sales store in Dilijan; they came to the interview with a sample of the hand-made item to be sold in the store. At the beginning, YB committee members liked the idea: however, during the interview it turned out that the couple did not have any specific business plan or planned actions. There were a number of uncertainties on how the couple was planning to spend the amount. Along with that, the amount was not enough to make a considerable difference. Thus, the idea was not selected for funding. Instead, the YB committee members suggested considering taking a small business loan for the implementation of this idea.

Some applicants from distant areas were not able to come to the interview in person; thus, the YouthBank committee members conducted Skype-calls. In case of Arpine from Getik, the Skype-call was very efficient. She had a small B&B in Getik, and during the video-call she showed the B&B facilities and explained how the funding can be used. Her business idea was selected for funding.

Link: [Martuni YouthBank interview process](#)

- **YouthBank scoring and decision-making**

The final stage of the selection process is the voting process, as an open and fair way for selecting the best ideas to be awarded the funding. The voting can be open or confidential. The different aspects of an idea are graded from 1-5 points by each of YouthBank committee members and the average was considered. The evaluation criteria were the following: *Quality of the idea, Youth involvement, Cost-benefit ratio, Impact and benefit ratio* and *Real need for funding*.

In some cases, the applicant was the relative or was acquainted with one of YouthBank committee members: in order to insure impartial voting and evaluation, the YB member abstained from voting. For instance, Emilia's brother together with his friends applied for small-scale funding, as Ijevan

YouthBank committee member Emilia did not participate in the interview and the voting on this idea.

Link: [Voting process in Armavir YouthBank](#)



○ **Selection of the best ideas**

As a result of this evaluation process YouthBanks shortlisted the most viable ideas and sent them to the EPF consultants together with their recommendations for final screening and approval. EPF communicated the selection results with the Business Trainers and SME DNC Consultant. Afterwards, YouthBanks negotiated with the applicants on their final budgets and some of them managed to finance more ideas than planned. As a result, 19 business ideas were selected to get small-scale funding. YBs contacted all unsuccessful applicants in order to inform them about the selection results and explain the selection process. YouthBanks were enthusiastic about the Award ceremony and worked hard on organization.

● **Awards to the best entrepreneurship projects**

The young entrepreneurs whose ideas were funded by YouthBanks, were invited to [the Official Award Ceremony](#) organized in Yerevan, where the winning ideas were recognized. The selected entrepreneurial projects were presented and the nominees received the symbolic certificates.

The recognition of young entrepreneurs contributed to maintaining the motivation level, encouraging more proactive behavior and self-confidence among young entrepreneurs. SME DNC representatives Karen Gevorgyan, Director and Lilit Apujanyan, Program Manager, as well as EPF representatives, have presented their vision and the objectives that were at the root of Empowering Young Entrepreneurs in the regions of Armenia program.



The funded business projects were selected by YouthBank committees given the viability and sustainability of each idea, as well as the significant change that each project could bring for the young entrepreneurs and their communities.

Some examples of funded projects:

- Marine Khachikyan from Koti village has a group of students who learn to create handmade accessories and clothes for kids. Due to YouthBank support, she was able to market created products and sell them in touristic shops of the community.
- with a small amount of funding from YouthBanks, Ashhken, a young girl from Ijevan, started to provide catering services in Ijevan and nearby communities by generating considerable income.
- Khachik Minasyan and his friends provide shoe repair services. With YouthBank funding, they could get new machines for shoe repair and increase the quality of the service. “By repairing shoes we give them a second life and we love what we are doing,” – said Khachik during the interview. This funding was a considerable contribution for their business.
- Andranik Gevorgyan from Vanadzor got small funding for starting a tea and coffee specialty shop. This shop is a new start for Andranik, so that he could stay and work in Armenia.

Link: [The complete list YouthBank funded entrepreneurial projects](#)

○ **Expert Consultations**

After the Award Ceremony Lilit Hayrapetyan - an Expert in Taxation and Business Legislation was invited for conducting training and consultations for the selected young people and discuss their business ideas. The training and follow-up consultations were important part of the project, as they helped selected young entrepreneurs to find the right track. During the workshop, the Expert presented the particularities of Armenian business environment, helping young entrepreneurs to understand the peculiarities related to the legal environment for specific types of enterprises. After the workshop, month-long consultations were provided by the Expert upon the request of program participants.

○ **Implementation of viable entrepreneurial projects and monitoring**

By June 15th, 2016 the funded projects were launched. **19 youth-led business projects in 7 communities** of Armenia were implemented. Apart from providing the funding, YouthBanks oversee the implementation process of the projects; identify additional needs and achievements of young entrepreneurs.



With the assistance from EPF, five YB communities provided monitoring and guidance in the implementation stage of funded entrepreneurial projects. EPF program managers provided mentoring to young entrepreneurs for flawless implementation of the 19 small-scale projects. This helped young entrepreneurs learn by doing, get practical skills in implementing business ideas, and acquire necessary networks, connections and information about available financial resources.

Major outputs

- 5 YB committees coordinated the program in 7 communities of Armenia
- 300 young people expressed interest in Entrepreneurship training
- 246 young people took part in the Entrepreneurship workshops and learnt how to generate a business model
- 7 workshops implemented in Lori, Tavush, Armavir, Ararat and Gegharkunik
- 10% of workshop participants developed business projects and applied to YB funding (10-30 business ideas were submitted to each YB)
- At least 90% of the applicants - 21-35 year old young entrepreneurs have been interviewed by YB committees.
- YB committees learnt to evaluate the business concepts, 90% of the projects were discussed in the evaluation and scoring sessions organized by YB Committees.
- Award ceremony event organized.
- 19 contracts signed.
- 19 projects funded and implemented.
- At least 42 young people were involved in entrepreneurial projects (3 people per 1 project)

Major outcomes:

- Expanded opportunities in rural areas for young people, leading to decreased pressure to migrate and fall into apathy,
- Increased understanding of the risks and opportunities in managing small business practices;
- Better business management skills among entrepreneurs under 30.
- Knowledge of networks and available consultancy and support organizations available to advise youth-led enterprises.
- EPF and SME DNC developed and successfully applied an innovative “youth-to-youth” approach to promote youth entrepreneurship and economic activity.

Useful links illustrating program implementation

Information about the program: www.epfarmeria.am/am/program-portfolio/youth-program/youth-bank/youth-bank-entrepreneurship-project-2016/

<https://www.facebook.com/YouthBankArmenia/posts/1135272936514327>

<https://www.facebook.com/YouthBankArmenia/posts/1135246493183638>

<https://www.facebook.com/infomartuni/posts/1152209401496242>

<https://www.facebook.com/YouthBankArmenia/posts/1095647643810190>

<https://www.facebook.com/YouthBankArmenia/posts/1136492863059001>

Armavir YouthBank supported projects

<https://www.facebook.com/YouthBankArmenia/posts/1136487596392861>

<https://www.facebook.com/YouthBankArmenia/posts/1136487359726218>

<https://www.facebook.com/YouthBankArmenia/posts/1136485286393092>

Ararat YouthBank supported projects

<https://www.facebook.com/YouthBankArmenia/posts/1135245209850433>

Martuni YouthBank supported projects

<https://www.facebook.com/YouthBankArmenia/posts/1134093809965573>

Ijevan YouthBank supported projects

<https://www.facebook.com/YouthBankArmenia/posts/1136487086392912>

<https://www.facebook.com/YouthBankArmenia/posts/1136485659726388>

Vanadzor YouthBank supported projects

<https://www.facebook.com/YouthBankArmenia/posts/1135245259850428>

Background information

[Eurasia Partnership Foundation](#) (EPF) has accumulated 20 years of experience in program implementation, grant making, and cooperation with the Armenian civil society. EPF has developed a unique portfolio of services to position itself as a 'think and do' tank with expertise in the nexus of project design and management, network building and consortium management, civil society capacity building, policy research and advocacy, alternative content development, and peace building. EPF's human resources are one of its greatest assets. EPF is comprised of a 10 plus team of high-quality specialists in fields of EPF's programmatic focus, as well as a number of high-quality support staff, interns, and volunteers. EPF's recent experience includes: [supporting CSO sustainability](#); [engaging in decentralization reform](#); [engaging and empowering youth](#); promoting fundamental freedoms, such as Freedom of Expression and Freedom of Information; [supporting independent media and new media practitioners](#); advancing [religious tolerance](#) and [anti-discrimination](#); [addressing corruption and conflict of interest](#); building confidence across the [Armenia-Azerbaijan](#) and [Armenia-Turkey](#) divides; and [building local capacity for evidence-based research and policy advocacy](#).

EPF has been implementing a youth capacity building and leadership program called YouthBank (YB) since 2007. The program is based on a model developed in Northern Ireland to help youth overcome conflict and poverty through youth empowerment and leadership. The YB employs a unique, participatory learning model designed to involve young people in civic and community activism. <https://www.facebook.com/YouthBankArmenia?ref=hl>. The program involves a very unique and innovative youth empowerment methodology. After a comprehensive training, YB committee members manage small pools of funding (up to USD 3,000) that are distributed to support youth-led micro-projects in their communities. Participants are not required to have specific skills prior to joining YB, such as foreign languages, computer literacy, higher education, volunteer experience, project management, etc. They can belong to very diverse social, cultural, religious and ethnic backgrounds. By involving in the YouthBank, youth committees, consisting of 5-7 individuals between 16-27 years old, become decision makers and promote activism. The YouthBank members are responsible for every stage of the project selection and award process, from needs assessment, fundraising, mobilizing matching resources from communities, announcing grant competitions, working with media and informal youth groups, selecting and funding small-scale projects to working with young applicants to improve the quality of projects, organize public events, write reports, and making fair and responsible decisions about financial expenditures and accountability.

YB is also a personal development program that builds young people's self-esteem and confidence, YouthBank initiate a big number of volunteer and charity actions and projects in their communities, with a positive impact on youth employability in competitive positions. Projects implemented by these youth typically relate to inclusion of socially and economically vulnerable groups, including minorities, physically disabled, and others. The main themes of community projects are related to environmental protection, rebuilding village playgrounds, school-yards, social media campaigns,

flash-mobs, support to sports and healthy living, support to libraries, schools or kindergartens, environmental awareness, cleaning the village and tourism attractions, community events, handicrafts, arts and recycling, skills-building and many others. (More information here: <http://www.youtube.com/user/YouthBankArmenia>). YBs have also initiated and implemented additional volunteer projects, fundraising from local businesses, municipalities, other donors to match funding for small-scale projects.

EPF currently supports Youth Bank committees across Armenia, with 80 young people involved as members: in Armavir, Tavush, Ararat, Shirak, Lori, Gegharkunik, Vayots Dzor and Syunik regions.