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EUROPEAN UNION FOR ARMENIA

EU REGIONAL TRUST FUND MADAD
الصندوق التأملي الأوروبي ماداد



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IRIS Business Incubator

Call for Applications

General Information:

The EU supported IRIS Business Incubator is a new Armenian institution supporting Syrian Armenian and local entrepreneurs to establish and develop successful ventures by providing a unique full cycle of business support services, including training, coaching, mentoring and access to finance with grant and loan funds.

The IRIS Business Incubator has been established in 2019 by “Armenian Caritas” Benevolent NGO and “SME Cooperation Association” NGO within the framework of “Increased Resilience of Syrian Armenians and Host Population” (IRIS) programme funded by the [EU Regional Trust Fund in Response to the Syrian Crisis](#) (‘MADAD’ Fund), Austrian Development Cooperation and Austrian Red Cross.

The mission of the IRIS Business Incubator is to enhance the economic integration of Syrian-Armenians and host population through raising the competitiveness of the local economy by stimulating innovation and entrepreneurial spirit in Armenia.

The vision of the IRIS Business Incubator is to become the national Business Incubation hub for start-ups in Armenia. The main objective of the IRIS Business Incubator is to create and develop sustainable and competitive small and medium-sized enterprises by providing full-scale support to entrepreneurs to bring their business ideas into the market.

Throughout the duration of the EU IRIS programme it is planned that more than 300 entrepreneurs will attend the trainings, and 140 of them will get financial support. Within the programme the overall budget of IRIS Business Incubator grants fund is € 558,000 and € 629,000 for the revolving fund.

Call for Applications:

IRIS Business Incubator announces the first Call for Applications for three simultaneously running programmes: SPARK, BUILD and START to cover the business support initiatives designated for the IRIS BI target groups that are mainly Syrian Armenians and host population who run or aim to start businesses in the territory of the Republic of Armenia. The admission of candidates to the first phase of the programmes shall be through this Call. IRIS BI Call for Applications was announced on 23rd of October, 2019 and the deadline to submit applications is 30th of November, 2019.

All application forms are available online on IRIS BI social media page on Facebook <https://www.facebook.com/IRISBusinessIncubator>, and on IRIS BI founder’s websites at www.caritas.am and www.sme.am.



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EU REGIONAL TRUST FUND PROGRAM
المستوى الإقليمي الأوروبي "مبدأ"



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Application forms are bilingual and are available both in Armenian and English. Applications in both languages have equal rights and powers (validity). IRIS BI presents three sets of application forms for three simultaneously run programmes: SPARK, BUILD, START (in total 6 application forms).

- SPARK application form is designed for the IRIS BI Self-employed target group
- BUILD application form is designed for the IRIS BI Start-up target group
- START application form is designed for the IRIS BI SME target group

Target Group Definitions:

IRIS BI programmes are open for the following target groups:

Self-employed: Resident natural persons or sole entrepreneurs who are engaged in entrepreneurial activities according to the laws of the Republic of Armenia.

Start-ups: Business initiatives that are not yet registered, or sole entrepreneurs and owners of enterprises with less than 3 years' registration, which correspond to micro and small enterprise definitions according to the RA Law on "State Support to Small and Medium Enterprises.

Small and Medium Enterprises: Within IRIS programme the SMEs are defined as for more than 3 years registered legal entities or private entrepreneurs with an annual turnover not exceeding 100 mln AMD (approx. EUR 190.000).

Applicants should be aged 18 years and older, of Syrian-Armenian origin, other displaced people, repatriates, returning migrants or local Armenians residing and living in Armenia.

Priority Sectors:

IRIS BI works within the traditional SME sector, prioritizing the following sectors:

- **Businesses which are innovative and have a social impact** (bring changes in culture, in the minds of people, in education, in environment; involve people with disabilities, migrants, refugees or other vulnerable groups as a staff member or use a part of their income for social goals), thus making them high potential investible social entrepreneurs.
- **Sectors where Syrian-Armenians can contribute more due to their professional skills** (jewelry production, restaurant business, food processing, shoe making, blacksmithing, textile, creative industries etc.)
- **Businesses that support the State strategy for SME sector development** (agriculture, manufacturing and processing industries, tourism).

High-growth hi-tech start-ups are not a primary target for the BI, as there are a number of initiatives in the country that already provide tailored support and funding to this sector. However, if technology solutions support an innovative business idea from the selected target sectors, these start-ups will not be excluded.



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Conditions of Eligibility:

At all stages of application, the following conditions of eligibility shall apply to all applicants and participants:

- a. All applicants have read this document and accepted without reserves the rules provided herein before submitting applications.
- b. The ideas and concepts presented in the application are original and came from the candidates and are clearly formulated.
- c. The applicants are fully responsible for ensuring no third parties own any intellectual property or other rights on the business idea which may prevent its implementation, otherwise, the candidates will be excluded from the Programme immediately.
- d. The applicant agrees to sign a contract and that the IRIS BI team will follow up and monitor the business project throughout the various phases of the program.
- e. The self-employed or the start-up team will be required to set up a legal entity (either in the form of Private Entrepreneur or other for-profit legal entities) in the territory of the Republic of Armenia if they are selected to receive financial support.
- f. If selected, applicants agree to participate in all mandatory components of the program, otherwise, they may be dismissed from the program.
- g. The applicant must ensure transparency and reliability throughout the programme.
- h. At any moment the applicant may be disqualified if found guilty of an offence concerning their professional conduct proven by any means, guilty of fraud, corruption, involvement in a criminal organization, money laundering or terrorist financing, child labor or other forms for trafficking in human beings.

Selection stages and selection criteria:

1. Review of applications and pre-selection

Once the Call for Applications is closed on 30 November 2019, IRIS BI team will make the first screening of the Application forms. Up to 70 applications will be shortlisted within 10 working days after the Call is closed. All pre-selected candidates will receive a confirmation email from IRIS BI with an invitation to pitch their business idea in front of the Jury. Applicants who have not been selected for the next step will receive a non-acceptance email within 3 weeks after the deadline.

Selection criteria: The applications will be shortlisted by 3 evaluators from IRIS BI team based on the following considerations:

- a. Applications must be business-oriented and not project-oriented. Those business initiatives will be selected who want to set up a business and not those who want to set up temporary projects.
- b. Commitment. A competitive approach will be put in place to ensure support is provided to those entrepreneurs who have a concrete business idea and are more likely and committed to push it through successfully.



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EU REGIONAL TRUST FUND MIDDLE EAST
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The pre-selection will be done based on the assessment of the following components:

- Stage of Development
- Market potential
- Team and execution capacity
- Motivation
- Clear idea on the Business model
- Overall quality of the application

In case the business ideas have equal scoring, the priority will be given to the Applicants of Syrian-Armenian origin and to the business initiatives within IRIS BI priority sectors.

2. Pitching event

Applicants who have been invited to pitch will have the opportunity to push their ideas forward by pitching to a jury who will be entrusted with the final yes/no decision.

The Pitch Day will be organized within 30 working days after the call for applications deadline. During this period a half-day training session “How to prepare your pitch for the IRIS BI” will be provided to all pre-selected candidates. Participation in the training is recommended but not mandatory.

The format of the pitch will be 3+7 (3 minutes pitch followed by 7 minutes of questions from the jury). The results of the pitch day will be communicated no later than the following day.

Jury composition and duties: The jury shall be composed of 7 personalities with the following characteristics:

- One member of the BI staff
- One Syrian-Armenian business holder
- Two external experts (with entrepreneurial, business support and/or banking/finance experience)
- One representative from Armenian Caritas
- One representative from SME Cooperation Association
- One representative from Austrian Red Cross

Jury members will individually provide scoring from 1 to 5 for each of the above assessment components and for pitching quality.

The jury members will take a decision on the readiness of the applicant to enter the program and decide the point of entry by providing reasoned comments on a specific grid. 40 applicants will be selected to enter the IRIS BI Programmes.

Selected applicants will be invited to attend one of the following programmes, which run simultaneously:

- **Spark Program**, for teams within the early stage of development who will gain access to preincubation services meant to finalize proof of concept, technology and business.
- **Build Program**, for teams with proof of concept and a validated business model who will have support to write a solid business and financial plan.



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- **Start Program**, for teams and entrepreneurs with a convincing business and financial plan, who will gain access to the incubation and funding services.

IRIS BI is ready to accept up to 40 residents per each call with a minimum of 15 SPARK, 15 BUILD and 5 START ratio.

3. Incubation Phase

Once accepted to one of the IRIS BI Programmes, the selectees become IRIS BI Residents and enter the IRIS BI Academy (with an approximate duration of at least 3 months, depending on the stage of development of the business initiative). By the end of the IRIS BI Academy, participants will be given an opportunity to present their business plans in front of the Jury (see above the composition). Those participants whose business plans are approved by the Jury, will be given financial support and will continue to remain in IRIS BI Coaching and Mentorship Programmes for another 6-12 months.

Those Residents who provide solid business plans, will be given the opportunity to skip the IRIS BI Academy. They will directly get access to IRIS BI Coaching and Mentorship programmes and will present their business plans for financial support.

Participants with not approved business plans, are exiting IRIS BI programmes.

4. Financial support Phase

IRIS BI will provide financial support to selected participants with following objectives:

- To contribute to the economic integration of Syrian Armenians and local population
 - To ensure good establishment and proper running of start-ups
 - To ensure a stable income for self-employed people and a continuation of their businesses
 - To facilitate the development of SMEs
 - To contribute to the improvement of business eco-system in Armenia through supporting different types of enterprises with innovative approaches
- SPARK Programme participants will be given grants with up to 2.5 mln AMD.
 - BUILD Programme participants will be given a combination of a grant and a loan with up to 10 mln AMD.
 - START Programme participants will be given loans with up to 10 mln AMD.

The exact grant and loan amounts for each participant will depend on the presented business plans and justifications for financial support needs reflected in each business plan. Respectively, the repayment scheme will be developed individually with each loan holder by taking a tailor-made approach.

Award criteria are as follows:

- Participant's (team's) profile and motivation
- Skills and knowledge



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- Quality of business model and business plan
- Market potential
- Profitability and sustainability of the business

A separate contract on financial support must be signed by each participant.

To be eligible for loans, the participants will be required to provide one of the following risk-assurance mechanisms:

- Guarantor(s)
- Collateral
- Readiness for equity financing

5. Growth and Development Phase

After receiving financial support, BI residents will continue their participation in Coaching and Mentorship programmes for another 6-12 months (depending on their stage of development). They will also get access to IRIS CoWork and wide networking opportunities.

Contact details:

IRIS Business Incubator

12/2 Amiryan street, 0010, Yerevan, Armenia

Phone: 011 474724; 044 474724

E-mail: info@irisbi.am

Hyperlinks to the Call for Applications in both Armenian and English languages:

[SPARK](#) programme in Armenian

[SPARK](#) programme in English

[BUILD](#) programme in Armenian

[BUILD](#) programme in English

[START](#) programme in Armenian

[START](#) programme in English