

THE SUCCESSFUL START INITIATIVE OF ARMENIA

The Successful Start Initiative of Armenia is a joint collaborative activity of the Gegharkunik Chamber of Commerce and Industry (GCCCI) and the Vienna Consortium for Development Initiatives (VCDI) to actively support the development of small businesses.

In 2004, GCCCI established the Successful Start Fund. The philosophy of Successful Start Fund is to help establish new businesses or make the existing ones competitive by providing micro loans with **NO INTEREST RATES** or **COLLATERALS**. Businesses in the bordering and rural communities have difficulty in accessing or obtaining funds. Banks offer loans with high interests and with long procedures. Before clearing the financing of the proposed projects of the businesses, GCCCI improves business competencies of the applicant entrepreneurs through the CEFE (Competency based economy through the formation of enterprises) methodology mechanism. Additional information is available at www.ruralarmenia.com.

The CEFE methodology provides the entrepreneurs with educational trainings, improve their entrepreneurial skills and competencies, and funds the businesses with interest-free loans. The GCCCI experts coach the businesses during the whole project implementation period.

Thanks to the financial contributions of a number of donors, since December 2011, the VCDI has actively supported the “Successful Start Fund” initiative, which was established by GCCCI in 2004. Since January 2012, the below ten business projects in different regions of Armenia and in Artsakh (Nagorno-Karabakh) have been provided with loans through the Successful Start Fund.

Seventeen entrepreneurs had originally submitted requests for financing, ten of them were selected by GCCCI and VCDI to be financed by the Successful Start Fund.

The financed business projects are the followings:

N	Name	Type of Business	Location	Amount of loan (AMD)
1	<i>Vahan Soghomonyan</i>	Computer & Accessories Center	Noratus Village, Gegharkunik Region	300 000
2	<i>Nune Hakobyan</i>	Souvenir Shop	Shushi City, Artsakh	300 000
3	<i>Karen Hakobyan</i>	Tonratoon-Bakery	Shushi City, Artsakh	400 000
4	<i>Vladimir Kocharyan</i>	Production of Fruits	Vardenik Village, Gegharkunik Region	400 000
5	<i>Viktr Badalyan</i>	Bee Keeping	Vardenik Village, Gegharkunik Region	300 000
6	<i>Armen Shahinyan</i>	3D Cinema	Vaghashen Village, Gegharkunik Region	350 000
7	<i>Hasmik Tirabyan</i>	Sheep-Breeding Farm	Khashtarak Village, Tavush Region	300 000
8	<i>Andranik Virabyan</i>	Sheep-Breeding Farm	Khashtarak Village, Tavush Region	300 000
9	<i>Khachik Avagyan</i>	Computer Accessories Shop	Geghhovit Village, Gegharkunik Region	300 000
10	<i>Nver Badalyan</i>	Bee Keeping	Vardenik Village, Gegharkunik Region	300 000

Some of the funded business projects:

o ***Vahan Soghomonyan - Computer & Accessories Center - Noratus Village, Gegharkunik Region:***

IT development is really important in rural communities. Most of the village inhabitants do not or are not in a position to have computers. The computer center is located in the Noratus village as a unique IT business. The entrepreneur wants to enlarge the business. The project supported the repairing of the space to make it presentable to the customers with additional services, as well as provided new work places.



○ ***Nune Hakobyan - Souvenir Shop - Shushi City, Artsakh:***

Business development has immense strategic importance to Artsakh, as this is undoubtedly one of the main factors that make people stay and live there. There were no specific souvenir-gift shops in Shushi, so people had to buy souvenirs from the capital city Stepanakert. The project enabled the shop to repair and enlarge the space, to purchase new items and increase the sale, thereby creating two additional job places.

○ ***Karen Hakobyan - Tonratoon-Bakery - Shushi City, Artsakh:***

The project promoted the operation of the bakery, which the entrepreneur was intending to launch since a long time. This is the first business in Shushi that delivers food according to the licensed order. Currently three employees are engaged in the bakery, equipments and furniture have been purchased and the space has been repaired. The business is profitable and the entrepreneur is able to pay the loan installments in time.

○ ***Viktr Badalyan - Bee keeping - Vardenik Village, Gegharkunik Region:***

Bee-keeping is one of the profitable businesses in Vardenik village. In Armenia, the number of households producing pure honey is very scarce. In the beginning of 2012, the entrepreneur was going to sell twenty bee families in order to meet and cover the annual expenses. The financial assistance helped him to strengthen and expand his activities and production.



○ ***Hasmik Tirabyan - Sheep-Breeding Farm - Khashtarak Village, Tavush Region:***

Agriculture is the main activity in Khashtarak village of Tavush region. There are only two big sheep-breeding farms in Khashtarak, both farms are the beneficiaries of the project. This household had twenty sheep and ten goats. The project helped to purchase six sheep of new sort. This sort is much productive and now the householder is willing to buy some more sheep of this sort.



o **Armen Shahinyan - 3D Cinema - Vaghashen Village, Gegharkunik Region:**

3D cinema is innovation in Gegharkunik region as there are no such cinemas in the region. No conditions of entertainment for young people in Vaghashen village exist. Having succeeded in establishing an IT business, the entrepreneur decided to establish a 3D cinema next to his shop. The project helped him to repair the space and buy the required equipment and techniques.



The future steps and developing initiatives:

The experience shows that the opportunity of quick financial investments into the small and micro businesses in rural and bordering areas of Armenia through the Successful Start Fund of GCCI is indeed a very timely, instrumental, necessary and, under the current circumstances, and irreplaceable tool for the further development of these small businesses.

We need more dynamic financing conditions that the fund currently provides. The key foreseen development requirements within the next immediate period are as follows:

- Increment of the maximum amount of the loans to AMD 800,000.
- Increment of the number of financed businesses and regions involved.
- Increment of the maximum loan repayment period from 2 to 3 years.

To be able to further support this initiative, we need **YOUR** financial contributions. All of your donated funds are fully allocated to the funding of the projects. **NONE** of the related costs (running, organizational, operational and travel) have or are being deducted from the donated funds.

You may send your donations to the following account numbers, always quoting "Successful Start Fund Initiative":

In US\$

Beneficiary Name: Sebouh Baghdoyan

Purpose: Successful Start Fund Initiative

Account No.: 1410730

Bank Name: United Nations Federal Credit Union-UNFCU Bank

Address: Court Square Place, 24-01 44th Rd., Long Island City, NY 11101-4605, USA

ABA# 2260-7860-9.

In Euros

Beneficiary Name: Vienna Consortium for Development Initiatives

Purpose: Successful Start Fund Initiative

Account No.: 217620

Bank Name: Raiffeisen

Address: Herzog-Albrecht-Straße 3, A-2361 Laxenburg, Austria

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