February 14, 2013

Mr. Bagrat Yengibaryan  
Director  
Enterprise Incubator Foundation  
123 Hovsep Emin Street  
Yerevan 0051  
Republic of Armenia  

Dear Mr. Yengibaryan:  

Regional Mobile Applications Lab in Armenia Grant, TF099367  

Amendment to the Grant Agreement  

We refer to the Grant Agreement between the Enterprise Incubator Foundation ('Recipient') and the International Bank for Reconstruction and Development, acting as administrator of grant funds provided by the infoDev Multi-Donor Trust Fund (the 'Bank') dated April 6, 2011, as amended from time to time. We also refer to discussions held between the Recipient and the Bank staff and the letter dated January 10, 2013, requesting modifications to the Grant Agreement.  

The Bank, after due consideration, accepts your request. Accordingly, the Grant Agreement is hereby amended as indicated in the Attachment to this amendment letter.  

Except as specifically amended by this amendment letter, all other provisions of the Grant Agreement remain in full force and effect.  

Please confirm your agreement to this amendment by signing the form of confirmation set forth below, and returning to us one fully executed original of this amendment letter at your earliest convenience, and retaining one original for your records.
Sincerely,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Valerie D’Costa
infoDev Manager

AGREED:
Enterprise Incubator Foundation

Authorized Representative

Name Bagram Yengibaryan

Title Director

Date 14 March 2013
ATTACHMENT

1) Paragraph one (1) of the Agreement is revised and hereby amended to read as follows:

‘Following the recent competitive tendering process for establishing a mobile applications lab in the ECA region, I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by the infoDev / Finland Trust Fund on Creating Sustainable Businesses in the Knowledge Economy, proposes to extend to the Enterprise Incubator Foundation ("Recipient") a grant in an amount not to exceed Five Hundred and Eighty Five Thousand United States Dollars (U.S.$585,000) ("Grant") on the terms and conditions set forth or referred to in this Grant Agreement ("Agreement"), which includes the attached Annexes, to assist in the financing of the project that is described in the Annexes ("Project").’

2) The Annex to the Agreement is revised and is hereby amended to read as follows:

‘PART 1: Project Objective and Activities

The objective of the Project is to increase the competitiveness of innovative enterprises in the mobile content and applications area, and to ensure that locally relevant applications are created to meet growing developing country user demands.

The Project consists of:

1) Establishment and operation of a regional Mobile Applications Laboratory (mLab), which will provide infrastructure and resources and serve as a regional hub for building and promoting core competencies in development of innovative mobile applications/ solutions in the ECA Region.

2) Supporting early stage innovators to develop and commercialize innovative mobile applications, content and services by implementing a series of training, awareness and outreach efforts, innovation acceleration, and pre-incubation activities.

3) Stimulating local eco-system to increase commercialization rate of innovative mobile applications, content and services that have potential for significant development impact, and that target and have greater reach to developing country users and bottom of the pyramid populations.'
4) Strengthening competitiveness of mLab incubatees and beneficiaries to form new and viable startups through coaching, mentoring and quality and productivity management.

5) Developing a business case for the mLab to ensure that long term sustainability is prioritized.

6) Establishing and implementing a monitoring and evaluation framework and process for the mLab.

PART 3: Project Scorecard

The Intermediary Project deliverables are as follows:

**Activity 1:** Establish and launch a regional Mobile Applications Laboratory (mLab), which will provide infrastructure and resources and serve as a regional hub for building and promoting core competencies in development of innovative mobile applications/solutions in the ECA Region.

Activity 1.01: mLab space opened

Activity 1.02: mLab Manager hired

Activity 1.03: Mobile application testing environment setup

Activity 1.04: A virtual space established (website created, providing a repository of articles, resources, database of application developers and helpful tools)

**Activity 2:** Source and nurture early stage innovators to develop and commercialize mobile applications, content and services by implementing a serious of awareness and outreach efforts, innovation acceleration, and pre-incubation activities

Activity 2.01: Several developer events, competitions and challenges organized, including a regional challenge in collaboration with ECA mHubs and other partners covering 11 countries and implementation of best rural apps contest

Activity 2.02: Outreach activities held in Moldova, Georgia, and Ukraine

Activity 2.03: 200 students trained in mobile app development, business & entrepreneurship training
Activity 3: Strengthen competitiveness of m:lab incubatees through quality and productivity management

Activity 3.01: 15 trained incubatees brought to the market, including at least 10 startups hosted within the mLab

Activity 3.02: Up to two teams benefiting from a seed funding and support as a result of the m2Work challenge and hackathon

Activity 3.03: A minimum of two winning teams from the rural mobile apps hackathon will be incubated in the mLab and assisted in getting their products to the market

Activity 4: Stimulate local eco-system to increase commercialization rate of mobile applications, products and services that have potential for significant development impact, and that target rural, local and bottom of the pyramid populations

Activity 4.01: Market research on mobile applications on rural development conducted and findings disseminated

Activity 4.02: Organize a hackathon to develop applications/solutions that meet demands of rural enterprises, complemented with one month intensive mentoring and coaching of these teams prior to the hackathon

Activity 4.02: Include Inclusive Innovation aspects into other activities of the mLab

Activity 5: Develop a business case for the mLab to ensure that long that term sustainability is prioritized

Activity 5.01: Business plan for the mLab to be submitted annually at a date specified in the scorecard, and progress towards meeting sustainability targets as specified in the scorecard. The business plan should include at least the following:

- A Business model detailing product/service offering and key partnerships
- A sustainability and revenue plan for the lab (to be submitted annually at a date specified in the scorecard)
- Targets and Key Performance Indicators
- Marketing Plan
- Staffing Plan
- Governance Structure
Activity 5.02: Bring on one other financial sponsor

Activity 5.03: Collaboration with mHubs and with other similar organizations within ECA and with other regional mLabs

Activity 6: Establish and implement a monitoring and evaluation framework and process

Activity 6.01: Development of an mLab scorecard. In consultation with, and with advice from the World Bank, the Recipient will develop a scorecard to measure the outcomes and impacts of the mLab, as well as the performance of the mLab implementation process.

Activity 6.02: An updated scorecard should be submitted at a semi-annual basis, at the end of the grant period and one year post-implementation.

In order to monitor the implementation of the Project and to evaluate the outcomes, the indicators should be reported in a timely manner with a full summary at the completion of the Project.