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AZERBAIJAN INNOVATION ECOSYSTEM



OVERVIEW PRESENTATION
Innovation Ecosystem of Azerbaijan

MEET AZERBAIJANI DELEGATION

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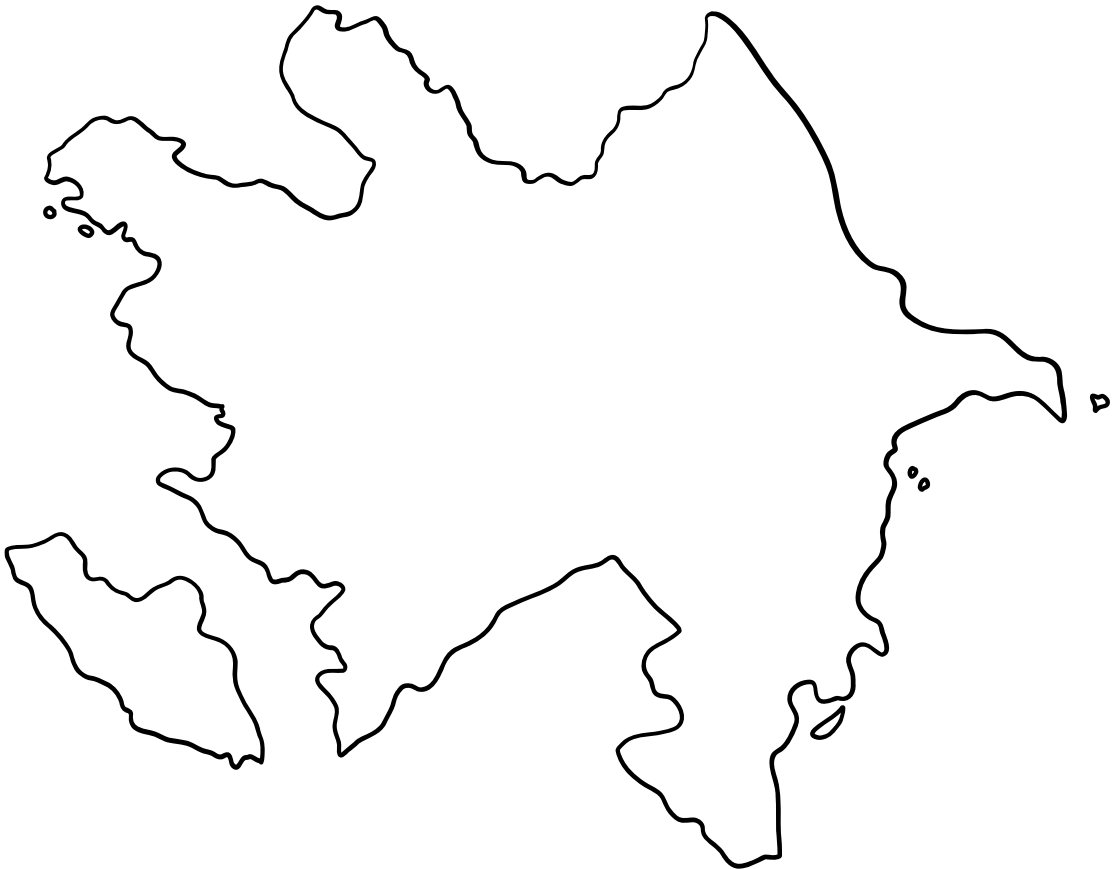
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Development Specialist
Small and Medium
Businesses Development
Agency



SOME FACTS



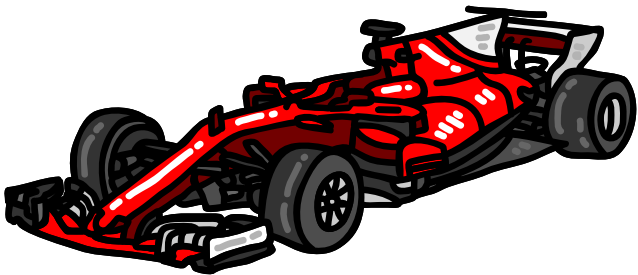
GDP per capita: **\$7104**

POPULATION: **10.4MM**

**WORLD'S FIRST
OIL EXTRACTION
1846**

**9 OUT 11
CLIMATE ZONES**

AZERBAIJAN



FORMULA 1



COP29
Baku
Azerbaijan

COMFORT OF LIVING

Cost of living



\$500 avg. rental cost for a 2-BR
70 m² apartment in Baku

\$1600 avg. cost of m² real estate
in the center of Baku

\$7 taxi fare from airport
to center of Baku (~25 min)

Lifestyle



230 sunny days a year

+5 / +25 °C avg. winter / summer
temperature

40 easy direct flights to any
regional hub in Europe and Asia

CET + 3 time zone

Designed to integrate



Commonly spoken **English, Russian,
Turkish** language

12 English-language schools

300 Russian-language schools

Security



Baku – **#1** capital by safety
in Caspian

#22 in the world by security

Culture



Open culture free of any
religious restrictions

Hospitality & high respect
towards foreigners and expats

Entertainment



Formula 1 race held in Baku

3 top ski resorts & sea resorts
all in proximity to Baku

Essence

Enabling tomorrow, building it today.

Vision

To position Azerbaijan as a regional leader in digital excellence and innovation, enriching lives, fostering growth, and driving positive change.

OPPORTUNITY FOR YOUR BUSINESS

Digital transformation on top of state agenda

#1 in government agenda

High spend on IT¹, with **\$400+ M** annual IT spending in government sector only

#8 in the world by progress on government support for ICT

Large-scale **program of digital transformation**

High-standard tech infrastructure

Stable, **high-speed internet** connection

Cheap processing power

Massive infrastructure projects underway:

100% broadband coverage by 2024
massive DC capacity buildout program

Thriving economy

#1 in the world by easiness of getting credit

7.3% annual historical real GDP growth since 1995²

2.8% current-year real GDP growth forecast
(vs. 1.7% world)

18% annual growth of IT service income³

Supply of qualified workforce

3,5k IT graduates annually

~15% - share of international tutors⁴ in IT programs

Affordable salary range for IT service export:

Junior ~ **750 USD/mo**
Middle ~ **1,800 USD/mo**
Senior ~ **3,500 USD/mo**

GOVERNMENT BODIES SUPPORTING INNOVATION AND STARTUP ECOSYSTEM



Developing the innovation and startup ecosystem is a major focus of the government, thereby placing it in the spotlight for government agencies and ministries

Ministries

Ministry of Economy



- Backs the creation of innovation park that provide infrastructure and tax benefits to startups
- Supports incubators & accelerators, providing mentoring & resources to help startups grow
- Offers exchange programs, access to global markets, and knowledge transfer

Ministry of Science & Education



- Backs the creation of innovation park that provide infrastructure and tax benefits to startups
- Helps to attract venture capital. It builds partnerships to channel funds into startups
- Promotes the growth of e-commerce, fintech, digital startups, positioning Azerbaijan as a hub for regional digital trade
- & innovation

Ministry of Digital Development and Transport



- Encourages the adoption of digital technologies in various sectors such as transportation, logistics, and communication
- Facilitates partnerships with international organizations, tech companies & global innovation ecosystems
- By investing in infrastructure, provides a solid foundation for tech-driven startups

Agencies

Innovation and Digital Development Agency



- The main regulatory body of government to develop the country's innovation ecosystem.
- Provides financial support (VCs, Accelerators, Programs, etc.)
- Supports digital government services, ICT skills development, and cybersecurity training
- Provides access to scholarship programs to train specialists for the labor market
- IDDA Awards celebrate innovation by recognizing startups, innovators & tech leaders
- Creates Innovation ecosystem map & database

Small and Medium Business Development Agency







- Plays a crucial role in promoting the digital economy, fostering innovation & connecting SMEs with state authorities for public services
- Digitization of services and support mechanisms is one of the main priorities of the SMBDA

Center for Analysis & Coordination of the fourth Industrial Revolution



- Drives the country's digital transformation, focuses on integrating advanced technologies like artificial intelligence (AI), blockchain, big data & 5G into various sectors
- Developing a roadmap for country's AI strategy, focusing on digital trade
- Collaborates with various stakeholders to support Azerbaijan's startup ecosystem through education and innovation

FOUR MAIN STRATEGY DOCUMENTS HAD BEEN DEVELOPED BY DIFFERENT GOVERNMENT AGENCIES IN PAST YEARS

Strategy document	Relevance to Innovation	Key takeaways	
	<p>National Innovation Strategy developed in 2019 by Presidential Administration</p>	<p>Comprehensive strategy on the development of national innovation ecosystem</p>	<p>Because this Strategy was not officially confirmed and communicated it was not implemented. However, there are a range of important and high impact initiatives in this Strategy</p>
	<p>National Socio-Economic Development Strategy in 2022-2026 approved by the President in 22nd of July, 2022</p>	<p>Includes several initiatives and targets related to innovation ecosystem</p>	<p>Although this Strategy includes a section and several initiatives related to innovation ecosystem, the main focus of this document is not innovation and initiatives in this are not comprehensive enough for the development of national innovation ecosystem</p>
	<p>Start-up Ecosystem Strategy for 2024-2026 developed by the Innovation & Digital Development Agency</p>	<p>Covers most of the dimensions of innovation ecosystem and includes clear vision, goals and detailed initiatives for nurturing national innovation ecosystem</p>	<p>This Strategy is the most up-to-date and relevant document which can be utilized for nurturing national innovation ecosystem in the upcoming years</p>
	<p>2024-2030 Next Generation Economy (NGE) Strategy currently being developed by the Ministry of Economy</p>	<p>Includes comprehensive list of initiatives on development of national innovation ecosystem with the specific focus on digital economy</p>	<p>Although the focus of this strategy is digital economy, it includes range of initiatives which can be utilized for the development of national innovation ecosystem</p>

Healthy Innovation Ecosystem



- Stakeholders
- Activities



ECOSYSTEM PLAYERS

Ecosystem players

Key government agencies

-
-
-
-
-

Activated corporates

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Incubators & Accelerators

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Universities

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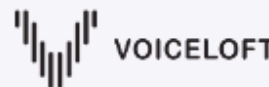





















VCs & Angel Clubs

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International and Regional Partners

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INVESTMENT ECOSYSTEM

VC fund / Management company	Stage	Focus	Selected Azerbaijani Investments
500	Pre-seed / Seed	Sector-agnostic	   
CAUCASUS VENTURES	Seed	Sector-Agnostic	      
LOTFI ZADEH TECHNOLOGY CENTER	Pre-seed / Series A	N/A	 
INFIPRO	Seed / Series A	Sector-Agnostic	  
SUP.VC	Pre-seed / Seed	N/A	   
STARTUP WISE GUYS	Pre-seed / Series C	Sector-Agnostic	
SABAH. fund	Pre-seed / Seed	Sector-Agnostic	 

FIRST VC IN THE COUNTRY

CAUCASUS VENTURES

was established on November 29, 2022, with the participation of the Innovation and Digital Development Agency, the PASHA Holding Group of Companies, and individual investors

Fund Size: 6.6M USD



2.9M USD



2.9M USD



760K USD

Focus Geographies

Central Asia

Eastern Europe

South Caucasus

Turkey

- Caucasus ventures is the first Azerbaijani VC fund, followed by SABAH.fund
- It is the only government backed VC fund



50

of startups to be invested



21+

of portfolio companies



1M+

Amount invested

STARTUP CERTIFICATE & TAX BENEFITS

Benefits

- Entrepreneurs with a Startup Certificate are exempt from income tax and tax on income from innovation for 3 years
- 161 Startup Certificates issued to date, helping small businesses thrive in Azerbaijan's innovative sectors








Process

Steps	Components
Verify Eligibility	<ul style="list-style-type: none">• Ensure your product/service is innovative and distinct from existing startups• Confirm that your business qualifies as micro or small
Application	<ul style="list-style-type: none">• Submit an application to SMBDA for the Startup Certificate• Include documentation proving innovation and business size
Evaluation	<ul style="list-style-type: none">• SMBDA assesses the uniqueness and competitiveness of the product/service
Issuance of Certificate	<ul style="list-style-type: none">• Certificate is issued if criteria are met

NOTABLE STARTUPS

Startup	Industry	Description	Investment Raised	Traction
 PUSH30	Wellness & Fitness Tech	B2B corporate health benefits provider that offers unrestricted access to numerous gyms and activities through a single subscription	USD 1.2M	13K+ active users USD 6M ARR USD 35M valuation
 glorri	HR Tech	Recruitment software/ SaaS platform	USD 330K	USD 20K+ MRR
 Ziv4	Financial Markets	Automated trading platform	USD 270K	1,500 users USD 5K+ MRR
 E-LEGAL	Legal Tech	Online solution platform to legal issues	USD 90K+	1,000+ users registered USD 60K revenue 60+ B2B partnerships
 B	Productivity	Visual feedback tool	USD 100K	USD 35K+ sales 400+ B2B clients
 perkskit	FinTech	Employee perks management platform	USD 250K	1,000 committed users
 Monyo.az	FinTech	Comprehensive solution platform for restaurants with over 4.5 million unique users	Bootstrap USD 100K	60K active app users USD 30K MRR
 hirelamp	Career Dev-t	Startup mentorship platform for companies	USD 15K	120+ paid sessions USD 3K gross turnover USD 600 MRR 2 B2B partnerships

NOTABLE STARTUPS

Startup	Industry	Description	Investment Raised	Traction
 canscreen	HR Tech	AI-powered Video Screening platform	USD 125K committed	USD 100K ARR
 tredu	EdTech	Learning and entertainment platform for children	USD 150K	1,000+ registered users 100+ active users
 icarele.com	Tech Rental	Platform where individuals and businesses can easily rent a variety of products for short-term use with affordable prices and fast delivery	N/A	USD 4,000 MRR
	AgroTech	Biodegradable hydrogel to support farmers in regions where irrigation is limited or unavailable, ultimately boosting their yields sustainably	USD 100K	N/D
 KidFi	EdTech & FinTech	Financial education to kids (10-15 years) and supporting them in gaining smart money management skills	USD 60K grant USD 15K investment	USD 5K
 Reluxe.	Marketplace	Platform for buying & selling and discovering new and pre-loved high-end fashion	USD 60K	12,000 users 4,000+ paying customers USD 300K+ turnover USD 3 CAC
 dosty	PetTech	Modern pet care superapp for pet parents to manage all stages of their beloved pets	USD 700K (pre-seed) USD 600K (seed)	10K+ downloads 9K+ pets registered 3.5K avg. MAU 115 subscriptions

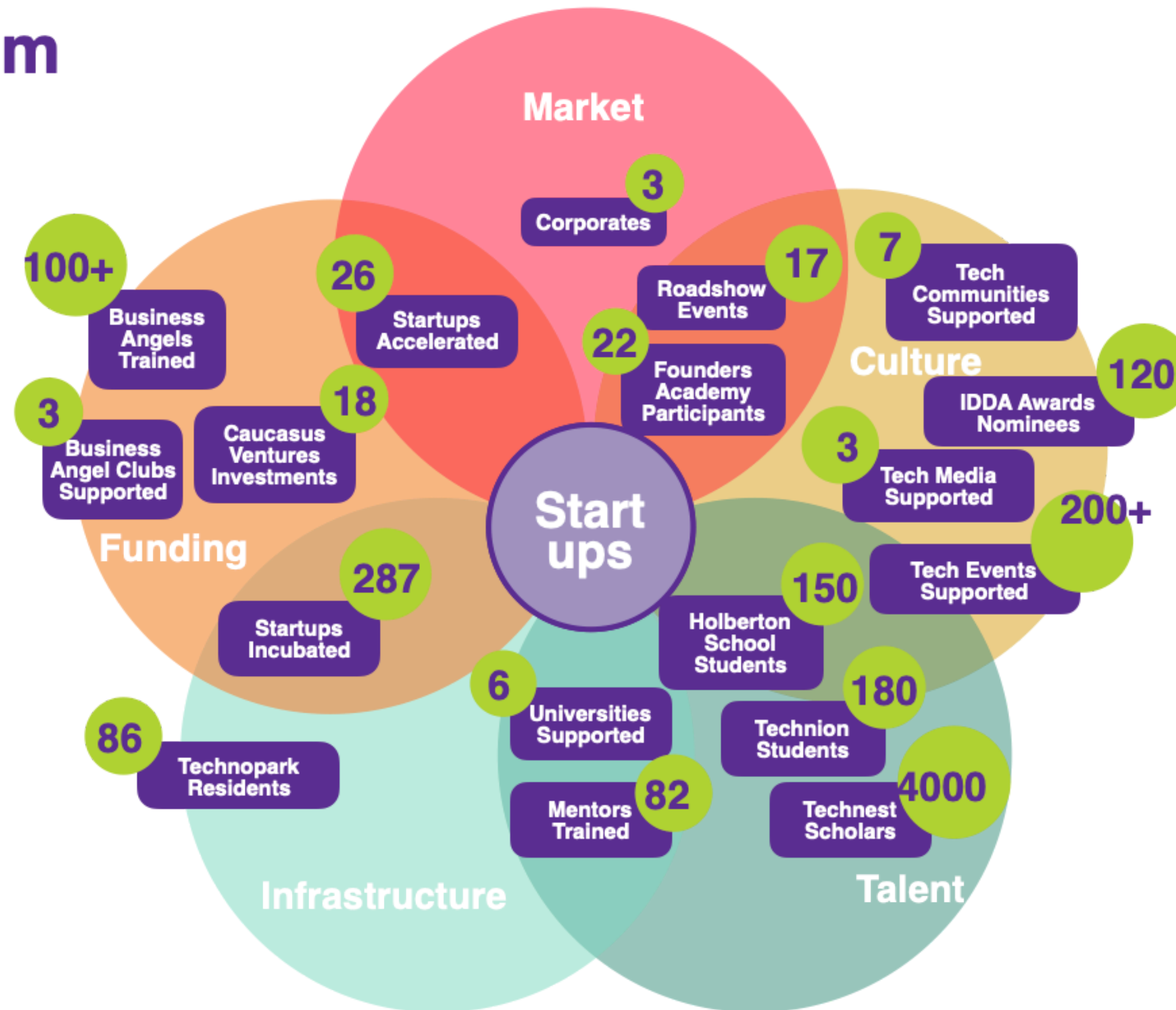
MAJOR EVENTS IN THE ECOSYSTEM



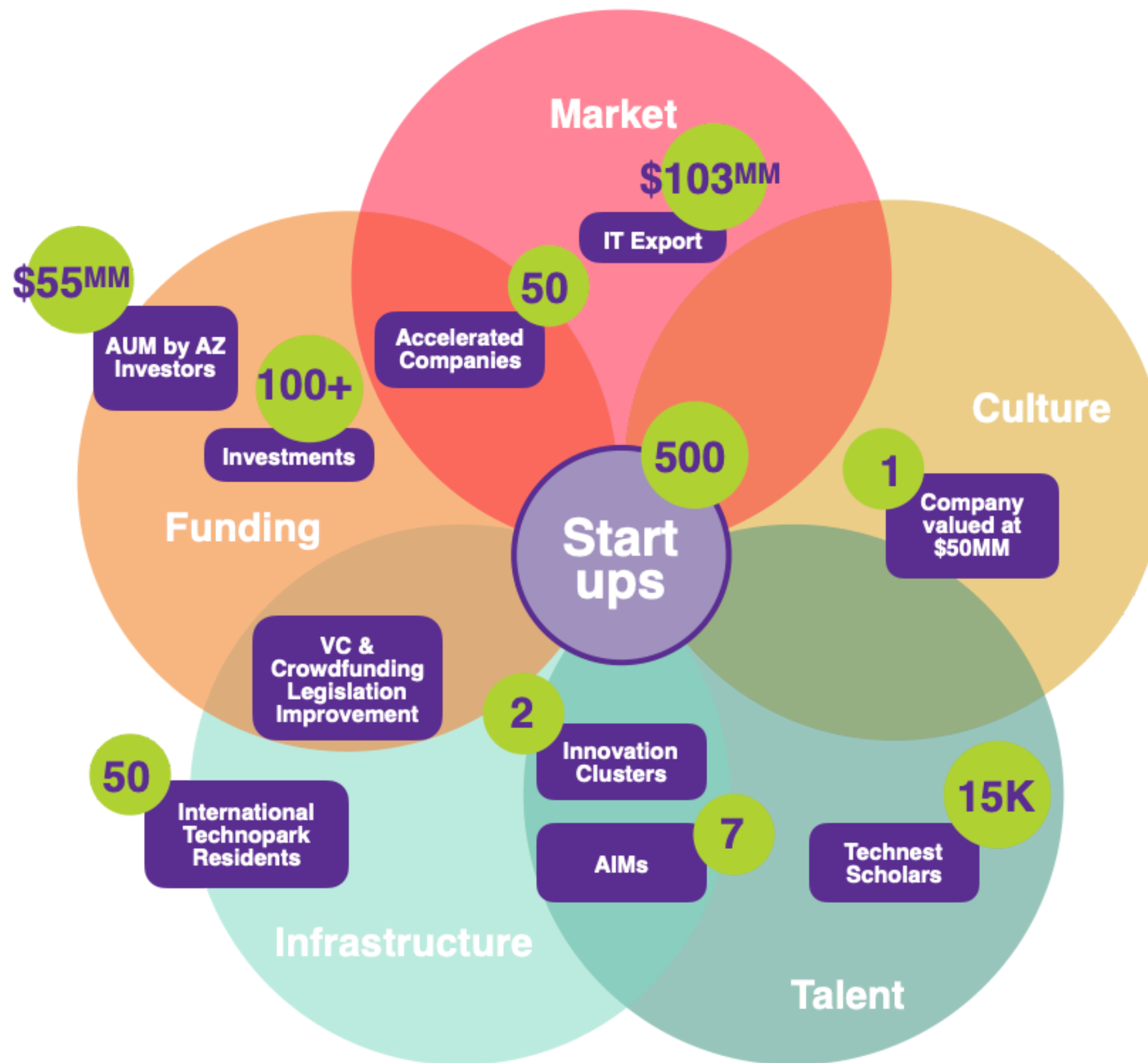
IDDA Ecosystem Development

Activities

Q3 2022- Q3 2024



Priority Goals (2026)



AZERBAIJAN INNOVATION CENTER

INNOVATION
TECHNOLOGY HUB

FLEXIBLE
OFFICE SPACES
for TECH PEOPLE

TECH EDUCATION

SPACE
FOR TECH EVENTS



Innovation and Digital
Development Agency

aim
azərbaycan
inovasiya
mərkəzi

SABAH.CITY



VIDEO
BY SABAH.HUB



THANK YOU ©

