
Programme:	Private Sector Development South Caucasus (PSD SC): “Economic Integration of Syrian Refugees in Armenia” project
PN:	13.2144.7.007
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Activity:	Capacity building for management of a production centre to support Aleppo NGO to operate “Middle Eastern Cuisine Center” (MECC) project in Yerevan.
Period & Place:	01 December 2017 - 31 January 2018; Yerevan, Armenia

1. Brief information about the programme

The three countries of the South Caucasus, Armenia, Azerbaijan and Georgia, face the challenge of generating broad based inclusive growth to reduce the urban-rural gap and poverty above all in rural regions. In view of the small domestic markets with low purchasing power, the primary aim is to expand foreign trade. High policy priority is therefore accorded to diversifying the economy and improving the competitiveness of export products. The greatest export potential exists in processed agricultural products and - though not in all countries - tourism development. In Azerbaijan there is scope for revitalizing the plastics industry.

Small and medium-sized enterprises (SMEs), however, do not take advantage of the market opportunities provided by the European Union (EU), the main trade partner. The core problem lies in the lack of adequate entrepreneurial and institutional preconditions for developing foreign trade-oriented sectors for inclusive growth. The reasons for this lie in the insufficient capacities of the institutions engaged in economic policy, trade promotion and vocational qualification policy. There is hardly any inter-institutional cooperation and dialogue with the private sector. Services are lacking in the fields of production, quality, procurement and distribution. The increasing demand for specific qualifications and competence poses a further challenge for private sector development. Also, there is no systematic exchange of information and experience on economic policy issues among the South Caucasian countries.

The objective of the technical cooperation (TC) measure, Private Sector Development South Caucasus, is therefore: the conditions for the development of selected foreign trade-oriented sectors for inclusive growth have improved. To achieve this, the programme focuses on three intervention fields: (1) Improvement of the business development framework conditions, (2) Promotion of the private sector in the selected value chains, and (3) Vocational qualification. Business needs-oriented promotion of the private sector in the value chains with proven export potential is of the central importance. The intervention areas ‘Improvement of the business development framework conditions’ and ‘Vocational qualification’ are geared to

this. The programme supports the implementation of policies, strategies and pilot measures.

The measures are implemented in cooperation with the Physikalisch-Technische Bundesanstalt (PTB) and in coordination with the ongoing projects of the United States Agency for International Development (USAID) that support agricultural production in Georgia and Azerbaijan within the value chain promotion framework. An integrated development partnership (PPP / public private partnership) with the economy initiated by the predecessor programme in Armenia and Georgia is continued. There is potential for further cooperation with the private sector. The programme operates at the national level in each of the three countries as well as in pilot regions and promotes the exchange of experience and cooperation at the regional level.

In addition, there are three projects attached to the PSD SC programme which are in line with the objective and intervention fields of the programme:

(1) The project “Economic Integration of Syrian Refugees in Armenia” tackles the challenges related to Syrian refugees with an Armenian ethnic background that immigrated to Armenia during the last years due to the civil war in Syria. In order to support the economic integration of refugees in Armenia, the project supports the economic dialogue and coordination of relevant stakeholders, the integration in existing business networks as well as the access to and the adaptation of employment and qualification programmes. It comprises three main intervention fields: (1) Public-Private-Dialogue and Participation, (2) Integration in Value Chains and Business Networks, (3) Vocational Qualification and Skills Development.

(2) The project “SME Development and DCFTA” is related to the Association Agreement and the Deep and Comprehensive Free Trade Area (DCFTA) which was signed by Georgia and the European Union in 2014. The European Union is co-financing a support to SME development and DCFTA to be implemented by the GIZ Private Sector Development programme. It seeks to assist the Georgian Government in the implementation process of the DCFTA, supporting the development of the SME sector to adapt to DCFTA regulations and facilitating Georgia’s integration into the EU market. The project comprehends following components: (1) Improved enterprise development framework and SME participation in the political dialogue, (2) Comprehensive capacity development for SME support institutions with focus on improved service delivery, (3) Enterprise development and promotion via clustering and support to business networks on national, sector and local level, (4) Business clusters and networks integration into relevant existing EU networks for enterprise development, investment and trade promotion.

(3) The project “SME Development” in Armenia is co-financed by the EU and implemented by the GIZ Private Sector Development Programme. It focuses on the improvement of the Armenian business and investment climate and the support to the development of the SME sector, in particular the link between research and economy as well as access to finance. The projects comprehends following result areas: (1) Improved policy making process and coordination of support to SME development, (2) Strengthening private sector organization to

implement SME policies, (3) Improved process of commercialization of ideas linking research institutions and business via cooperation networks, (4) Improved design and management of economic clusters (incubators, technoparks and Free Economic Zones (FEZ)).

The entire programme has a total budget of EUR 29,693,940 which is divided as follows:

- General PSD SC Programme: EUR 15,760,000 for three years and five months (2013 - 2017).
- Project “Economic Integration of Syrian Refugees in Armenia”: EUR 2,500,000 for two years (2015 – 2017).
- Project “DCFTA and SME Development” in Georgia: EUR 5,033,940 for four years (2015 – 2019).
- Project “Support to SME Development in Armenia”: EUR 6,400,000 for four years (2016-2019).

Module objective:

The conditions for developing selected foreign-trade sectors for broad-based inclusive growth have improved.

Indicators:

1. In the economic sectors promoted by the programme, altogether six business framework conditions issues (e.g. sectorial development programmes, trade regulations and procedures, vocational qualification, economic integration of Syrian refugees in Armenia) have been improved.
2. Two policy documents (strategies) each contain gender-specific or conflict-sensitive measures.
3. 70% of interviewed enterprises in the promoted value chains (Wertschöpfungsketten) that have introduced new or improved management tools have raised their business performance (citing the positive changes, e.g. increased turnover, improved quality of products, diversification of business contacts, reduction of rejects, and improved energy efficiency, adaption to climate change, and human resource promotion and development (HRD)).
4. 50% of enterprises in the promoted value chains (Wertschöpfungsketten), including complementary service providers, assess the labour-market relevance of the new or adapted offers for vocational qualification as higher than that of existing offer for vocational qualification (in particular the offer for Syrian refugees in Armenia).

Partner structure: executing agencies and intermediaries

The programme has no regional lead executing agency. This function is, however, performed by the ministries of economics in each country - Armenia: Ministry of Economy (MoE); Azerbaijan: Ministry of Economy and Industry (MEI); Georgia: Ministry of Economy and Sustainable Development (MoESD).

Implementing partners by intervention field

In the intervention field “**Business Development Framework**”, the implementing partners are government and independent planning and analytical institutions (think tanks) and also the relevant line ministries with their subordinate institutions. The main concern in Armenia is to strengthen the capacities for implementing existing policies. In Georgia, the new government has filled many positions with well-trained, young but politically inexperienced personnel who now face the challenge of drafting and implementing coherent strategies. In Azerbaijan, planning and implementation capacities also need strengthening.

The implementing partners in the intervention field “**Promotion of value chains**” are the respective government agencies for export promotion, providers of business services (providers of training and coaching services, quality infrastructure service providers, e.g. test laboratories), private-sector institutions (employers’ federations, trade and business membership organizations) and selected enterprises, with which new approaches to improving entrepreneurial capacities will be developed and implemented as pilot measures for cooperation and development partnerships with the private sector. Many of these partners have comparatively low capacity levels for implementation. The market for business development services is only beginning to take shape. Associations are often heavily influenced by individuals and only represent a part of the companies engaged in a sector.

In the intervention field “**Vocational qualification**”, the implementing partners are the respective national ministries of education and their institutions, educational and vocational training institutions, local governments and authorities, as well as business membership organizations and representatives of civil society. Here, too, capacities for planning and implementing strategies differ greatly. The weakest links are often the underfinanced and poorly equipped vocational schools.

Regarding the project “Economic Integration of Syrian Refugees in Armenia” the programme cooperates with partners such as the German Savings Banks Foundation for International Cooperation with its expertise in financial consulting and management, the German Association for Adult Education (DVV) with its expertise in life-long learning and trainings, the German Business Association (DWV) and the Senior Expert Service (SES) as well as the UN Refugee Agency (UNHCR).

Target groups and other stakeholders

The programme target group is females and males, owners and employees of enterprises (primarily SMEs) in the selected value chains and their suppliers. Female entrepreneurs are often engaged in micro and small enterprises in the traditional sectors (agriculture, production and sale of processed food, handicrafts, service sector, e.g. tourism).

As part of the vocational qualification measures, the target group includes job-seekers and alumni of vocational schools and higher education institutions as well. In Armenia,

significantly more women are affected by unemployment than men (35% of the female workforce is unemployed vs 22% of male; data from 2011). The unemployment rate among young women amounts to 40.7% in Georgia and to 69.4% in Armenia (32.4% and 42.7% respectively among male youth).

Other stakeholders are the teaching staff of vocational schools; specialists and managerial personnel of think tanks; representatives of ministries involved; service providers (e.g. export promotion agencies, management consultants) and non-governmental organisations.

The project “Economic Integration of Syrian Refugees” concentrates on Syrian refugees in Armenia as a target group with a special focus on women and people of the age between 30 and 50 years as well as young people.

Macroeconomic, socio-economic, socio-cultural, political and environmental assessment– Impact and sustainability

Gender equality: The programme seeks to improve the involvement of women in the economic life. In all three countries, gender-specific measures are targeted to support the entrepreneurship and integration of women in business life. At the general framework level, this entails raising awareness of this issue and accounting for gender in policy and strategy documents. Stake holding by women is also taken into account when selecting value chains for promotion and the participant enterprises can be advised on conducting measures for gender equality. In terms of education and qualification measures, the programme aims to involve both genders equally with a special focus on participants from rural areas. Therefore, the development measure has beneficial effects on gender equality.

Participatory development/good governance: The programme strengthens the steering mechanisms and management capacities of ministries and subordinate authorities, e.g. in structural policy, trade promotion as well as in qualification and youth employment promotion. The capacities of government and independent think tanks are strengthened for preparing and compiling economic policy studies. A major contribution is the inclusion of capacity development measures in business life. Considering the multi-level approach, the programme fosters a public-private dialogue (PPD) among the private sector, civil society and government at national and local (sub-national) level. Strengthening these processes enables male and female entrepreneurs to better articulate and advance their interests.

Rural development and food security: All three countries are largely agrarian. The main export potential lies in processed agricultural products. Trade promotion measures therefore also aim indirectly at promoting rural development, which is a major secondary objective of the programme. Especially the tourism sector and the promotion of the wine/beverage sector bear substantial potential to foster rural development. The accompanied measures to improve the framework conditions and the education and qualification offer also contribute to the sector’s development.

Trade development

The measures contribute directly or indirectly to strengthening the trade development within the South Caucasian countries as well as with the Eurasian economic region and the EU. The cooperation with the OECD Eurasia Competitiveness Programme and the SME Panel which is initiated by the EU reinforces the mentioned orientation.

Impacts on human rights: The programme subscribes to the guiding principle of sustainable development. It advances the political and economic participation of women and men and the right to freedom of association by promoting business institutions. The programme also conducts its activities adhering to specific values and standards of transparency.

Impact: Improving the quality of business management in SMEs makes a contribution to raising the competitiveness of the group of enterprises, which plays a major role for employment. The promotion of largely agricultural value chains geared to foreign trade and improving the employability of women and men contributes in the long term to more income and employment, particularly in rural regions, and to narrowing the urban-rural gap. By promoting the framework, building the capacities of implementing partners and stepping up public-private dialogue, the programme contributes to institution-building. In order to increase the impact, the programme accessed its scaling-up potentials already in 2014. It is planned to integrate the working results into national and sectorial strategies and policies on a local level by including education providers and cooperating with upstream and downstream segments while also considering the business interests. The increasing use of best-practice experiences is initiated on a regional level and will continue via a dialogue platform and a regional newsletter.

Sustainability: The South Caucasus is highly affected by the conflict between Armenia and Azerbaijan which also influences the regional exchange beyond the political sphere. The programme succeeds to establish a dialogue between relevant economic actors including Armenia and Azerbaijan. However, so far there are no concrete business cooperation or joint projects between the two countries. The commitment of the private sector turns out to be the key factor for economic development and diversification. Especially the need to improve the vocational education and qualification as well employment promotion is increasingly recognized and supported on a political level. A remaining risk is the lack of financial and personnel resources of the vocational education and qualification providers as well as the still negative image of vocational education within the society. The effects of the DCFTA trade agreement in Georgia, the accession of Armenia to the Eurasian Economic Union and therewith the international redefinition of priorities in terms of regional cooperation, are closely observed by economic and political actors. Azerbaijan accelerates the process to enter the WTO. Currently, the service market is still too underdeveloped to develop a sustainable service portfolio for enterprises considering the new trade and investment context. However, the programme seeks to assure optimal sustainability by reforming the business development framework in the above-mentioned areas, supporting the

implementation of policies and strategies and building institutional capacities in the areas of training, policy analysis and export-dedicated services.

2. Context and current situation in the field of assignment

The number of forcibly displaced people worldwide has reached over 65 million at the end of 2016, the highest number in the past 70 years. Among these, 25.1 million were refugees and asylum seekers. The main reasons for the rise in numbers of refugees are the civil wars in Syria, Afghanistan and South Sudan, accounting for over 55% of refugees worldwide. In the case of Syria alone, over 5.5 million people had to flee their country.

According to the Government of the Republic of Armenia (RA) and UNHCR, the number of persons displaced from Syria currently present in Armenia is estimated to be around 14,000-17,000 out of which the vast majority lives in the capital city Yerevan. Almost all of the arrivals are ethnic Armenians. For Armenia this surge was very sizable. The government needed to expand its capacity to respond to the humanitarian challenges, elevate its process of naturalisation and prepare for the integration of thousands of new citizens into the labour market and larger society.

The RA government introduced a number of measures assisting persons displaced from Syria, offering them a variety of protection options, namely by way of (i) simplified acquisition of citizenship, (ii) accelerated asylum procedures or (iii) privileged granting of short, mid-term or long-term residence permits.

The quite heterogeneous and diverse in terms of professional background and skills group of Syrian Armenians (SAs) is welcomed with open arms by the RA government and society. This combination of i) SA enthusiasm, broad skills, experience especially in the Middle East and Mediterranean and service-orientation together with ii) Armenia's declared interest and commitment for their integration supported by the international community offers excellent pre-conditions to tap into the many economic opportunities. This can possibly help Armenia's economy to innovate and grow and open new markets regionally and internationally.

In 2013, the Aleppo Compatriotic Charitable Organisation NGO (Aleppo NGO) was established in Armenia to protect, support and empower Syrians in Armenia. It develops and implements sustainable programs to contribute to the settlement and integration of Syrian refugees in social, cultural and educational spheres.

Among other activities, the Aleppo NGO is establishing the so called Middle Eastern Cuisine Center (MECC), a project with employment focus.

The project aims to establish a successful "for-profit" multi-food service business employing over 25-30 Syrian refugees in Armenia, specifically targeting women (35-55yrs old), persons with developmental disabilities and other vulnerable Syrian community members. The project's objective is to support Syrian Armenian households by providing higher wage-

earning potential, secured employment, training to enhance skill acquisition and strengthened mobility.

Besides the possibilities for job advancements within the MECC, employees will generate resources, get work experiences and cultivate their entrepreneurial spirits through lessons learned and trainings. These skills can be used to launch own businesses or to find employment elsewhere in the food service and tourism industries as many local businesses seek to fill their vacancies with highly-skilled employees. The outcome is sustainable employment, self-sufficiency for Syrian families and the improved economic integration of Syrian households in the industry sector, meeting among others the goals outlined in the “Armenian Development Strategy 2014 - 2025”.

The Aleppo NGO will oversee the project administration and management, the fiscal and operational monitoring and reporting and will be responsible for securing, maintaining and repairing the equipment used in the MECC. The Aleppo-NGO is located within a 5-minute walk to the project site, in downtown Yerevan.

To support the establishment of the MECC, GIZ EISRA has announced its readiness to purchase the kitchen equipment as well as to provide technical assistance to the operating team by hiring a business consulting company.

3. Conditions of the assignment

3.1 Objective and tasks

a. Objective

The objective of this activity is to support the Aleppo NGO to strengthen the capacities of the operator(s) and employees of the MECC through provision of on-site expertise for establishing, organising and managing the centres at the beginning stage of operation for sustainable and self-reliant continuation.

b. Tasks and deliverables

I. Organisational diagnostics: identification of objectives, capacities and needs of operator(s) and employees

Conduct organisational diagnostics and report, develop implementation/activity plan, familiarise the operator with the implementation/activity plan.

II. Implementation: capacitating the operator to establish and manage the MECC

Implementation of capacity-building measures to capacitate the operator(s) and employees to establish, operate and manage the MECC. Create linkages with other similar centres nationally and internationally for exchange of experience.

3.2 Deliverables and Timelines

Tasks – Deliverables	Deadline/ Timeline
I. Organisational diagnostics: identification of objectives, capacities and needs of operator(s) and employees	
1. Conduct organisational diagnostics including: needs assessment and the provision of recommendations on organisational structures, procedures and processes (e.g. how many staff is needed, etc.) and deliver a results report of the organisational diagnostics (up to five pages excluding illustrations)	<p>Organisation diagnostics: 04 – 06 December, 2017</p> <p>Draft report by 06 December, 2017 for GIZ comments</p> <p>Final report by 08 December, 2017</p>
2. Develop an implementation / activity plan according to the organisational diagnostics, including a formulated strategy for the way forward with precise steps/ formats, milestones, deadlines and actors (up to 5 pages excluding illustrations), to be discussed with GIZ EISRA and its partners	<p>Draft implementation plan by 11 December, 2017 for GIZ comments, followed by discussion</p> <p>Final implementation plan by 13 December, 2017</p>
3. Familiarising operator(s) with next steps	14 December, 2017
II. Implementation: capacitating the operator to establish and manage the MECC	
1. Implementation of capacity-building and support measures according to implementation plan	Between 14 December 2017 and 25 January 2018
2. Weekly updates of implementation plan & discussion with GIZ	Weekly
3. Final reporting and presentation of results, findings, further recommendations of entire assignment, including ideas regarding linkages with similar centres nationally and internationally for the exchange of experience (up to 25 pages excluding illustrations, charts etc.; PPT presentation	<p>Draft by 26 January, 2018</p> <p>Final by 31 January, 2018</p>

of maximum 25 slides)	
4. Presentation to GIZ and partners	TBD

The activity should be implemented by a business consulting agency with a pool of experts with up to 50 expert days.

3.3 Conditions and payment terms

The offer of the bidding company needs to include:

- Information on the consultant's strategy, methodology, approaches and overview regarding the composition of the team to implement this assignment;
- Work plan with distribution of tasks and expert days between the members of the team;
- The budget must include full costs for the expert fees, the project management and the implementation of services, as well as for administrative issues and transportation of the contracting company s;
- The contractor should specify the anticipated costs for the conduction of workshops and trainings as well as for stationary translations, printing etc.

Payment will be done in two instalments: advance payment 50% within 5 working days from signing the contract and final payment (up to 50%) upon completion of the works.

3.4 Coordination and communication

- The contractor reports to GIZ EISRA team leader and assigned project expert;
- The contractor will coordinate closely in all technical issues with the GIZ EISRA team members;
- The contractor will be provided with the following documents by GIZ EISRA:
 - Reporting templates
 - Communication and PR guidance
 - Contact information on Aleppo NGO for MECC

3.5 Submission Requirements

The potential contractor needs to fulfil the following requirements:

- At least 5 years of proven expertise in provision of impactful technical assistance to SMEs and sustainable private sector development by the lead expert; at least 3 years for all other experts;
- Profound proven hands-on experience in establishing, organising and managing a small-scale business centre with focus on production of food;
- Profound and long-standing expertise in the area of organisational & business diagnostics and development with special regard to production centres in Armenia;

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- Excellency in design and provision of coaching and training services to entities with strong ability to motivate beneficiaries to learn, adapt and innovate with sustainable results;
 - Strong expertise in PR, marketing and fundraising for business development and market access;
 - Western Armenian and/ or Arab language are of great advantage;
 - Experience in working with Syrian Armenian business people is a plus;
 - Proven high-quality reporting & monitoring with focus on results and impacts;
 - All deliverables in British English.