**Project: Good Governance for Local Development in the South Caucasus**

**PN:** **19.2204.6-002.00**

**Mission: Baseline Analysis of the Public Investment Management on Local Level**

**Period: August 25 – November 30, 2020**

1. **Introduction**

The “Good Governance for Local Development in the South Caucasus” Programme (GGLD) aims at strengthening the capacities of public institutions in the South Caucasus to the effect that they are better able to provide citizen-oriented services. The Programme advises partner institutions at national, regional (sub-national) and local levels in Armenia, Azerbaijan and Georgia on designing and implementing national reform processes, improving framework conditions and developing standards and guidelines. It supports the capacity development of key actors for citizen-oriented service delivery, primarily at local level.

The Programme is commissioned by the German Federal Ministry of Economic Cooperation and Development (BMZ). In Armenia it is co-funded by the Swiss Development Cooperation (SDC) and carried out in close cooperation with the Ministry of Territorial Administration and Infrastructure (MTAI) as the main political partner.

The planned activity will be realised in the scope of activities aimed at reaching the following outcome: “Capacities of key actors of citizen-oriented service delivery in the South Caucasus and their funding are strengthened”. The outcome fulfilment will be measured among others also by following output: “In each country of the South Caucasus, 2 pilot-based guidelines for e.g. the planning, financing or management of public services or infrastructure are developed (AM) and/or applied in municipalities or districts”.

The services to be rendered by this TOR are deemed to contribute to the above-mentioned objectives and the indicator.

1. **Background**

In mid 2000s the Armenian government has announced about launching of second-generation reforms in the field of Public Finance management. The reforms were aimed at besides of improvement of fiscal disciplines also at stronger connection of public finance aspects with strategic developments and relevant infrastructure gaps existing in the country. Thus, the public investment management (PIM) issues have become of the key elements of PFM strategy.

PIM are important tool for also prioritisation and better targeting of capital expenditure programmes of the budgets – both State and local. Since 2015 many development partner organisations like World Bank, Asian Development Bank, International Monetary Fund, Japan International Cooperation Agency (JICA), have been periodically addressing and supporting Armenian government in establishment of public investment management system in Armenia. This interest has been also triggered by the fact that the biggest infrastructure project and main investment in crucial fields of economy are done though support of development partners/donor organisations.

Since 2017 WB has been also supporting Armenian Government in elaboration of PIM manual for State Government, which is yet in a stage of drafting and not approved yet. Currently the main responsible governmental entities are Ministry of Economy and Ministry of Finance. In 2019 the IMF conducted first PIMA in Armenia, which is a diagnostic and assessment tool for revealing current all gaps and deficiencies in the field of public investment management. PIMA Results revealed a set of gaps to be tackled both by central government and by LSGs to improve investment management mechanisms in place. However, there is still a need to conduct more thorough assessment on the stance of investment projects implemented in communities of Armenia, in order to have complete picture on investment management issues – starting from legal framework and finishing with capacities in place.

1. **Purpose of the assignment**

The purpose of the assignment is to conduct a baseline analysis of the current situation in the field of public investment management at municipal level focusing on enlarged municipalities and revealing of gaps and deficiencies for conduction of effective and efficient PIM aimed at fostering further local socio-economic development.

1. **Tasks**

Following tasks are envisaged to be implemented:

1. Analysis of current situation on PIM:

Review of current situation of Public Investments in communities: current investments programmes, main investors, Investment channels, socio-economic development plans of communities and linkages with public investments, situation with public asset management

* Review of the existing legal framework in the field of public investment management, with special focus on local self-governments
* Collaboration between Central and Local governments, including analysis of current policies and fiscal regulations, as well as existing steering and decision-making mechanisms, capital expenditure appraisal and prioritisation, study/review of existing PIM Manual from the perspective of LSGs (to which extent the issues and interests of LSGs are reflected and taken into account in the Manual).
* Desk-study of relevant international practice on PIM in communities/local level
* Analysis of PIMA 2018 findings from LSG perspectives; possibility of PIMA conduction on local level; review of other recent analysis done in the framework of GIZ and other Development partners in the field of local-self governance and PIM.
* Identification of existing gaps/deficiencies and elaboration of proposals

1. Development of roadmap/action plan on introduction of PIM in LSGs
2. **Reporting, Deliverables and Timeframe of assignment**

The assignment is envisaged to be conducted in the period of August 25 - November 30, 2020.

Following deliverables are expected:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Task** | **Deliverable** | **Expert days** | **Deadline** | **Language of reporting** |
| 1 | Analysis of current situation on PIM in LSGs in Armenia | 35 | 30.09.2020 | Arm and Eng |
| 2 | Draft Package of roadmap/action plan on introduction of PIM in LSGs | 15 | 30.10.2020 | Arm and Eng |
| 3 | Final package of roadmap/action plan on introduction of PIM in LSGs | 15 | 30.11.2020 | Arm and Eng |
|  | **TOTAL** | **65** |  |  |

All activities under current assignment will be coordinated jointly by GIZ and MTAI, in close cooperation with MOF and MOE. The potential contractor will report to GIZ. Each report and relevant deliverable will be shared and discussed with MTAI, MOF and MOE, as well as with LSGs.

In total the potential contractor should submit 4 reports (administrative reports + relevant deliverables:

* Inception (interim) Report 1 – September 15, 2020
* Interim Report 2 – September 30, 2020
* Interim Report 3 – October 30, 2020
* Final Report – November 30, 2020

1. **Submission of Technical and Financial proposal**

The present assignment is subject to an open tender for which only Armenia-based consultancy firms / expert consortiums are eligible.

Bidders shall submit a Technical and Financial Proposal in English.

The Technical Proposal shall entail the following elements:

* Initial work plan for the overall assignment based on the timeframe indicated in the Terms of Reference;
* Proposed methodology and conceptual approach for each of the assignment’s Tasks as presented in the Chapter 4 of the Terms of Reference;
* Detailed information on following qualification of the propose team:
* Thorough knowledge of Governance system in Armenia both Local and Central,
* Proven experience in regional economic development, investment management, investment project appraisals and prioritisation, strategic planning on both local and central levels
* Strong analytical skills and proven experience in support to policy development
* Proven experience in public finance management reforms, such as budgeting, public asset management, public investment management, etc.
* Familiarity with international practice and developments in the field of PIM, including also EaP countries;
* Detailed CVs of the consultants that to be engaged in the assignment;
* Detailed description of roles and responsibilities within the team of consultants.

The assessment grid used for the assessment of the Technical Proposal is part of the tender documentation and elaborates on the expected requirements of the bidders.

Please note that the GIZ security regulations strictly frame and restrict operations in Tavush and Gegharkunik border areas.

The following logistical expenses shall be budgeted by the bidders and made integral part of the Financial Proposal:

* Transportation costs to partner municipalities;
* Overnight accommodation costs in the regions;