Project: “Good Governance for Local Development in South Caucasus” project

PN: 19.2204.6-002.00

Mission: Analysis and re-engineering of up to 15 administrative services delivered by municipalities

1. **Introduction**

The project “Good Governance for Local Development in South Caucasus” (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 project 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. To promote citizen participation in local development processes, the project advises on the introduction of participation and complaint mechanisms and supports respective awareness raising for citizens. The project also supports the elaboration and implementation of strategies and instruments for regional development and local economic development. As a part of the German Caucasus Initiative, the project promotes professional exchange of knowledge and experiences between the countries of the South Caucasus.

The project 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.

One result area of the project is the strengthening of municipalities with regards to the delivery of administrative services, both online and through the one-stop-shops (Citizen Offices) established in the municipalities.

**Context of the assignment**

The existing territorial and administrative division as well as limited decentralisation in Armenia are considerable impediments to development of local governance, effective service provision, and efficient use of scarce financial resources. Back in 2015 with 915 municipalities, which varied greatly in size of population and capacities, the municipal landscape of Armenia was highly fragmented. Many municipalities were too small to fulfil their functions effectively, that is to raise sufficient revenues, to maintain public infrastructure, to ensure provision of basic public services that meet the needs of the population, and to support sustainable social and economic development.

To address these challenges, the Government of the Republic of Armenia (GoA) has launched a large-scale structural change process. The overall goal of the Territorial and Administrative Reform of Armenia (TARA) is to create conducive framework conditions for local self-government and to build viable structures at local level that would enable local governments to become functional and responsive units. The plan is to create territorial entities of manageable size and thus reduce their number from over 900 to approximately 150-200[[1]](#footnote-1). The reform entails a renewed policy approach to municipal planning and governance, management and resource allocation within the governance system. The reform is also seen as part of participatory, effective and accountable governance and the first important step towards decentralisation. At present, the number of municipalities in Armenia is 502, of which 52 are newly enlarged municipalities merging former 465 municipalities. The government intends to complete the reform by end-2021.

The improvement of service delivery at local level is one of the main objectives of the reform. TARA creates expanded opportunities and potential for improvement of services delivered locally, both in terms of quantity and quality. But the realisation of this potential requires a strategic approach, first of all to understand current practices, identify gaps and challenges and devise respective change measures.

On the one hand, it is important that the government creates the necessary national framework conditions and standards and on the other hand, the municipalities must improve their performance by improving and streamlining the service delivery.

In 2019, SIGMA published a [Baseline Measurement Report](http://sigmaweb.org/publications/Baseline-Measurement-Armenia-2019.pdf), a comprehensive review and assessment of the horizontal areas of public administration in Armenia[[2]](#footnote-2), according to which although there are promising examples of digitally available services, overall service delivery for citizens and businesses has yet to be improved. The assessment recommendations for the improvement of service delivery include expanding on the service transformation agenda to improve the quality and accessibility of administrative services, simplification of administrative procedures, introducing a policy on user engagement into service delivery improvement on a regular basis.

In this regard and to support the government in that endeavour, the project is planning to focus its technical support on re-engineering of administrative services delivered at local level contributing to the improvement of efficiency, access to and the quality of the services delivered by local authorities to citizens.

This assignment is implemented in the framework of Public Administration Reforms of Armenia.

To diagnose and analyse the existing situation, the project is now seeking services of a consulting firm, consortium of consulting firms or consortium of local experts (hereafter Contractor) with profound and extensive knowledge and experience in business process analysis and re-engineering.

The results of the assignment would allow to understand and identify the existing gaps, issues and challenges in service provision and propose new service models through citizen-centric service design and re-engineering.

1. **Purpose**

The assignment is aimed at analysis and re-engineering/optimization of the selected services with a final goal of improving the service efficiency, quality and access at local level, through streamlining and simplifying processes, decreasing the time spent on services and the number of documents submitted for receiving the service, and reduction of the costs spent on service delivery.

The below tasks are envisaged to be implemented:

1. **Analysis of up to 15 administrative services delivered by the municipalities.**

The list is presented in Annex 1 and may be subject to change (including replacement, removal) with respect to a decision by GIZ and should be approved by GIZ prior to the start of the implementation.

1. **Citizen-centric design and re-engineering of services and development of new “to be” service models for each service re-designed.**
2. **Tasks**

The following tasks will be required to be fulfilled:

**Task 1:** Analysis of up to 15 administrative services delivered by the municipalities

The task should include but not be limited to:

1. analysis of general legal and policy framework in the provision of administrative services (roles, responsibilities, functions and structures of public and/or private actors involved in the service provision),
* analysis of special normative legal requirements with respect to each of 15 administrative services (e.g. government decrees, decisions of councils etc.)
1. mapping of “as is” processes, including input and output data and documents, identifying shortcomings, constraints in efficiency, bottlenecks in policy framework and in each step of service delivery, duties and fees collected.

In 2018 the “Good Governance Programme South Caucasus”, implemented by GIZ supported the analysis of more than 60 administrative services delivered by the municipalities and the development of Information Cards on service delivery which describe “as is” processes of the services (containing information on the list of documents in support of entitlement to the service, the fee or duty rate, payment procedure and the legal basis for provision of the service, procedures of service delivery, the procedure to dispute the rejection of service provision, the blank form of the application, etc.). This analysis should support the task implementation.

**Task 2:** Citizen-centric design and re-engineering of services and development of new “to be” service models

1. Based on the mapping exercise (Task 1) development of new “to be” service models, proposing necessary amendments in the legal framework (development of drafts) for the application of the re-designed processes,
2. Development of service models for each service re-designed in the scope of the assignment,
3. Development of recommendations on introduction of new service model, digitalization of the services, capacity building measures,
4. Conducting discussion on the proposed changes and recommendation with the service providers and users, as well as other stakeholders involved in the service provision. (the list of the municipalities will be provided by the Project).

The re-engineering approach should allow for putting end-users’ needs at the centre of the policy formulation, involving them in planning and design processes, allowing them to work on the design of the services thus bridging the requirements gap between citizens - service users and service providers, considering multiple alternatives and perspectives to the problems and allowing for experimenting (prototyping and testing).

The proposed methodology should be presented to, discussed and approved by the Deputy Prime Minister’s Office, MTAI and GIZ.

The methodology for re-engineering of state services should serve as a basis for the assignment implementation. The methodology will be shared with the contractor prior to the assignment implementation.

All the steps of the reengineering process should be validated with municipal administrations/ service providers and other relevant stakeholders.

The re-designed processes will be used as a basis for further digitalisation.

1. **Deliverables**

The following deliverables (in Armenian) are expected to be provided during the assignment:

**Task 1:**

1. Draft assessment/analysis report,
2. Final assessment/analysis report.

**Task 2:**

1. Draft new service models, draft amendments in legal framework, recommendations,
2. Final service models, draft amendments in legal framework, recommendations.
3. **Schedule and Level of Efforts**

The assignment is planned to commence **in February 2021 and finish by the end of August 2021**. The exact commencement date and schedule of activities/work plan will be agreed at a later stage.

The assignment requires the services of **a local consulting firm, consortium of local firms, or consortium of local experts**, with the level of efforts of **up to** **100 expert days**.

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| **Tasks** | **Expert days (up to)** | **Tentative timing of tasks** | **Deliverables** |
| Task 1 | 30 | February-April, 2021 | Assessments/analysis reports |
| Task 2 | 70 | April- August 2021 | Service models, draft amendments in legal framework, recommendations. |
| **Total** | **100** |  |  |

* Field trips to municipalities are foreseen, however the municipalities are not yet identified. GIZ is compensating transport for field trips as follows: 70 AMD/km; and accommodation for overnight stay based on invoice. Logistical expenses (travel and accommodation costs) will be defined in the early stage of the assignment and supplemented in the consultancy contract.
* With each payment stipulated in the Contract the Contractor should provide reports indicating precisely the actual working days spent, activities and deliverables. Payments will be made based on the submitted reports. Those reports are to be provided in English (these are the reports needed for payments, not the assessment report).
1. **Reporting**
* The Contractor is obliged to perform the assignment based on these ToRs while ensuring close contact with GIZ throughout the implementation of the assignment.
* The Contractor shall provide all the results directly and in the first turn to GIZ for discussion and further action.
* The Contractor will directly report to GIZ on the progress and completion of the tasks.
1. **Requirement for the consultancy profile**
* At least 5 years of experience in service design and re-engineering,
* At least 2 successful projects of similar nature,
* Experience in digitalization of public services.

Suggested experts should possess:

* Expert level competencies in the area of business process analysis and re-engineering,
* Expert level competencies in legal framework analysis,
* Strong analytical, project management and writing skills;
* Good command of written and spoken English is an advantage.

**The Technical Proposal must entail:**

* Description of the company’s profile and experience;
* Information on at least 2 successful projects of similar nature (relevant papers should be attached);
* Detailed description of the method of implementation and conceptual approach for each task of the assignment, clear description of the roles of the proposed individual experts;
* Description of proposed work schedule;
* CVs of involved experts.

Annex 1

List of Services

1. Issuance of a permit for construction (placement) (except for cases not requiring construction permit in accordance with the legislation of the Republic of Armenia) of new buildings, structures and temporary structures in the administrative district of the municipality in compliance with the architectural and construction design approved in the manner prescribed by the legislation of the Republic of Armenia.
2. Issuance of a permit for reconstruction, reinforcement, restoration, modernization and improvement works (except for cases not requiring construction permit in accordance with the legislation of the Republic of Armenia) of buildings and structures located in the administrative district of the municipality.
3. Issuance of a demolition permit for buildings, structures and other urban development facilities (except for cases not requiring demolition permit in accordance with the legislation of the Republic of Armenia) located in the administrative territory of the municipality.
4. Agreement of architectural and construction designs.
5. After the completion of all construction works prescribed by the architectural and construction design documents requiring construction permit, endorsement of the completion of construction (including their reconstruction, restoration, reinforcement, modernization, expansion and improvement) of buildings and structures by means of Completion Certificate, and provision of permit for commissioning after the completion of works specified by the architectural and construction design documents.
6. Formulation of a commissioning permit subsequent to the works envisaged under the architectural and construction design documents.
7. Issuance of a permit for the architectural and planning assignment or designing in the adminsitrative territory of the municipality in compliance with the urban development design documentation.
8. Change of operational purpose of buildings and structures or part of them.
9. Legalization of unauthorized structures constructed in the land plots owned by citizens or legal entities.
10. Legalization of unathorised structures (modifications) constructed by citizens or legal entities in multi-apartment or subdivided buildings, including in the common shared ownership buildings.
11. Legalization and disposal of unauthorized structures constructed in the land parcel owned by the municipality (state).
12. Approval of the plans of immovable property.
13. Elaboration and approval of technical and economic conditions related to carrying out reconstruction works changing the exterior of the structure in the territory of municipality.
14. Issuance of addresses for the immovable property.
15. Approval of immovable property consolidation and separation plans.
1. This number is provisional. Taking into account the actual average number of municipalities per cluster in the present enlarged 52 municipalities, the final number of municipalities might be considerably less. [↑](#footnote-ref-1)
2. <http://www.sigmaweb.org/publications/Baseline-Measurement-Armenia-2019.pdf> [↑](#footnote-ref-2)