
Project: Good Governance for Local Development South Caucasus
PN: 19.2204.6-008.00
Mission: Design of LED Development Vision in 18 enlarged LSGs, Armenia

1. Introduction

The “Good Governance for Local Development in South Caucasus” project (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 implemented on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and in Armenia co-financed by Swiss Agency for Development and Cooperation (SDC). It is 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 promotion of local economic development (LED). In contrast to direct promotion of the private sector and strengthening of small and medium enterprises, GGLD focuses on the role of the public sector in managing local development together with all relevant actors on the ground and providing favourable environment for business development. This includes technical assistance to the national and local authorities to institute an enabling framework for local economic development, as well as to enhance capacities, knowledge and skills of the Armenian municipalities, enabling local governments to make better use of resources and increasing their role as development actors.

2. Background of the assignment

Local economic development is set as a priority by the Armenian Government (RA Government Programme of Activities¹, Armenian Regional Development Strategy 2019-2025 (draft), and National Development Strategy 2014-2025) as a decisive precondition for sustainable socio-economic development at local level. Government deploys various interventions to establish socio-economic, including productive infrastructures. This is reflected, among other, in subventions, earmarked allocations for construction, rehabilitation and upgrading road networks, gas, energy, production and marketing facilities. These efforts are accompanied with programmatic technical and financial support by donors, such as World Bank (WB) (SILD via ATDF), USAID (Government to Government Grant through ATDF), EU (Mayors for Economic Growth, EU4Regions, LEAD Programme (to be implemented in the northern regions of Armenia Lori, Shirak, Tavush)), etc.

¹ Government Programme, 8 February 2019 (N65-A)

Further, the government adopted a Concept for Economic Growth Poles² defining the notion, characteristics, functions and expected outcomes of economic growth poles, which are primarily urban settings in multi-settlement municipalities. Developed by the MTAI, the Concept replenishes the legal bases and support to tackling territorial disparities, identification of comparative advantages and development potential of localities, etc.

The government plans to complete consolidation of communities by 2022 and views the process as the preamble to decentralisation and de-concentration of public governance, administration, economic development and financial systems at larger degree and depth. As of May 2020, 52 consolidated municipalities (465 former municipalities) have been established and operational, and decision on two more (Ijevan (22 settlements) and Lermontovo (2 settlements)) are taken.

The government and MTAI as its authorised leading institution is committed to supporting LED as part of its national strategy and one of the pillars of the local self-government reform. LED officials were appointed in consolidated and large LSGs in the end 2017 and beginning of 2018, some 120 in total.

GIZ – in the framework of the previous measure LoGoPro – supported MTAI in establishing a Core Group of LED officers and provided training by involving international knowledge in 2018. The Core Group has been established as focal point for other LED officers, providing peer-to-peer advice, analysis, information, reviews of issues of interest to the LED officers across the country, as well as other interested parties. It is chaired by the Head of LSG Policy Department. At the request of the MTAI and ATDF, the Core Group was actively involved in the creation of project proposals for ATDF initiatives and has demonstrably improved the quality of the proposals created at local level. LED officers are the primary addressees and implementers of the Concept of Economic Growth Poles hence their direct engagement in the procedures and processes defined thereby.

The above Concept also recognises the need of having LED plans and/or visions to guide implementation of its objectives of sustainable growth. An LED vision shall encompass analysis of the current situation, development potential, sectoral emphases, and comparative advantages, fund-raising strategy and other aspects of development in the municipality in question.

3. Purpose and objectives

GGLD aims at enabling municipalities to provide the necessary social and economic infrastructure for sustainable local development, to mobilize innovation and private investments, to facilitate own initiatives in the community and to provide good quality administrative services for private businesses.

In order to achieve this the programme implements the following two-fold approach:

(1) Capacity development for municipalities in

- helping them analysing the socio-economic potential of their communities
- identifying LED needs and priorities for investments
- elaborating environmentally sustainable LED plans
- developing ideas for relevant and sustainable investment projects jointly with the local business community and civil society
- writing proper project proposals for subventions

² Government Decree N 53-A, December 21, 2017. GIZ (LoGoPro) has supported review of the Concept in 2018-19 by drawing recommendations when working on design of LED visions in 34 enlarged LSGs (Designing LED Visions in 34 Consolidated LSGs, 2019).

- supporting implementation of investment projects.

(2) Support to the RA Government in establishing a conducive LED Framework in

- developing methodologies, tools, instruments and processes for LED
- defining powers and functions of local self-government bodies (LSG) in LED in the respective policies and laws
- establishing a core group of LED officers to provide peer-to-peer advice and backstopping support for other LED officers at local level
- institutionalisation of this LED core group as key policy advisory group to MTAI and channel for LSG to raise issues on needs with regards to LED.

Against this background this assignment aims at:

- 1) Capacity development for municipalities in developing their economic development vision
- 2) Strengthening the LED Core Group
- 3) Review of powers and functions of LSG in LED and respective recommendations for policy, legislative or regulatory changes

4. Tasks

The Tasks of this assignment include:

1) **Capacity Development for 18³ municipalities in participatory developing their LED vision.**

This includes

- identification and involvement of relevant stakeholders in the community in the development of the LED vision
- participatory analysis of the socio-economic potential in the community
- support the municipality in defining their role as development actor (i.e. what is the role of the LSG in contrast to private sector? Where can the public administration play a role in supporting economic development? How can the LSG mobilize innovation and investments and own initiatives in the community?)
- identification of needs and priorities: Identification of public investment needs and their prioritisation
- Support to elaboration of at least 1 project proposal for subventions in each of the community
- Elaboration of environmentally sustainable LED plans and ensuring the reflection of LED plan in 2021 AWP

2) **Capacity Development to LED Core Group:**

- Design an approach to implement the concept “business friendly community”
 - familiarisation of the LED Core Group with the concept of “business friendly community”
 - development of an approach to fulfil the BFC criteria in municipalities

³ The 18 municipalities are all enlarged municipalities from 1st phase of enlargement: Jermuk, Vayk, Zarithap (Vayots Dzor Region); Tumanyan (Lori Region); Amasia, Arpi, Ashotsk, Sarapat (Shirak Region); Ayrum, Dilijan, Koghb, Noyemberyan (Tavush Region); Gorayk, Goris, Meghri, Tatev, Tegh (Syunik Region); and Urtsadzor (Ararat Region)

- pilot the approach in 5⁴ municipalities: a) presentation of the concept and criteria “business-friendly community” (BFC) to the municipality; b) creation of community-specific BFC catalogue; c) assessment/evaluation, which of the criteria have already been met and d) development of a plan (incl. measures, timeline and responsibilities) for fulfilling the remaining BFC criteria
- Develop an approach and workplan how LED Core Group can provide peer-to-peer advice, trainings and backstopping support to 5 enlarged municipalities
- Review and take stock of existing methodologies, processes and tools available to LED
- Assessment of training needs of LED officers
- In coordination with MTAI design of a vision on institutionalisation of the LED Core Group as main channel for LSG to raise issues regarding LED towards MTAI

3) Review of powers and functions of LSG in LED

- Baseline analysis of LSG powers and functions in LED in current legal and institutional framework, incl. review of job-descriptions of LED officers
- Discussion with LED-Core Group on what is possible to be conducted by LSG and develop suggestions for re-definition of powers and functions
- Advice/recommendations to MTAI on re-defining powers, functions and responsibilities of LSG in LED in respective policies and laws

4) Deliverables

The following deliverables are expected as per tasks throughout the implementation of the assignment and are to be submitted in electronic form both in English and Armenian languages to the Programme according to the schedule presented in the section 5 of the Terms of Reference.

Preparation phase:

- Detailed Work Plan for the overall assignment

As per Task 1:

- Agenda of 3-day workshops on designing LED Vision
- Schedule of workshops for 18 municipalities
- 18 designed LED Plans
- Presentation of the results of the trainings (including number of participants, men and women, etc.)
- At least 18 project proposals for subventions (information on the share of approved project proposals will be communicated to GGLD in due time)
- Aggregate and specific information on environmentally sustainable LED measures stipulated in the AWP of consolidated LSGs

As per Task 2:

- Design of an approach for exemplary BFC for Armenian communities
- Results of piloting the BFC approach in 5 municipalities
- Stock taking/inventory of existing methodologies, processes and tools available to LED
- Training needs assessment for LED Core Group
- Agenda of the two-day training of LED Core Group

⁴ These 5 municipalities are planned to be Goris, Aparan, Charentsavan, Tegh and possibly Kapan or Akunk. Final selection of the last one will be made later.

- Design of a vision on institutionalisation of the LED Core Group and work plan for LED Core Group further engagement
- Presentations made at the Workshop

As per Task 3:

- Baseline analysis of LSG powers and functions in LED and recommendations for redefinition
- Presentation of the recommendations to the MTAI partners (particularly, respective deputy minister and heads of Investment, as well as LSG Policy departments)

Concluding phase:

- Concluding Workshop attended by MTAI, GGLD and other interested representatives
- Final assignment report, including recommendations on next steps

5) Schedule and level of effort

The assignment is planned for the period between **June and end-November 2020**. The exact commencement date and schedule of activities/work plan will be agreed at a later stage.

The total level of efforts for this assignment is **up to 140 expert days**.

Tasks		Expert days	Concluded by
Preparation phase:	Pre-mission preparation, including collection of documents and other necessary information, desk review, agreements on the detailed work-plan	5	Mid-July 2020
Task 1	Capacity Development for 18 municipalities in participatory developing their LED vision	100	September 2020
Task 2	Capacity Development to LED Core Group	18	September 2020
Task 3	Review of powers and functions of LSG in LED	12	August 2020
Concluding phase	Concluding Workshop and Final assignment report, including recommendations on next steps (In Armenian and English)	5	End-November 2020
Gross Total		140	

6) Submission of Technical and Financial proposal

The present assignment is subject to an open tender for which only Armenia-based consultancy firms are eligible. Bidders shall submit a Technical and Financial Proposal in English language.

The Technical Proposal shall entail but is not limited to the following elements:

- Initial work plan for the overall assignment based on the timeframe indicated in the Chapter 5 of the Terms of Reference;
- Proposed methodology and conceptual approach for each of the assignment's Tasks as presented in the Chapter 3 of the Terms of Reference;
- Initial work plan and identification of key local stakeholders to be included in trainings;

- Initial proposal for clustering targeted municipalities according to their geographical locations;
- Detailed experience of the bidder in regard to the support of LED at local level;
- Detailed CVs of the consultants that the bidder plans to involve for the assignment.

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. Hence, GIZ will not allow the organisation of trainings in the above-mentioned areas.

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

- Printing and related material costs for the trainings.
- Transportation costs to partner municipalities for trainings;
- Overnight accommodation costs in the regions for trainings;
- Catering costs in the regions for trainings;
- Training facilities both in Yerevan and in the regions;