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

PN: 19.2204.6-002.00

Mission: Pilot assessment of delivery of 3 sector services in 3 enlarged municipalities of Armenia

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 sectoral public services, which fall under mandate of the local self-government. There is a need to assess how municipalities are designing, planning, implementing and monitoring the delivery of public services for their citizens and to what extent they are following the principles of good governance. It is planned to conduct such an analysis in different sectors across the country.

1. **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, from which 52 are newly enlarged municipalities merging former 465 municipalities. The government intends to complete the reform by end-2021.

The improvement of public service delivery at local level is one of the main objectives of the reform. TARA creates expanded opportunities and potential for improvement of public 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, to identify the gaps and challenges and devise respective change measures.

Citizens get in contact with their municipal administrations through public services more often than through any other route. Service delivery is the point of direct interaction between the citizens and the public administration, be it citizens receiving waste collection services, or children in pre-school education facilities. It is critical for municipalities to make sure that services are delivered efficiently, effectively and transparently, to make sure that services are more responsive and accountable to citizens’ needs. This requires a citizen-oriented and quality-centred management approach. This becomes vital especially in consolidated municipalities where local authorities should ensure access to and proper service delivery in every settlement of an enlarged municipality.

On the one hand, it is important that the government creates the necessary national framework conditions and standards that will allow for the enlarged municipalities to deliver services to their citizens in all the settlements. On the other hand, municipalities must improve their performance for instance by improving and streamlining the business processes. Hence, a clear reform agenda (change plan) is required that addresses challenges at both national and local levels.

Improvement of public service delivery is one of the main objectives of the Public Administration Reform, looking at the issue of service provision from different angles (supply and demand, new models of delivery, e-gov tools, etc.).

In this regard and to support the government with that endeavour, the project is planning to focus its technical support on specific elements of the public service provision, on key processes and procedures that should be in line with good practices and follow the good governance principles.

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 of the Armenian local governance sector and respective best practices reforms in EU Member States, Western Balkans and Eastern Partnership countries, with focus on public service provision.

The results of the assignment would allow to understand and identify the existing gaps, issues and challenges in service provision, the needs for improving and streamlining service delivery, as well as to propose corresponding measures for the necessary changes, based on good practice and good governance principles.

1. **Purpose**

The purpose of the assignment is to develop a methodological approach to assess public service delivery in Armenian municipalities and based on the approach assess the delivery of 3 public services in 3 enlarged municipalities.

The 3 sector municipal services to assess are the following:

* Veterinary services,
* Inter-settlement transport,
* Management of municipal property (movable property, buildings, structures).

1. **Tasks and deliverables**

The following tasks will be required to fulfil:

**Task 1: Development of a methodological approach to assess public service provision in Armenian municipalities**

1.1. Development of the methodological approach

The approach to be developed is to be structured following principles of good governance (effectiveness, efficiency, transparency, accountability, sustainability, citizen-centred approach, responsiveness, quality) and is expected to cover at least the following 8 Sections:

1. Mapping and assessment of the **policy framework** of the public services, incl.: policy framework, laws and regulations framing the public service; roles, responsibilities, functions and structures of public and/or private actors involved in the service to identify gaps and impediments for better service provision;
2. Mapping and assessment of the **financial mechanisms** in place for the financing and costing of the public service,
3. **Cost-benefit analysis** of service delivery;
4. Mapping and analysis of the **business processes** throughout the entire cycle of service delivery (from planning and implementation to evaluation and feedback collection) in terms of: strategic planning, financial planning, roles, responsibilities and functions within the municipal structure, mode(s) of delivery of the service, implementation procedures of the service, incl.: feedback monitoring plans, data collection, reporting and feedback loops;
   * Specific attention should be paid on administrative processes and procedures concerning the service such as, for example: data management, sharing and exchange between the providers and municipalities and other public administration entities (ministry, marzpetaran etc.), administrative reporting, accountability and feedback;
   * Specific attention and recommendations should be drawn on possible creation of Inter-Municipal Cooperation as method of delivery for the given 3 sectors in the assessed municipalities.
5. Assessment of the overall **service delivery performance** in the given sectors and municipalities, including fulfilment of service standards and quality of service, e.g. as assessed by customers;
6. Assessment of the organizational and **human capacity** of the municipal staff in service design and provision to judge on training needs, key capacity development strategies and measures to be adopted;
7. Assessment of possible **integration of IT and modern technologies** in the service provision;
8. Assessment of the entry points for **citizen participation** in the whole cycle of service provisions, from service design and planning.

For each of the 8 Sections, the Assessment should provide a structured framework to present:

* Identified concrete strengths and weaknesses in the service cycle;
* Recommendations on improving the service provision, corresponding measures for the necessary changes to improve the service delivery.

1.2. Presentation, discussion and revision of the approach with the Programme and MTAI

Once the methodological approach has been defined, the consultants will:

1. Present and discuss the approach together with the project and MTAI;
2. Revise the draft approach based on the feedback from the project and MTAI.

**Task 2: Assessment of the service provision in 3 selected areas as per the agreed approach in 3 consolidated municipalities**

All the 3 services should be assessed in each of the municipalities:

1. Development of a precise work plan for the assessment of public services in 3 selected areas in 3 consolidated municipalities:
   1. The suggested three public services are veterinary services, inter-settlement transport and management of municipal property (movable property, buildings, structures). This list 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.
   2. The project and MTAI shall also select 3 pilot consolidated municipalities to conduct the assessments.
2. Conduct the on-site assessments in 3 selected areas in 3 consolidated municipalities based on the methodological approach defined under Task 1.

**Task 3: Reporting**

1. Prepare draft assessment reports on 3 public services in 3 pilot consolidates municipalities. The reports should entail all the components of the assessment approach (see Task 1) and recommendations for the improvement of service delivery based on the assessment results.
2. Present and discuss the draft report with the Programme and MTAI and other stakeholders during a conference on this topic, with the participation of key local and international stakeholders
3. Finalise the assessment reports based on the gathered feedback and submit these reports to the Programme.
4. **Deliverables**

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

**Task 1:**

1. Draft methodological approach,
2. Final methodological approach.

**Task 2:**

1. Work plan for the assessment of 3 public services in 3 enlarged municipalities.

**Task 3:**

1. Draft reports on the delivery of 3 services in 3 pilot consolidated municipalities, including recommendations,
2. Final reports on the delivery of 3 services in 3 pilot consolidated municipalities, including recommendations.
3. **Schedule and Level of Efforts**

The assignment is planned to commence **in June 2020 and finish by the end of November 2020**. 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 | 20 | June-August 2020 | Developed approach |
| Task 2 | 53 | August - October 2020 | Assessments |
| Task 3 | 27 | November 2020 | Assessment reports, including reform recommendations |
| **Total** | **100** |  |  |

* GIZ will support the Contractor with provision of transportation for travelling to municipalities, accommodation and other logistics. Travel costs (transportation, overnight stay) will be covered by GIZ. Additional per diems will not be paid.
* Workshop, /conference venues and related costs are organized and financed directly by GIZ.
* 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 reports).

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 the project on the progress and completion of the tasks.

1. **Requirement for the consultancy profile**

* At least 10 years of experience in Armenia’s local governance sector;
* At least 5 years of experience in reforms in the sphere of local self-government, public/ sectoral service delivery at local level (relevant information should be attached),
* At least 2 successful projects of similar nature (relevant studies and papers should be attached).

Suggested experts should possess:

* University Degree in Public Administration, Economics, Political Science or comparable academic background;
* Expert level competencies in the area of local self-government and local democracy;
* Strong analytical and writing skills and proven experience in producing policy papers and other materials;
* 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 studies and papers should be attached);
* Description of the method of implementation, incl. clear description of the roles of the proposed individual experts and specialists;
* Description of proposed work schedule;
* CVs of involved experts.

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)