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

**PN: 19.2204.6-002.00**

**Mission:** **Design of LED Development Plans in 34 enlarged LSGs, Training of LED Core Group and Improvement of Subvention Scheme**

**Period:** **01.04.2021 – 28.02.2023**

1. **Introduction**

The “Good Governance for Local Development in 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 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 Programme 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 Programme 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 Programme 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 and guiding local development together with all relevant actors on the ground and providing a 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 through the establishment of business-friendly community criteria.

1. **Background of the assignment**

Local economic development is set as a priority by the Armenian Government (RA Government Programme of Activities[[1]](#footnote-1) (N65-A, 8.02.2019), 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. The Government’s efforts to establish socio-economic, including productive infrastructures are reflected, among other, in subventions (i.e., earmarked allocations for construction, rehabilitation and upgrading infrastructures, such as roads, gas, energy, production, marketing facilities, etc.). Recent amendments in tax legislation reviews also aim at encouraging entrepreneurship and business development at local level. These efforts are accompanied with programmatic technical and financial support by donors and implementing agencies, such as World Bank (WB) (Social Investment and Local Development Project, SILD via the Armenian Territorial Development Fund (ATDF)), USAID (Government to Government Grant through ATDF), SDC (through ATDF), EU (Mayors for Economic Growth, EU4Regions, LEAD Programme (to be implemented in the northern regions of Armenia Lori, Shirak, Tavush)), etc.

The government adopted a Concept for Economic Growth Poles[[2]](#footnote-2) 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.

The government plans to complete the 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 become operational, and decision on two more (Ijevan (22 settlements) and Lermontovo (2 settlements)) has been taken.

The government and MTAI as its authorised leading institution are 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.

In the framework of the Programme, GIZ has been supporting MTAI through:

* Design of an LED Manual for local authorities;
* Capitalisation on existing LED experiences in the country through conferences and workshops;
* Engagement in LED activities implemented by other government and non-government stakeholders (ATDF, WB, EU, SDC, etc.);
* Establishment of a Core Group of LED officers and their continuous capacity enhancement;
* Bringing in international best practices and experiences in LED for the MTAI and Core Group;
* 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[[3]](#footnote-3);
* Design of LED visions and establishment of mechanisms for participatory diagnosis of the current situation in the localities and drawing programmatic solutions by prioritisation and fund-raising;
* Introduction of tailored innovative approaches to LED management and administration at local level (Debate of Future, etc.);
* Launch of process of development and introduction of tailored criteria of a Business-friendly community at local level (in 5 municipalities);
* Provision of knowledge and best practices in creating a favourable LED environment to encourage private entrepreneurship, business activity and private investments;
* Provision of institutional technical support to streamlining the functional role of local administrations in supporting business networks, cooperation by demarcation of the roles of public bodies and business community;
* Provision of inputs to government strategies (Concept of Economic Growth Poles, subventions, review of powers and functions of LSGs in LED, etc.);
* Provision of concept papers, methodologies, techniques and toolkits for local authorities to administer and manage LED (COMPASS, Potter’s Diamond, PACA, etc.), inter alia, in the area of establishing business-friendly criteria;
* Provision of series of trainings to LSGs in analysis of comparative advantages, project proposal writing, LED visioning and planning.

LED visioning now practiced at local level necessitated the design of proper LED planning, which was welcomed by the 18 consolidated LSGs in 2020[[4]](#footnote-4). The Programme responds herewith to this need voiced by national and local authorities and hence plans on continuing its technical support in 2021 through this assignment.

1. **Objective of the assignment:**

The objective of this assignment is to create a more favourable environment for local economic development. To achieve this, a two-fold logic is applied: on the one hand, the assignment seeks to strengthen the capacities within municipalities in developing their LED plans, as well as to enhance the capacities of the Core Group of LED officers; on the other hand, the mechanism to design and approve subvention projects of LSGs shall be reviewed, with a special emphasis on LED.

1. **Tasks**

The tasks within assignment are the following:

1. Capacity Development for 34 municipalities in participatory development of LED plans. This includes:

* Identification, mobilization and active involvement of relevant groups of stakeholders (business community, women, youth, marginalized, disadvantaged and vulnerable groups etc.) in the community in the development of socially inclusive and environmentally sustainable LED plans;
* Participatory analysis of the socio-economic potential in the community by participatory review of comparative advantages and development potential;
* Support to the municipalities 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 target groups specific needs and priorities: Identification of public investment needs and their prioritisation;
* Support in the elaboration of at least 1 project proposal for subventions (or other sources of funding) in each of the partner communities;
* Support in the design of project proposals that could be implemented at own resources of the partner municipality in each of the partner communities
* Support to partner LSGs in elaboration of environmentally sustainable LED plans and ensuring the reflection of LED plans in the 2021 Annual Work Plan (AWP).

1. Capacity Development to LED Core Group:
   * Enhancing capacities in project proposal appraisal via at least two thematic (theory and practice) workshops;
   * Delivery of at least two training workshops to meet the identified training needs of the LED Core Group;
   * Implementation of the concept of “Business Friendly Community” in 15 further target LSGs to be defined in consultations with the LED Core Group and MTAI:
   * Familiarisation of the LED officers in the partner LSGs with the concept of “Business Friendly Community”;
   * Development of an approach to fulfil the BFC criteria in municipalities;
   * Pilot the approach in 15[[5]](#footnote-5) municipalities;
   * Report on the piloting of the BFC approach in these 15 municipalities and the 5 municipalities already covered in 2020;
   * Develop an approach on how LED Core Group can provide peer-to-peer advice, trainings and backstopping support to 15 enlarged municipalities;
   * Review and take stock of existing methodologies, processes and tools available to LED Core Group;
   * 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.
2. Review of the existing subventions scheme, including:
   * Review of the mechanisms, toolkits, including methodologies and evaluation criteria;
   * Benchmarking of the criteria of efficiency and effectiveness of the subvention projects via comparative analysis and application of objective mechanisms of evaluation to minimise subjective project awards;
   * Training workshops for the respective departments of MTAI in managing the new concept of subvention management;
   * Development of draft template for approval by the MTAI to structure the project proposal writing, approval and evaluation, with minimised paperwork;
   * Design a system of rapid analyses to qualify eligibility of project proposals for the revised appraisal system, e.g., through a pre-filter;
   * Design of a list of efficiency indicators to guide the project proposal process in the phase of elaboration;
   * Design of a system of entry, analysis and surveillance of monitoring indicators within the developed framework.
3. **Deliverables**

The following deliverables are expected as per tasks throughout the implementation of the assignment and are to be submitted in electronic form to the Programme according to the schedule presented in the section 6 of these Terms of Reference.

**Preparation phase:**

* Detailed Work Plan for the overall assignment

**As per Task 1:**

* Proposal of target-specific approaches to identify, address, mobilize and actively include various stakeholder-groups in LED-planning and implementation
* Agenda of 3-day workshops on designing LED plans and project proposals;
* Schedule of workshops for 34 municipalities;
* Identification of target groups specific needs and priorities;
* 34 designed LED Plans;
* Presentation of the results of the trainings (including number of participants, men and women via signed lists of participants etc.);
* At least 34 project proposals for subventions and/or other sources of government funding (information on the share of approved project proposals will be communicated to GGLD in due time);
* Identification of at least 34 project proposals which will be implemented by the community (municipality and/or groups of the population) with their own resources
* Aggregate and specific information on environmentally sustainable LED measures stipulated in the AWPs of consolidated LSGs.

**As per Task 2:**

* Results of piloting the BFC approach in 15 municipalities (five others done under the previous assignment), as well as summary reports on the piloting results in these 15 municipalities and the 5 municipalities already covered in 2020;
* Recommendations to MRDI what has to be done by other levels or units of the government in order to enable communities to perform according to the BFC-criteria
* Stock taking/inventory of existing methodologies, processes and tools available to LED;
* Training needs assessment for LED officers[[6]](#footnote-6) across the country;
* Agenda of the two-day training of LED Core Group (up to 18 people) in appraisal of project proposals;
* Concept Paper: Role of LED officers in local economic development (contact points for business community in local administrations, strategy design, AWP linkages, proposals on improvement of daily administration of LSGs, etc.);
* Presentations made at the Workshops.

**As per Task 3:**

* Review of the existing subventions scheme to recommend a subvention scheme management system with emphasis on LED;
* Development of a system of benchmarking efficiency of subvention scheme in the entire project design chain;
* Templates for subvention projects, including rapid analysis tools;
* Design of an M&E framework for subvention projects;
* 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.

1. **Schedule and level of effort**

The assignment is planned for the period between **April 2021 and February 2023.** 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 340 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 | 4 | Mid-April 2021 |
| **Sub-total** | | **4** |  |
| **Task 1**  Capacity Development for 34 LSGs in participatory development of LED plans | Design of the agenda and schedule of 3-day workshops on designing LED plans in 34 municipalities | 2 | 17 LSG by November 2021  17 by November 2022 |
| Design of 34 LED Plans incl. identification of target groups specific needs and priorities: Identification of public investment needs and their prioritisation | 153 |
| Presentation of the results of the trainings (including number of participants, men, and women, etc.) | 1 |
| Support to the design of at least 34 project proposals for subventions (information on the share of approved project proposals will be communicated to GGLD in due time) and 34 project proposals which will be implemented by the community (municipality and/or groups of the population) with their own resources | 68 |
| Aggregate and specific information on environmentally sustainable LED measures stipulated in the AWPs of all consolidated LSGs | 18 |
| **Sub-total** | | **242** |  |
| **Task 2**  Capacity Development to LED Core Group | Design and piloting of an approach for exemplary BFC in 15 municipalities, and provision of a summary report for 20 LSGs (these 15 municipalities plus 5 more covered in 2020) | 15 | February 2022 |
| Stock taking/inventory of existing methodologies, processes, and tools available to LED; | 15 |
| Training needs assessment for LED officers across the country | 4 |
| Concept Paper: Role of LED officers in local economic development | 20 |
| Preparation and delivery of at least two thematic trainings from the list of identified training needs for the LED Core Group (including agenda and other accompanying documents) | 3 |
| **Sub-total** | | **57** |  |
| **Task 3**  Review of the existing subventions scheme | Review of the existing subventions scheme | 8 | October 2021 |
| Development of a system of benchmarking efficiency of subvention scheme | 10 |
| Design of templates for subvention projects, including rapid analyses tools | 8 |
| Design of a M&E framework for subvention projects | 5 |
| Presentation of the recommendations to the MTAI partners | 1 |
| **Sub-total** |  | **32** |  |
| **Concluding phase** | Concluding Workshop attended by MTAI, GGLD and other interested representatives | 1 | December 2022 |
| Final assignment report, including recommendations on next steps | 4 | January 2023 |
| **Sub-total** | | **5** |  |
| **Gross total** | | **340** |  |

1. **Company and expert profile**

The **Company** shall meet the following criteria:

* At least five years of demonstrated experience in LED in Armenia and other countries;
* Demonstrated successful experience in development of LED plans at local level, or of projects of similar nature in Armenia, including their integration in legally required socio-economic planning frameworks;
* Demonstrated experience in the LED sector (number and types of LED projects, etc.);
* Demonstrated record of LED associated fields (business, support, consultancy, advisory extension services, etc.);
* Demonstrated experience in design and delivery of capacity building to partner institutions in LED;
* Experience in cooperation with LSGs and national authorities in Armenia in the area of LED;
* Knowledge of tools, techniques, and methodologies to be applied in implementing the assignment;
* Experience in working with GIZ programmes.

**Individual experts** proposed for this assignment shall, collectively, meet the following criteria:

* Experience in providing technical assistance to LSGs in producing LED Plans and visioning LED;
* Considerable experience in provision of LED training services as part of capacity enhancement to partner institutions;
* Experience in socio-economic planning with emphasis on LED;
* Cooperation and negotiation skills in interactions with national and local authorities;
* Experience in drawing recommendations and proposals on review/improvement of national and municipal institutional and legal frameworks regulating LED;
* Formal education and/or practical experience relevant to LED.

1. **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 6 of 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;
* 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 Contractor shall further take care of transportation for travelling to municipalities, accommodation, and other logistics. The travel costs are reimbursed by 70 AMD per km as a lump sum or based on market price upon provision of evidence, and the accommodation based on evidence provided by the Consultant. Foreseen transportation and accommodation modalities must be part of the Technical Proposal and the costs of transportation and accommodation, as well as catering costs in the regions for trainings, costs arising from training facilities, and material costs such as printing, **must be included in the financial offer**. These expenses shall be settled directly by the incumbent according to the proposed schedule and will be closely monitored by the Programme.

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, Vayots Dzor and Syunik municipalities. Hence, GIZ approval will be needed prior to organising trainings or visits in/to these areas.

**Annex 1: List of partner LSGs for the assignment**

|  |  |
| --- | --- |
| **Marz** | **LSGs** |
| **Gegharkunik** | Vardenis |
| Tchambarak |
| Geghamasar |
| Shoghakat |
|  |  |
| **Aragatsotn** | Aparan |
| Alagyaz |
| Aragatsavan |
| Tsaghkahovit |
|  |  |
| **Vayots Dzor** | Gladzor |
| Areni |
| Yeghegis |
|  |  |
| **Lori** | Stepanavan |
| Lori Berd |
| Gyulakarak |
| Tashir |
| Metsavan |
| Sarchapet |
| Alaverdi |
| Odzun |
| Akhtala |
| Shnogh |
|  |  |
| **Shirak** | Akhuryan |
| Ani |
| Marmashen |
|  |  |
| **Kotayk** | Akunk |
| Byureghavan |
| Meghradzor |
| Charentsavan |
| Jrvezh |
| Yeghvard |
|  |  |
| **Tavush** | Berd |
|  |  |
| **Syunik** | Kajaran |
| Kapan |
| Sisian |

1. Government Programme, 8 February 2019 (N65-A) [↑](#footnote-ref-1)
2. Government Decree N 53-A, December 21, 2017. [↑](#footnote-ref-2)
3. This activity is currently strongly supported by the Post-COVID LED Grant Scheme, where LED Core Group assumes an importation role of appraisers and providers of technical support to LSGs in designing their proposals. [↑](#footnote-ref-3)
4. Jermuk, Vayk, Zaritap (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) [↑](#footnote-ref-4)
5. The list of communities will be determined during the first months of the project, taking into account the motivation of the municipalities and the current economic situation (how much the community is ready to focus additional efforts and resources in that direction at the moment) [↑](#footnote-ref-5)
6. The list of LED officers to be covered by the trainings will be defined in consultations with the MTAI, Core Group and GIZ [↑](#footnote-ref-6)