
Programme: Private Sector Development South Caucasus (PSD SC):
“Economic Integration of Syrian Refugees in Armenia”

PN: 13.2144.7.007

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Activity: **Pre-study on Creative Employment Opportunities in Armenia**

Period & Place: **31 March 2017 - 31 May 2017, Armenia**
(up to 50 expert days for a team of experts, possibly including partly international expertise)

1. Brief information about the programme

The three countries of the South Caucasus, Armenia, Azerbaijan and Georgia, face the challenge of generating broad based inclusive growth to reduce the urban-rural gap and poverty above all in rural regions. In view of the small domestic markets with low purchasing power, the primary aim is to expand foreign trade. High policy priority is therefore accorded to diversifying the economy and improving the competitiveness of export products. The greatest export potential exists in processed agricultural products and - though not in all countries - tourism development. In Azerbaijan there is scope for revitalizing the plastics industry.

Small and medium-sized enterprises (SMEs), however, do not take advantage of the market opportunities provided by the European Union (EU), the main trade partner. The core problem lies in the lack of adequate entrepreneurial and institutional preconditions for developing foreign trade-oriented sectors for inclusive growth. The reasons for this lie in the insufficient capacities of the institutions engaged in economic policy, trade promotion and vocational qualification policy. There is hardly any inter-institutional cooperation and dialogue with the private sector. Services are lacking in the fields of production, quality, procurement and distribution. The increasing demand for specific qualifications and competence poses a further challenge for private sector development. Also, there is no systematic exchange of information and experience on economic policy issues among the South Caucasian countries.

The objective of the technical cooperation (TC) measure, Private Sector Development South Caucasus, is therefore: the conditions for the development of selected foreign trade-oriented sectors for inclusive growth have improved. To achieve this, the programme focuses on three intervention fields: (1) Improvement of the business development framework conditions, (2) Promotion of the private sector in the selected value chains, and (3) Vocational qualification. Business needs-oriented promotion of the private sector in the value chains with proven

export potential is of the central importance. The intervention areas ‘Improvement of the business development framework conditions’ and ‘Vocational qualification’ are geared to this. The programme supports the implementation of policies, strategies and pilot measures.

The measures are implemented in cooperation with the Physikalisch-Technische Bundesanstalt (PTB) and in coordination with the ongoing projects of the United States Agency for International Development (USAID) that support agricultural production in Georgia and Azerbaijan within the value chain promotion framework. An integrated development partnership (PPP / public private partnership) with the economy initiated by the predecessor programme in Armenia and Georgia is continued. There is potential for further cooperation with the private sector. The programme operates at the national level in each of the three countries as well as in pilot regions and promotes the exchange of experience and cooperation at the regional level.

In addition, there are three projects attached to the PSD SC programme which are in line with the objective and intervention fields of the programme:

(1) The project “Economic Integration of Syrian Refugees in Armenia” tackles the challenges related to Syrian refugees with an Armenian ethnic background that immigrated to Armenia during the last years due to the civil war in Syria. In order to support the economic integration of refugees in Armenia, the project supports the economic dialogue and coordination of relevant stakeholders, the integration in existing business networks as well as the access to and the adaptation of employment and qualification programmes. It comprises of three main intervention fields: (1) Public-Private-Dialogue and Participation, (2) Integration in Value Chains and Business Networks, (3) Vocational Qualification and Skills Development.

(2) The project “SME Development and DCFTA” is related to the Association Agreement and the Deep and Comprehensive Free Trade Area (DCFTA) which was signed by Georgia and the European Union in 2014. The European Union is co-financing a support to SME development and DCFTA to be implemented by the GIZ Private Sector Development programme. It seeks to assist the Georgian Government in the implementation process of the DCFTA, supporting the development of the SME sector to adapt to DCFTA regulations and facilitating Georgia’s integration into the EU market. The project comprehends following components: (1) Improved enterprise development framework and SME participation in the political dialogue, (2) Comprehensive capacity development for SME support institutions with focus on improved service delivery, (3) Enterprise development and promotion via clustering and support to business networks on national, sector and local level, (4) Business clusters and networks integration into relevant existing EU networks for enterprise development, investment and trade promotion.

(3) The project “SME Development” in Armenia is co-financed by the EU and implemented by the GIZ Private Sector Development Programme. It focuses on the improvement of the

Armenian business and investment climate and the support to the development of the SME sector, in particular the link between research and economy as well as access to finance. The projects comprehends following result areas: (1) Improved policy making process and coordination of support to SME development, (2) Strengthening private sector organization to implement SME policies, (3) Improved process of commercialization of ideas linking research institutions and business via cooperation networks, (4) Improved design and management of economic clusters (incubators, technoparks and Free Economic Zones (FEZ)).

The entire programme has a total budget of EUR 29,693,940 which is divided as follows:

- General PSD SC Programme: EUR 15,760,000 for three years and five months (2013 - 2017).
- Project “Economic Integration of Syrian Refugees in Armenia”: EUR 2,500,000 for two years (2015 – 2017).
- Project “DCFTA and SME Development” in Georgia: EUR 5,033,940 for four years (2015 – 2019).
- Project “Support to SME Development in Armenia”: EUR 6,400,000 for four years (2016-2019).

Module objective:

The conditions for developing selected foreign-trade sectors for broad-based inclusive growth have improved.

Indicators:

1. In the economic sectors promoted by the programme, altogether six business framework conditions issues (e.g. sectorial development programmes, trade regulations and procedures, vocational qualification, economic integration of Syrian refugees in Armenia) have been improved.
2. Two policy documents (strategies) each contain gender-specific or conflict-sensitive measures.
3. 70% of interviewed enterprises in the promoted value chains (Wertschöpfungsketten) that have introduced new or improved management tools have raised their business performance (citing the positive changes, e.g. increased turnover, improved quality of products, diversification of business contacts, reduction of rejects, and improved energy efficiency, adaption to climate change, and human resource promotion and development (HRD)).
4. 50% of enterprises in the promoted value chains (Wertschöpfungsketten), including complementary service providers, assess the labour-market relevance of the new or adapted offers for vocational qualification as higher than that of existing offer for vocational qualification (in particular the offer for Syrian refugees in Armenia).

Partner structure: executing agencies and intermediaries

The programme has no regional lead executing agency. This function is, however, performed by the ministries of economics in each country - Armenia: Ministry of Economy (MoE); Azerbaijan: Ministry of Economy and Industry (MEI); Georgia: Ministry of Economy and Sustainable Development (MoESD).

Implementing partners by intervention field

In the intervention field “**Business Development Framework**”, the implementing partners are government and independent planning and analytical institutions (think tanks) and also the relevant line ministries with their subordinate institutions. The main concern in Armenia is to strengthen the capacities for implementing existing policies. In Georgia, the new government has filled many positions with well-trained, young but politically inexperienced personnel who now face the challenge of drafting and implementing coherent strategies. In Azerbaijan, planning and implementation capacities also need strengthening.

The implementing partners in the intervention field “**Promotion of value chains**” are the respective government agencies for export promotion, providers of business services (providers of training and coaching services, quality infrastructure service providers, e.g. test laboratories), private-sector institutions (employers’ federations, trade and business membership organizations) and selected enterprises, with which new approaches to improving entrepreneurial capacities will be developed and implemented as pilot measures for cooperation and development partnerships with the private sector. Many of these partners have comparatively low capacity levels for implementation. The market for business development services is only beginning to take shape. Associations are often heavily influenced by individuals and only represent a part of the companies engaged in a sector.

In the intervention field “**Vocational qualification**”, the implementing partners are the respective national ministries of education and their institutions, educational and vocational training institutions, local governments and authorities, as well as business membership organizations and representatives of civil society. Here, too, capacities for planning and implementing strategies differ greatly. The weakest links are often the underfinanced and poorly equipped vocational schools.

Regarding the project “Economic Integration of Syrian Refugees in Armenia” the programme cooperates with partners such as the German Savings Banks Foundation for International Cooperation with its expertise in financial consulting and management, the German Association for Adult Education (DVV) with its expertise in life-long learning and trainings, the German Business Association (DWV) and the Senior Expert Service (SES) as well as the UN Refugee Agency (UNHCR).

Target groups and other stakeholders

The programme target group is females and males, owners and employees of enterprises (primarily SMEs) in the selected value chains and their suppliers. Female entrepreneurs are

often engaged in micro and small enterprises in the traditional sectors (agriculture, production and sale of processed food, handicrafts, service sector, e.g. tourism).

As part of the vocational qualification measures, the target group includes job-seekers and alumni of vocational schools and higher education institutions as well. In Armenia, significantly more women are affected by unemployment than men (35% of the female workforce is unemployed vs 22% of male; data from 2011). The unemployment rate among young women amounts to 40.7% in Georgia and to 69.4% in Armenia (32.4% and 42.7% respectively among male youth).

Other stakeholders are the teaching staff of vocational schools; specialists and managerial personnel of think tanks; representatives of ministries involved; service providers (e.g. export promotion agencies, management consultants) and non-governmental organisations.

The project “Economic Integration of Syrian Refugees” concentrates on Syrian refugees in Armenia as a target group with a special focus on women and people of the age between 30 and 50 years as well as young people.

Macroeconomic, socio-economic, socio-cultural, political and environmental assessment– Impact and sustainability

Gender equality: The programme seeks to improve the involvement of women in the economic life. In all three countries, gender-specific measures are targeted to support the entrepreneurship and integration of women in business life. At the general framework level, this entails raising awareness of this issue and accounting for gender in policy and strategy documents. Stake holding by women is also taken into account when selecting value chains for promotion and the participant enterprises can be advised on conducting measures for gender equality. In terms of education and qualification measures, the programme aims to involve both genders equally with a special focus on participants from rural areas. Therefore, the development measure has beneficial effects on gender equality.

Participatory development/good governance: The programme strengthens the steering mechanisms and management capacities of ministries and subordinate authorities, e.g. in structural policy, trade promotion as well as in qualification and youth employment promotion. The capacities of government and independent think tanks are strengthened for preparing and compiling economic policy studies. A major contribution is the inclusion of capacity development measures in business life. Considering the multi-level approach, the programme fosters a public-private dialogue (PPD) among the private sector, civil society and government at national and local (sub-national) level. Strengthening these processes enables male and female entrepreneurs to better articulate and advance their interests.

Rural development and food security: All three countries are largely agrarian. The main export potential lies in processed agricultural products. Trade promotion measures therefore also aim indirectly at promoting rural development, which is a major secondary objective of

the programme. Especially the tourism sector and the promotion of the wine/beverage sector bear substantial potential to foster rural development. The accompanied measures to improve the framework conditions and the education and qualification offer also contribute to the sector's development.

Trade development

The measures contribute directly or indirectly to strengthening the trade development within the South Caucasian countries as well as with the Eurasian economic region and the EU. The cooperation with the OECD Eurasia Competitiveness Programme and the SME Panel which is initiated by the EU reinforces the mentioned orientation.

Impacts on human rights: The programme subscribes to the guiding principle of sustainable development. It advances the political and economic participation of women and men and the right to freedom of association by promoting business institutions. The programme also conducts its activities adhering to specific values and standards of transparency.

Impact: Improving the quality of business management in SMEs makes a contribution to raising the competitiveness of the group of enterprises, which plays a major role for employment. The promotion of largely agricultural value chains geared to foreign trade and improving the employability of women and men contributes in the long term to more income and employment, particularly in rural regions, and to narrowing the urban-rural gap. By promoting the framework, building the capacities of implementing partners and stepping up public-private dialogue, the programme contributes to institution-building. In order to increase the impact the programme accessed its scaling-up potentials already in 2014. It is planned to integrate the working results into national and sectorial strategies and policies on a local level by including education providers and cooperating with upstream and downstream segments while also considering the business interests. The increasing use of best-practice experiences is initiated on a regional level and will continue via a dialogue platform and a regional newsletter.

Sustainability: The South Caucasus is highly affected by the conflict between Armenia and Azerbaijan which also influences the regional exchange beyond the political sphere. The programme succeeds to establish a dialogue between relevant economic actors including Armenia and Azerbaijan. However, so far there are no concrete business cooperation or joint projects between the two countries. The commitment of the private sector turns out to be the key factor for economic development and diversification. Especially the need to improve the vocational education and qualification as well employment promotion is increasingly recognized and supported on a political level. A remaining risk is the lack of financial and personnel resources of the vocational education and qualification providers as well as the still negative image of vocational education within the society. The effects of the DCFTA trade agreement in Georgia, the accession of Armenia to the Eurasian Economic Union and therewith the international redefinition of priorities in terms of regional cooperation, are

closely observed by economic and political actors. Azerbaijan accelerates the process to enter the WTO. Currently, the service market is still too underdeveloped to develop a sustainable service portfolio for enterprises considering the new trade and investment context. However, the programme seeks to assure optimal sustainability by reforming the business development framework in the above-mentioned areas, supporting the implementation of policies and strategies and building institutional capacities in the areas of training, policy analysis and export-dedicated services.

2. Context and current situation in the field of assignment

Several line ministries in Armenia have arrived at the conclusion that sustainable and robust support measures to economically integrate persons who fled the conflict zones in Syria, must materialize. As inter-ministerial discussions, stakeholder discussions are taking place, many different problems are confronted. Nonetheless, very few formations for multi-stakeholder cooperation to tackle the need for integrating, mainly Syrian-Armenians, into the economy, has presented itself.

From the State Employment Agency (SEA) and its Labour Migration Unit (LMU), under the Ministry of Labour and Social Affairs, Republic of Armenia, a new approach to work with two target groups

- (1) persons who fled areas of armed conflict and
- (2) refugees,

has initiated steps by envisioning a consolidated and strategic view of the Creative Sector, as preliminary studies involving the target groups have demonstrated skills and experience in the Creative Sector. Studying the Creative Sector and examining the creative employment opportunities is of great importance for the future development of the Armenian labour market; with the constraints on the labour market, past and current, there's a need to apply latest approaches in global labour market development. As labour markets in Europe increasingly become more experience oriented, and not necessarily production-based with strong manufacturing industry or financial centric, the Armenian economy and labour market show strong signs enhancing its business environment becoming more experienced-based, especially in the tourism sector, but also in the IT sector. Evidence collection of the Creative Sector in Armenia is assumed to be significant, however in great need of exploration and future planning for pilot projects aiming at the promotion of a national strategy and prioritization This Terms of Reference for a pre-study and mapping of the creative employment opportunities in Armenia will examine the potential for Armenia, at large, and the Labour Migration Unit, to review the potential and promote directions for state involvement in supporting initiating actions in promoting Creative Employment in Armenia, and particularly with an inclusive approach towards those who arrive in Armenia from areas of armed conflict.

The main questions to be researched and answers to be gained in the framework of the pre-study are:

- What does the Creative Sector look like, what Creative jobs are there and what's their size and significance in relation to the domestic and international markets?
- Which Creative jobs are extra interesting to focus on particularly for Syrian Armenian integration, what modalities can be identified and extracted in particular (of strategic value, and why)?
- What Creative Skills Sets, with focus on Syrian Armenians, do we have in the country, what is the demand, what can be offered for domestic and international markets?
- Which needs for skill development / adaptation / upgrading is necessary for Syrian Armenians to tap into opportunities and for matching of demand and supply?
- What is the significance of Intellectual Property (IP) and Intellectual Property Rights (IPR) for the Creative Industry in Armenia; what is the current status of IP and IPR in the country and what needs to improve?

3. Conditions of the assignment

3.1 Objective tasks and responsibilities

a. Objective

The objectives of the pre-study will deal with two distinct areas:

- (1) Mapping: the pre-study will provide an inventory of, business models, projects, approaches to skills assessment, networks and platform on the topic of Creative Employment (employment opportunities in the Creative Sector); suitable practices extracted for examination and implementation in Armenia.
- (2) Economic Impact: provide measurable recommendations and criteria to support policy advice and action plan matched by Creative Employment opportunities in Armenia and recommendations for capacity-building / activity implementation through EISRA and other stakeholders.
- (3) Institutional benefits: The pre-study will also address the preconditions for enhancing and adding efficiency to current and future services provided by the State Employment Agency for Syrian-Armenians and persons who fled areas of armed conflict.

b. Tasks

To detail the scope further the TOR suggests that the pre-study will include, but not be restricted to the following points:

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- I. Prepare and present a concept for the study design, structure and methodology
 - II. Identify the Creative Industry in Armenia, placing a particular focus on existing Creative Employment and Creative Jobs (both involving Syrian-Armenian and local Armenian participation);
 - Hold a thematic workshop under the title “Creative Employment in Armenia” with selected individuals from the private, public and non-profit sectors under the coordination of the EISRA project management and assisting coordinators of the pre-study. The workshop will be a kick-off event exhibiting inspirational best-practices and experiences of today’s successful creative entrepreneurs and practitioners in Armenia.
 - III. Conduct and compile feasibility study according to the agreed approach and methodology. It should give answers to the questions mentioned in the section 2 e.g. along a SWOT-analysis and include the relevant parts:
 - Measure of the Domestic and International Market significance and potentials, including Gross Value Added and current and potential Export value (over time/prediction);
 - Mapping existing initiatives, networks and hubs
 - Identified opportunities for ‘cross pollination’ or the promotion of collaborative innovation across and beyond the creative industry;
 - Needs and recommendations for skills development / adaptation;
 - Recommendations for the diversification of the economy through the recognition of the Creative Industries and formally engaging informal or unregistered labour, with concrete recommendations to encouraging them into formal economic activity.

CEMSA will also develop a set of comprehensive terminologies, indicators, and tools to standardize the identification and measurement of the economic impact of the Creative Industry of Armenia; will explore the role of Intellectual Property and Intellectual Property Rights in the encouragement process from informal to formal activity; and will identify Economic and Legislative obstacles in the way of this encouragement and recommend resolutions.

c. Responsibilities

The experts will:

- a) provide a methodology for the study;
- b) undertake the study to address the research questions identified above;

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- c) engage with other relevant institutions and initiatives to secure evidence and synergies / complementation;
 - d) incorporate desk-based analysis of secondary data and analysis of qualitative and quantitative primary data;
 - e) work directly with and under supervision of the CIM Integrated Expert, the coauthors of the Terms of Reference and report to the EISRA project team.

Target Group

The main target group of the pre-study are the Syrian-Armenian youth (i.e. recent graduates, young professionals) of untapped talent and ambition who aspire for entrepreneurship in the Creative Industry, and show the desire to transition from informal labour to formalized economic activity. The target group can also include business-minded, highly skilled individuals who consider themselves practicing creative employment in Armenia with a visible track of success and sustainability, including export activity, as well as individuals with creative skills and experience who are struggling to locate employment in Armenia. The target group includes yet unidentified individuals at the forefront of innovation and creative employment whether Syrian-Armenian or Armenian. Some of the identified Syrian-Armenian youth groups to target include those in: architecture, textile and printing, digital design and the general crafts and arts, including knitting and embroidery.

Resources

GIZ PSD SC “Economic Integration of Syrian Refugees in Armenia” (PSD SC EISRA) project will provide the resource base that may contribute to the tThe resource base for conducting the study will be also provided by the. The Working Group, consisting of public, private and nonprofit organizations engaged in economic integration activities in Armenia, of the EISRA project, may also be consulted separately. The Labour Migration Unit of the State Employment Agency under the Ministry of Labour and Social Affairs has a database of 500+ entries of Syrian-Armenians with the option to aggregate entries for quantification (e.g. those registered interested in self-employment/starting their own business). **Additional resources should be explored, planned and declared by the collaborating experts.**

3.2 Tasks & deliverables with timeline

Tasks & Deliverables (all deliverables in British English language)	Timeline
I. Concept for the study design, structure and methodology	
Develop a concept for the study design, structure, and methodology, to be discussed with GIZ EISRA and CIM expert and finalised (draft written description 2-4 pages with visualization).	Draft: 4 April 2017 Final: 11 April 2017
II. Focal group & stakeholder workshop (up to 2 workshops if split 1 with target group, and 1 multi-stakeholder, up to 1 day each)	
Conduct thematic workshop(s) on “Creative Employment in Armenia with regard to Syrian Armenian focal group” in Yerevan with selected relevant individuals from the private, public and non-profit sectors <ul style="list-style-type: none"> • Develop and agree the objective, format, duration and size of the workshop(s) with GIZ EISRA and CIM expert • Identify and mobilise relevant workshop participants • Prepare the workshop agenda (in English and Armenian languages) • Assure the workshop participation (reach out of the stakeholders; draft invitation letters in English and Armenian languages) • Workshop report with results 	Workshops to be conducted by 19 April 2017 All deliverables for the organization of the workshop to be prepared 10 days prior to the event(s) Final report with workshop results to be submitted within 3 days after the workshop
III. Pre-study	
Conduct and present draft pre-study to GIZ EISRA and its partners, finalise based on the received comments (up to 3 commenting rounds, report of up to 30 pages excluding/not counting charts and illustrations) and visualisation/PPT	Draft by 2 May 2017 for discussion and presentation. Final study to GIZ EISRA based on comments and discussions by 31 May 2017 including final presentation

3.3 Conditions and payment terms

Payment shall be effected depending on the type of remuneration, following the performance of services, submission of reports, acceptance of services performed and invoicing. If travel to Yerevan or other places in Armenia is necessary, then the possibly required number and cost of travel should be clearly stated in the offer.. Costs associated with conducting a workshop(s) will be covered by GIZ EISRA project (e.g. venue, interpretation, catering).

3.4 Coordination and communication

- The contractor reports to Mr. Jan Mikael Åhlin, CIM Integrated Expert to the State Employment Agency (RA MLSA) +37455151611. mikael.ahlin@cimonline.de, and GIZ PSD SC EISRA project expert Ms. Karine Simonyan karine.simonyan@giz.de.
- The contractor will coordinate closely in all technical issues with the CIM Integrated Expert, all activities must be approved by the CIM Integrated Expert in advance.
- The contractor should closely cooperate with other companies/experts contracted within GIZ PSD SC EISRA project conducting/implementing: a) feasibility study SA industrial zone/business center, b) database creation, c) fact finding for organisational development, as well as find synergies with a feasibility study on Potential Creative Industries Support Measures and Interventions implemented under GIZ PSD SC and EU co-founded project "Support to SME Development in Armenia" (SMEDA).

3.5 Submission Requirements

The company may apply through a consortium with other consulting companies/ international experts. At least 20% of the expert days shall be allocated for international expertise. GIZ will sign a contract with a lead contractor for the entire budget, who can have subcontracts with other companies/experts.

The hired company needs to meet the following requirements:

- A documented path of experience with a minimum of five years in the fields of labour migration, inclusive growth, socioeconomic development action planning and implementation, public policy production, business development, entrepreneurship, employment support measures, creative industries, modeling and (if possible) long-term experience in the field of coaching unemployed (immigrants) to valuable and fulfilling employment (esp. applicable to the international expert sought).

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- Proven expertise in the area of conducting socioeconomic development research, target group identification and needs-analysis similar to the assignment, in Armenia and internationally (proven by references attached to the offer);
 - Ability to access, establish and manage networks;
 - Prior experience in dealing with Syrian Armenians in Armenia and their economic integration (proven by references attached to the offer);
 - Proven ability to access to networks and individuals of the creative industry in Armenia, also the ones operating in informality;
 - Excellent understanding of and ability to meet the demands and standards of an institution of international development cooperation;
 - Excellent understanding of how to approach and communicate with private businesses/start-ups, intermediaries, international organisations, government and state institutions;
 - Structured, efficient, transparent and professional way of cooperation and communication, especially in case of applying as a consultancy company;
 - Creative and innovate approaches for substantial and user-friendly publications and presentations.
 - Experience in organizing and conducting workshop and conferences.
 - Proficiency in English (written and spoken), all deliverables in British English;

**It is paramount that the applicant declares the precise skills and competences that are being planned and allocated to the areas and topics of concern. Moreover, indicate clearly in what way the competence is tied to the research delivery and process, team-based or individual. Technical support from the CIM Integrated Expert can then be properly addressed and allocated. In the event that the applicant's proposal fails to deliver upon this specification, the proposal will be disqualified.*