**TERMS OF REFERENCE**

**Elaboration of Baseline-Study about Citizen Participation in Local Budgeting in Armenia**

**Short description of the Project**

**Name**: Citizen Participation in Local Budgeting

**Objective:**

Provide municipal administrations with necessary knowledge and experience for the future application of pro-active and citizen-oriented participation methods while making full use of the existing legal framework.

**Project indicators**:

1. 70% of the interviewed participants demonstrate by means of concrete examples that their involvement in this project has resulted on a direct benefit for the design and/or implementation of the respective administration reform tasks.
2. Resulting from the translational exchange, a handbook of best practices for the implement of citizen participation in the management of local budgets will be available in the national languages.
3. Three participating municipalities will use the handbook of best practices to design a one-year action plan with measures, deadlines, and responsibilities for citizen participation in the budget process.

**Project Duration:** 06/2018-05/2020

**Donor:** German Federal Ministry for Economic Cooperation and Development (BMZ)

**Background:**

In recent years, Georgia, Ukraine and Armenia made strides in improving their legal and institutional frameworks with a view to improving citizen participation in budgeting processes. Some of the achievements can be summarized as follows:

In all three countries the existing legal framework for participation defines guarantees, rights and forms of citizen participation at the local level. Georgian law on local self-government, for example, defines guarantees and forms of citizen participation at the local level and provides possibilities for discussion with citizens on the topic of budgeting. The law of the Republic of Armenia on local self-government embraces the consideration of citizens' concerns in the process of budgeting. Likewise, obligations with regard to disclosure and report on the budget are enshrined in the law. The Ukrainian law on local self-government grants citizens the right to submit proposals on the guiding lines of local budgetary policy for the forthcoming budget cycle.

As concerns practical experience with citizen participation, the levels achieved so far differ from country to country. The example of “citizen budgets” in selected municipalities in Ukraine is noteworthy.

Irrespective of existing regulations and practical experience, there is still a lack of practical experience in designing participative processes. Therefore, local financial staff were chosen as a primary target group for the project, as they are responsible for management of local budgets at working level.

**Objective and scope of work:**

The purpose of the assignment is twofold:

1. To carry out a **baseline study** for Armenia on citizen participation in local budgeting with special focus on the needs of the project target group (i.e. municipal financial staff);
2. Give **recommendations** how the project should address the identified needs in the framework of the offer approved by BMZ.

During the assignment, the consultant will closely coordinate with GIZ.

**Tasks and deliverables:**

1. ***Baseline Study***

Consultant will deliver a country-specific **baseline study** on the basis of data that are representative for the entire country. The study shall cover following aspects:

**1. Short country profile.**

overview about administrative arrangement with respective responsivities with average size of municipalities (e.g. 70% of municipalities ˃ 50000 inhabitants, etc.), budget amount, etc.

**2.Summary of legal framework about citizen participation in budgeting.**

Consultant will collect and analyze legal regulations concerning citizen participation, including on the one hand obligations for administrations, on the other hand rights of citizens to obtain **information** and take part in decision-making budgetary processes. Also, municipal internal regulations concerning participation shall be examined, e.g. statutes regulating attendance in municipal council meetings or obligation of local financial authorities to inform or engage citizens.

1. **Summary of international and national obligations** about citizen participation derived from international agreements or national policy papers, such as EU Association or Partnership Agreements, policy papers about public finance reform and the respective action plans. The study should refer to the relevant articles and analyze them.
2. **International assessments** about transparency and citizen participation in budgetary process and ranking (Open Budget Index Rankings, Civic Engagement Index etc.).
3. Widely used **instruments** on municipal level **for citizen information** about planned budget (newspaper, website, meetings, TV...)
4. Regulations and common **practice regarding consideration of citizen concerns** on municipal level.
5. Overview and assessment of citizen participation initiatives on municipal level in order to identify **success stories** that could be considered in the frame of the planned capacity development activities of the project.
6. Collect and analyze existing **practical guidelines** about citizen participation for municipal financial staff.
7. Collect **opinions from municipal financial staff** (5 interviews from 5 different municipalities of both urban and rural character) with the purpose of defining the needs and gaps in terms of knowledge and implementing mechanisms in the field of citizen participation in local budgeting. Short documentation about results.

1. **Collect opinions from citizens** of the same municipalities (50% women/men, including two interviewees between 15 and 25 years and two above 60 years, in total 8 citizens per municipality) about desired communication ways and conditions for participation. Short documentation about results.

1. **Collect opinions** of selected relevant **NGOs** about challenges in the field of citizen participation in local budgeting.
2. Collect, analyze and evaluate existing countrywide **state programs or funds, where citizen participation is required.**

***2.Recommendations***

Based on the above findings, the consultant shall elaborate recommendations for the following topics:

* Suggestions for selection of pilot municipalities (10 per country);
* Topics for capacity development measures for the primary target group of the project (municipal financial staff) as well as other target groups (NGOs etc.);
* Identification of ongoing Public Administration Reform tasks relevant for project indicator 1 (see short description of the project further above);
* Suggestions for possible intervention for improvement of national framework for citizen participation in local budgeting;
* Suggestions for topics and activities for potential future cross country exchange.(for this, the consultant is expected to liaise with consultants in Armenia and Georgia ;
* Suggestions about content of the handbook to be developed in the frame of the project, focusing on structure and topics, for example: Should the handbook present topics from the perspective of administration or citizens? Should the topics be presented in a general way or based on practical examples or both?

Baseline study and recommendations shall be submitted in one document (Word). The structure of the document shall address the above listed topics in the order as above. In addition, the main findings of the document shall be summarized in a short PowerPoint presentation of max.15 slides. All documents must be in English. The consultant is expected to present the main findings during a project meeting in late 2018 in Tbilisi.

For all the above, consultant will closely consult with GIZ (Contact person within GIZ – Susan Bagratuni)

**Reporting**

Reporting to GIZ will be done by 20 November, 2018.