

Terms of reference (ToRs) for the procurement of services below the EU threshold

Development of Investment Portfolios in 16 communities of Armenia

**Project number/
cost centre:
19.2204.6-002**

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0. List of abbreviations

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| BMZ | German Federal Ministry for Economic Cooperation and Development |
| GGLD | Good Governance for Local Development South Caucasus |
| LED | Local Economic Development |
| LDF | Local Development Fund |
| LSG | Local Self-Government |
| MTAI | Ministry of Territorial Administration and Infrastructure |
| SDC | Swiss Agency for Development and Cooperation |
| SDG | Sustainable Development Goals |
| TARA | Territorial and Administrative Reform of Armenia |
| ToRs | Terms of Reference |

1. Context

The “Good Governance for Local Development South Caucasus” (GGLD) Programme advises and supports respective partner organisations at national, regional (sub-national) and local levels in Armenia and Georgia in the implementation of cooperation initiatives towards improved local governance. It supports the improvement of frame conditions, addresses regional (sub-national) governance issues and works towards the improvement of municipal services and citizens’ participation at municipal level.

The Programme is implemented on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and in Armenia co-financed by the Swiss Agency for Development and Cooperation (SDC) through its “Improvement of the Local Self-Governance System in Armenia” Programme. It is carried out in close cooperation with the Ministry of Territorial Administration and Infrastructure (MTAI) as the main political partner. Background (e. g. short description of the project) and initial situation, in particular the objectives of the services to be tendered.

Background

GIZ has been supporting local economic development (LED) in Armenian municipalities since 2015 by contributing to capacity development of partners, supporting establishment of the position of Economic Development Officers in the municipalities, creating and extensive capacity enhancement of the LED Core Group, and designing strategic LED plans with the local self-government bodies (LSGs) and other actors.

Another significant contribution of GIZ to LED in Armenia has been the establishment and operation of the LED Fund, first in the context of resilience of the communities to COVID driven vulnerabilities, superseded by localisation of Sustainable Development Goals (SDG) in the statutory documents of the LSGs, and, afterwards, placing it in the context of integrated Local Development Fund (LDF) broadening the multiplicative effect via cooperation with other GIZ projects in Armenia.

BMZ has allocated additional funds to GGLD to contribute to alleviation of the challenges faced by Armenian municipalities in tackling the challenges associated with integration of forcibly displaced people because of the Nagorno-Karabakh conflict. 10 partner municipalities have been selected to receive the capacity building support combined with small investment grant scheme that is to operate in the context of the LDF.

Finally, in the IMD project, implemented by GIZ, six partner municipalities have been selected on a competitive basis. One of the workstreams in this cooperation with these so-called transformation partners is the strengthening of local economic development, including through extensive capacity building, design of investment portfolios (passports) and operation of the LDF.

This tendered project seeks to support 16 communities across Armenia by providing expertise and capacity-building assistance to develop tailored investment portfolios. These portfolios will act as strategic documents designed to attract both public and private investments, facilitate partnerships, and prioritize key development projects that align with local and national goals.

The project is in line with the Government’s efforts to enhance local self-governance and economic resilience in rural and urban areas through inclusive growth and sustainable investments. This initiative also supports the broader objective of decentralization and economic autonomy of communities, contributing to the Republic’s overarching development strategy.

2. Objectives of the assignment

The overall objective of this assignment is to assist 16 selected communities in Armenia to create comprehensive, practical, and sustainable investment portfolios stemming from investment strategy that can serve as tools for securing funding and fostering local development.

The specific objectives include:

- Identifying and analyzing competitive economic advantages and investment opportunities in each community by integrating different perspectives (public, private, civil society).
- Supporting communities in prioritizing projects based on potential impact and feasibility and developing concrete measures for implementation of the investment portfolio.
- Integrating environmental sustainability and resilience measures into the investment portfolios to ensure long-term viability.
- Developing comprehensive investment portfolios for each community.
- Capacity building of local officials to ensure the sustainability and updating of portfolios.
- Facilitating partnerships between communities and potential investors (both public and private).

3. Tasks to be performed by the contractor

The contractor is responsible for providing the following services:

- **Task 1: Community Needs and Opportunities Assessment**

The contractor will conduct a comprehensive needs assessment for each of the 16 communities, analysing their economic, social, and infrastructural conditions to identify strengths, challenges, and potential sectors for investment such as agriculture, tourism, manufacturing, and IT. This process will involve close consultation with local government officials, community leaders, and relevant stakeholders (e. g. from the private sector and the civil society) to ensure that the assessment reflects the specific needs and opportunities of each community. The goal is to provide a clear understanding of each community's development priorities and investment potential, serving as the foundation for the subsequent design of the investment portfolios by means of creating a concise and structured summary of socio-economic context and prospects.

- **Task 2: Investment Portfolio Design**

Based on the findings from the need's assessment, the contractor will develop a tailored investment portfolio for each community. These portfolios will include projects' abstracts, potential funding sources, risk assessments, and projected returns on investment, all aligned with each community's long-term development strategies and national economic policies. The portfolios will prioritize projects with the highest impact and feasibility, ensuring they are both practical and sustainable, and provide a strategic roadmap for attracting investments and fostering economic growth in the communities. During the elaboration of the portfolio, environmental sustainability and resilience should be addressed to the extent possible.

- **Task 3: Detailed Development of an Investment Project Package**

The contractor will provide comprehensive support for the detailed development of one selected investment project from each community's portfolio. This package will include a thorough analysis of the project's expected outcomes, a follow-up schedule with key

milestones, a detailed cost breakdown and a risk assessment (incl. development of mitigation approaches) to ensure the feasibility of the investments. Additionally, it will outline the short-term, medium-term, and long-term results, as well as any other relevant information needed to present the project to potential investors or funding bodies. The goal is to create a complete and compelling project proposal that is ready for submission to secure funding and drive successful implementation.

Any further task arising during the implementation of the assignment needs prior agreement between the Contractor and GIZ.

Certain milestones, as laid out in the table below, are to be achieved during the contract term. All deliverables are to be submitted in Armenian (language).

| Deliverables | | Expert days (up to) | Deadline |
|--------------------------|---|------------------------|-------------------|
| Preparatory phase | Pre-mission preparation, including collection of documents and other necessary information, desk review, agreements on the detailed work-plan | 3 | December 16, 2024 |
| Task 1 | Comprehensive needs assessment for each of the 16 communities | 64 | January 31, 2025 |
| Task 2 | Design of 10 investment portfolios | 40 | March 14, 2025 |
| | Design of 6 investment portfolios | 24 | May 20, 2025 |
| Task 3 | 10 project packages ready to be offered for investment funding | 40 | March 14, 2025 |
| | 6 project packages ready to be offered for investment funding | 24 | May 20, 2025 |
| Conclusion phase | Final report to GIZ | 3 | May 30, 2025 |
| Total | | up to 198 | |

Period of assignment: from December 2024 until May 2025.

The Contractor is obliged to perform the assignment based on this ToR while ensuring close contact and cooperation with GIZ throughout the implementation of the assignment. The Contractor is further required to submit all the deliverables to GIZ. Approval from GIZ is mandatory at each stage before moving on to the next level.

Please note that GIZ security regulations, concerning operations in some areas of Tavush and Gegharkunik, Vayots Dzor, and Syunik provinces, are based on the travel warning issued by the German Federal Foreign Office and will be provided upon request.

4. Concept

In the tender, the tenderer is required to show *how* the objectives defined in Chapter 2 (Tasks to be performed) are to be achieved, if applicable under consideration of further method-related requirements (technical-methodological concept). In addition, the tenderer must describe the project management system for service provision.

Note: The numbers in parentheses correspond to the lines of the technical assessment grid.

Technical-methodological concept

Strategy (1.1): The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1 Context) (1.1.1). Following this, the tenderer presents and justifies the explicit strategy with which it intends to provide the services for which it is responsible (see Chapter 2 Tasks to be performed) (1.1.2).

Processes (1.4): The tenderer is required to describe the key processes for the services for which it is responsible and create an operational plan or schedule (1.4.1) that describes how the services according to Chapter 2 (Tasks to be performed by the contractor) are to be provided.

5. Personnel concept

The tenderer is required to provide personnel (an expert pool consisting of 3-5 experts) who are suited to filling the positions described, on the basis of their CVs (see Chapter 6), the range of tasks involved and the required qualifications.

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

Team leader

Tasks of the team leader

- Pre-mission preparation of the project / Preparation phase
- Overall responsibility for the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ, partners and others involved in the project
- Personnel management, in particular identifying the need for short-term assignments within the available budget, as well as planning and steering assignments and supporting local and international short-term experts
- Regular reporting in accordance with deadlines

Qualifications of the team leader

- Education/training (2.1.1): university degree (Diploma/Master) in Economics or related fields
- Language (2.1.2): C2 proficiency level in Armenian; C1 proficiency level in English
- General professional experience (2.1.3): 10 years of professional experience in the private and public sectors
- Specific professional experience (2.1.4): 7 years in promoting economic development at local level, in collaboration with LSGs
- Leadership/management experience (2.1.5): 7 years of management/leadership experience as project team leader or manager in a public sector.

- Development cooperation experience (2.1.7): 5 years of experience of implementing donor-funded projects

Short-term expert pool (3-5 experts)

Tasks

- Comprehensive needs assessment for each of the 16 communities / Task 1
- Design of 16 investment portfolios / Task 2
- At least 16 project packages ready to be offered for investment funding / Task 3

Qualifications

- Education/training (2.6.1): University degree (Diploma/Master) in Economics or related fields
- General professional experience (2.6.3): 10 years of professional experience in promoting economic development
- Specific professional experience (2.6.4): 8 years of experience in supporting municipalities in developing LED-related strategic documents and capacity-building

6. Costing requirements

Specification of inputs

| Fee days | Comments |
|---|--|
| Fee of Experts | Expert fee(s), per working day and in total |
| Travel expenses | Comments |
| Overnight allowance in country of assignment | Accommodation is reimbursed by 5.000 AMD per night as a lump sum or upon provision of evidence. |
| Transport | Comments |
| Travel expenses (train, car) | Travelling by private car is reimbursed with 120 AMD per km as a lump sum or upon provision of evidence-based on the market price of transportation service. |
| Other costs | Comments |
| Other costs | Any other expenses essential for implementing the assignment, e.g., costs for materials. Evidence of these expenses must be submitted. |

7. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToRs. In particular, the detailed structure of the concept (Chapter 3) should be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in English (language).

The complete tender must not exceed 15 pages (excluding CVs and title page/ list of contents). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CV of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CV shall not exceed 4 pages. They must clearly show the position and job the proposed person held in the reference project and for how long. The CV shall also be submitted in English (language).

Please calculate your financial tender based exactly on the parameters specified in Chapter 5 Quantitative requirements. The contractor is not contractually entitled to use up the days, trips, workshops or budgets in full. The number of days, trips and workshops and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule. The financial proposal must be submitted separately from the technical proposal.

Appendix 1: List of partner communities

GGLD (10 partner municipalities): Masis, Abovyan, Ashtarak, Artik, Pambak, Yeghegnadzor, Khoy, Sisian, Hrazdan, Sevan

IMD (6 partner municipalities): Tashir, Akunq, Talin, Gavar, Martuni, Noyemberyan