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GIZ Armenia

Local Development Fund

CALL FOR PROPOSALS

Application deadline

25 March 2025, 17:00

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Introduction

Since 2021, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has been implementing the Local Development Fund (LDF), aimed at enhancing socio-economic development in Armenian regions, improving the capacities of local actors and promoting multi-stakeholder dialogue and cooperation at the local level. Since then, 47 projects have been completed or in progress in all marzes of Armenia, resulting in, among others, creation of 228 jobs and improved farming opportunities for 2,800 households.

In the framework of the LDF, commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), and co-financed by the European Union (EU) and the Swiss Agency for Development and Cooperation (SDC), GIZ is announcing a new call for proposals from Armenian municipalities, private sector organisations, civil society organisations and other interested stakeholders who meet the requirements, as set out in the next chapters. The LDF consists of four main funding lines, with unique focus and requirements (see chapter “Eligible areas for proposals and sector-specific requirements”):

1. Renewable energy and energy efficiency (RE/EE)
2. Municipal services
3. Local economic development (LED)
4. Women empowerment and inclusivity

The overall goal of the LDF is to **foster and enhance socio-economic development in communities** beyond the capital city. The specific objectives include:

- triggering cross-sectoral dialogue and collaboration among different local actors (such as municipalities, private sector representatives and CSOs),
- promoting ownership and pro-active participation as well as the ability to cooperate and compromise in shaping inclusive community development,
- cross-project collaboration, leveraging expertise from various sectors.

1. General requirements

- All projects must target **local communities and/or municipalities** beyond the capital city. Proposals must clearly demonstrate how the project aligns with the eligible areas of the LDF, defined in the next chapter and contributes to sustainable, inclusive local development.
- **Maximum four** applications may be submitted by one entity, and **maximum two** applications may be selected (**not more than 1 within the same funding line**).
- All projects must be **co-financed** by the recipient(s) by **at least 20%** of the amount received from the Fund.
- **In-kind contributions** (such as provision of land plot, building or machinery), though not counted as co-financing, strengthen the application and are considered an advantage.
- **Multi-stakeholder projects** (e.g. involving municipalities, inter-municipal unions, businesses or business associations, CSOs) are considered an advantage.
- **In case of joint projects** submitted by more than one stakeholder, each of the applicants must ensure co-financing of at least 20% of the amount received. E.g. if entity A received EUR 10,000 out of the total EUR 30,000, they must ensure co-financing in the amount of EUR 2,000 (20% of EUR 10,000), as a minimum.
- **Up to three** entities may become recipients of a financing arrangement with GIZ per application. The financing amount provided by GIZ per recipient shall constitute maximum **70% of the total financing amount**. E.g. in case a project submitted by two entities with a requested financing amount of EUR 30,000, neither of them should receive financing of more than EUR 21,000.
- In case of joint projects, **proposals may be submitted by one applying entity only** (lead applicant), accompanied by a written endorsement of the other(s): all parties assuming commitments must **co-sign** either the **application** and/or a **memorandum** either among all applicants or bilaterally with the lead applicant. The proposal must contain clear commitments per stakeholder.
- Initiatives targeting the needs of **vulnerable/marginalised groups**, including children, youth, women, the elderly, displaced individuals, persons with disabilities, etc., are highly valued. Special consideration will be given to projects addressing the unique challenges of individuals from diverse or disadvantaged backgrounds (e.g., displaced women with disabilities). Proposals promoting **gender equality and inclusivity** are explicitly encouraged, with the jury reserving at least one project per funding line focused on gender equality.
- All projects involving co-financing from a municipality must be **approved by the Local Council**. Subsequently, the selected projects must be reflected in the annual work plans and annual budgets of municipalities.
- The **Recipient** (in case of joint applications: the lead applicant) **bears full responsibility** for comprehensive implementation of the project, including the components funded by third parties, as well as the full reporting to GIZ.
- The Recipient shall **cover any additional costs** incurred during the project implementation due to inflation, currency exchange rate fluctuations or other reasons and ensure smooth completion of the project.

2. Eligible areas for proposals and sector-specific requirements

Proposals may be submitted in the following 4 areas and the specific sub-areas listed below:

1 Renewable Energy and Energy Efficiency

- Energy efficiency (EE) retrofit of public buildings, energy-efficient lighting and HVAC systems
- Renewable energy (RE) installations on public buildings
- RE/EE related to water supply and disposal infrastructure
- Energy efficient street lighting with use of renewable (solar) energy
- Any other EE/RE innovative approaches related to public infrastructure

2 Municipal services

- Agricultural services
- Waste management and sanitation
- Public transportation
- Pre-school and extracurricular education

3 Local economic development

- (Green and sustainable) Tourism Development
- Wine Production
- Textile Industry
- (Green) Technology Development

4 Women empowerment and inclusivity

- Provision of social services for vulnerable groups (especially those with disabilities)
- Support services for parents who have children with special needs
- Provision of special equipment for children with disabilities
- Inclusive community spaces (with a strong focus on families and children)

The sector-specific requirements are listed in the below table:

Funding line	Topics and general scope	Target Marzes (provinces)	Who can apply?	Amount of financing	Remarks
[1] Renewable energy and energy efficiency (RE/EE)	<ul style="list-style-type: none"> - Energy efficiency (EE) retrofit of public buildings (insulation of roofs, basements, replacement of doors/windows, etc.), energy-efficient lighting and heating, ventilation and air conditioning (HVAC) systems - Renewable energy (RE) installations (PV stations, solar water heaters) on public buildings - RE/EE related water supply and disposal - Energy efficient street lighting with use of renewable (solar) energy (replacement of light bulbs, luminaries, solar-powered lighting, etc.) - Any other EE/RE innovative approaches related to public infrastructure 	<ul style="list-style-type: none"> - Ararat - Armavir - Aragatsotn - Gegharkunik - Lori - Shirak - Syunik - Tavush 	<ul style="list-style-type: none"> - Municipalities (individually or in collaboration with other stakeholders: peer municipalities, CSOs, foundations, etc.) 	<p>EUR 50.000 - 60,000 (approx. 20 – 25 million AMD)</p> <p>Joint projects (e.g. two municipalities or municipality+CSO or other stakeholders): up to EUR 70,000 (approx. 29 million AMD)</p>	<p>All proposed projects must be directly related to RE and EE.</p> <p>Related infrastructural measures can be considered, such as roof renovation as part of a project on roof insulation or installation of roof top PV systems.</p> <p>Unrelated standalone infrastructural projects (e.g. renovation of water supply network) cannot be financed.</p> <p>Each application should include at least 2 objects of public infrastructure, including social infrastructure facilities (kindergartens, pre-schools and cultural facilities), other public buildings, street lighting and pumping systems for water supply and disposal.</p> <p>Each application should include at least 1 EE measure and 1 RE measure. Integrated projects (RE and EE measures on the same object) are encouraged.</p> <p>The applications should include the information on all relevant objects. Each object will be assessed individually, and the total final score will be calculated as an average of all individual assessments. Once pre-selected, the applicants will be requested to provide the conclusion on technical condition of the objects, based on which the final decision will be made.</p> <p>In total, 15 applications from 15 communities will be selected for award. The jury is entitled to apply a quota of at least 16 objects related to social infrastructure and at least 10 related to the water sector. Priority will be given to applications with objects located in remote / decentral / borderline and energy-poor settlements (no gas access, high elevation, long heating season, etc.)</p> <p>Only investment costs will be financed. Once the applications are selected, GIZ will support energy audit, adjustment and financial estimate of measures, support to defining technical specifications for EE and RE measures, monitoring and verification of implemented measures.</p>

Funding line	Topics and general scope	Target Marzes (provinces)	Who can apply?	Amount of financing	Remarks
[2] Municipal services	<ul style="list-style-type: none"> - Agricultural services - Waste management and sanitation - Public transportation - Pre-school and extracurricular education <p>Project activities could aim for/ address/ include the following areas/ activities (list not exhaustive):</p> <p>Agricultural Services</p> <ul style="list-style-type: none"> • Developing irrigation systems and water management infrastructure • Providing municipal support for organic farming and certification • Creating community seed banks or nurseries • Procurement of agricultural machinery • Establishing agricultural machinery rental services <p>Waste Management and Sanitation</p> <ul style="list-style-type: none"> • Implementing municipal composting facilities • Establishing a local recycling program and collection points • Building/improving community landfills compliant with environmental standards • Installing public sanitation facilities in central areas • Conducting awareness campaigns on waste reduction and recycling • Implementing social and behavioural change measures 	All Marzes	<ul style="list-style-type: none"> - Municipalities (individually or in collaboration with other stakeholders: peer municipalities, businesses, CSOs, foundations, etc.) 	<p>EUR 30,000 – 40,000 (approx. 12 – 16.5 million AMD)</p> <p>Joint projects (e.g. two municipalities or municipality+CSO): up to EUR 50,000 (approx. 20 million AMD)</p>	

Funding line	Topics and general scope	Target Marzes (provinces)	Who can apply?	Amount of financing	Remarks
	<p>Public Transportation</p> <ul style="list-style-type: none"> • Launching eco-friendly transportation services • Installing and upgrading bus stops and shelters • Creating pedestrian and cycling pathways • Developing an integrated transportation schedule and ticketing system • Enhancing accessibility for disabled persons in public transport <p>Pre-School and Extracurricular Education</p> <ul style="list-style-type: none"> • Establishing / renovating / furnishing preschool facilities. • Setting up community centers for extracurricular activities (e.g., STEM clubs, arts and crafts, sports). • Introducing mobile libraries or educational buses for remote areas 				
[3] Local economic development	<ul style="list-style-type: none"> - (Green and sustainable) Tourism development - Wine production - Textile industry - (Green) Technology Development <p>Project activities could aim for/ address/ include the following areas/ activities (list not exhaustive):</p> <ul style="list-style-type: none"> • promoting an enabling business environment and investment climate 	All Marzes	<ul style="list-style-type: none"> - Businesses - Business associations - Municipalities - CSOs (e.g. NGOs/ Foundations) - Consortia of the above actors 	<p>EUR 30,000 – 40,000 (approx. 12 – 16.5 million AMD)</p> <p>Joint projects (e.g. municipality-business, business-CSO, etc.): up to EUR 50,000 (approx. 20 million AMD)</p>	<p>Partnerships between private sector and municipalities are strongly encouraged.</p>

Funding line	Topics and general scope	Target Marzes (provinces)	Who can apply?	Amount of financing	Remarks
	<ul style="list-style-type: none"> enhancing networking for knowledge exchange and marketing opportunities for local entrepreneurship advocacy for private sector needs in local planning processes and mentoring among entrepreneurs increasing productivity and competitiveness addressing community needs and ensuring social impact improving skills and qualifications creating jobs and generating additional or alternative income promoting innovativeness and adapting innovative approaches fostering green transitions and digital transformations enhancing sector specific and cross-sector coordination and collaboration 				
[4] Women empowerment and inclusivity	<ul style="list-style-type: none"> Provision of social services for vulnerable groups (especially those with disabilities) Support services for parents who have children with special needs Provision of special equipment for children with disabilities Inclusive community spaces (with a strong focus on families and children) 	All Marzes	<ul style="list-style-type: none"> CSOs and municipalities (only joint initiatives) 	EUR 25,000 - 35,000 (approx. 10 – 14.5 million AMD)	Applications must clearly demonstrate how the project will contribute to inclusivity, the well-being of children (such as those with disabilities) and the support of women through innovative approaches.

3. Eligibility requirements and eligible costs

This call for proposals is open to resident organizations in Armenia. Only initiatives implemented outside Yerevan, in regions that contribute to sustainable and inclusive local development, will be considered. To promote collaboration among multiple stakeholders, joint applications are strongly encouraged.

Applicants must meet the **following minimum criteria** to be eligible for consideration:

- Align with the eligibility criteria of the respective funding line, as outlined above, including the legal status of the applicant(s).
- Be legally registered entities in the Republic of Armenia, with at least one year of registration prior to the call's launch.
- Not appear on a sanctions list of the United Nations and/or the EU or not be subject to any sanctions issued by the Federal Republic of Germany.

Additional requirements for joint applications:

- The lead applicant must be a registered organization in Armenia, partnering with at least one co-applicant.
- Proposals must clearly specify the budget allocation for each co-applicant, ensuring financial distribution aligns with their respective roles and responsibilities in the project's activities.

Eligible costs

The eligibility of costs under each Funding Line is determined by the specific topics, scope, and activities outlined for the respective measures. Any costs falling outside the defined topics and scope of a given Funding Line will be deemed ineligible.

Cost category	Municipalities	Private sector organisations	CSOs
Procurement of construction services	✓	✗	✗
Procurement of goods	✓	✓	✓
Training costs	✓	✓	✓
External expert costs and other external services	✓	✓	✓
Event costs (e.g. venue, catering)	✓	✓	✓
Travel costs (in justified cases based on GIZ rules)	✓	✓	✓
Staff costs (gross salaries, including social security charges, up to 25% of the total budget)	✗	✓	✓
Basic office rent, exclusive of ancillary costs	✗	✓	✓

Ineligible costs

- Indirect operational costs such as utilities, communications, supplies, other operational costs
- Credits to third parties
- Costs declared by the beneficiary(ies) and financed by another Donor
- Purchase of land or buildings
- Currency exchange losses
- Costs for actions implemented before the start or after the expiry of implementation period as stipulated in the contract

4. How to apply

Instructions for Applicants

Interested applicants are strongly encouraged to review this Call for Proposals thoroughly before preparing and submitting their applications. Late submissions or incomplete applications may result in the rejection of proposals.

Application Requirements

Proposals must be developed using the official application template provided in Annex 1 of the respective Funding Line package.

In case of municipalities, applications must be endorsed by the Local Council. A suggested template for the Local Council decision is available in the corresponding package¹.

The application package must include the following documents:

- **Complete application form** (Annex 1)
- **Project budget** (Annex 2)
- **Extract from the Local Council (Avagani) decision** (Annex 4 – only for municipalities)
- **State registration certificate** (of all applying organisations, in case of joint applications; extracts from the state e-registry must be issued within the last 6 months)
- **Photos of the proposed project site** (mandatory for Funding Line 1: RE/EE, optional but recommended for other cases, if applicable)
- **Detailed questionnaire on the technical characteristics of proposed objects** (Annex 6 – only applicable to funding line 1)
- **Further documents**, relevant for the proposed project (e.g. real estate ownership certificate, minutes of public hearings, memorandums, letters of support, cooperation and co-financing agreements, etc.)

Failure to provide a complete application package with all required information and documents by the specified deadline may result in the proposal being rejected.

Submission Details

Applications must be submitted in Armenian to LDF-Armenia@giz.de. The subject line shall contain “LDF application 1/2/3/4 (depending on the Funding Line): name of the applicant organisation”.

Any questions regarding the application process can also be sent to this email address.

Application deadline: 25 March 2025, 17:00.

5. Evaluation and selection of applications

The evaluation process will begin with an **administrative review** conducted by the GIZ team. This review will assess the completeness of the applications, compliance with eligibility criteria, and

¹ If at the time of the application, the Local Council is not formed yet, the municipality may submit the remaining documents within the deadline and additionally send the Local Council decision latest by the date of final evaluation of applications. In such cases, the municipality should inform GIZ when submitting the application.

adherence to the general requirements outlined above. Applications that fail to meet one or more key requirements – such as eligibility criteria, minimum co-financing, or alignment with the LDF topics – **will not proceed to further evaluation**.

The assessment of applications will be conducted by a **professional jury** using the **assessment grids** provided for each funding line (Annex 3). The jury may also conduct **site visits** for shortlisted projects to evaluate the plausibility of the application and on-site feasibility of the proposed project.

The assessment grids operate on a 1,000-point scale, with each criterion scored from 1 (lowest) to 10 (highest) and weighted accordingly. Projects must achieve a **minimum score of 500 points** to be eligible for financing. However, meeting this threshold does not guarantee funding. The selection process is competitive and depends on the **availability of funds**. If the number of eligible projects exceeds the funding capacity, projects with the highest scores will be prioritized for financing.

6. Financial arrangements

Selected applicants will be notified and proceed with preparations for contract signing. Depending on the capacities and experience of the selected applicants, different financing modalities may be applied.

In general, funds will be disbursed as advance payments, aligned with the recipients' requirements. GIZ will transfer these payments to dedicated special bank accounts, and all project-related transactions must be conducted through these accounts (for municipalities, extrabudgetary accounts are required).

Subsequent advance payments can only be requested after the settlement of the previous payment. Following the initial disbursement, requests for further payments must be accompanied by a financial report demonstrating the use of the previous funds. This report must include supporting documentation such as invoices, contracts, original bank statements, and other required documents in compliance with GIZ regulations.

All financial and narrative reports must be prepared in English or accompanied by English translations.

Special provisions for Funding Line 1 (RE/EE): for projects under Funding Line 1 (Renewable Energy and Energy Efficiency), GIZ intends to engage a specialized organization in EE/RE, which will conduct energy audits for objects in (pre)selected applications, assist in refining project proposals and their implementation through sub-grants to the selected applicants, as well as oversee verification and monitoring of the implemented measures. Sub-grants for selected applicants will be provided through this specialized organization in accordance with GIZ regulations.

N.B. Projects must be designed to ensure that the recipient's own financial contribution is fully disbursed and reported within the project timeline. The final payment from GIZ will only be released upon the provision of evidence, including payment documents and a financial report, confirming that the recipient's contribution has been utilized in full, as stipulated in the contract.

7. Project implementation and monitoring

Following contract signature, recipients must commence project implementation according to the timeline and milestones outlined in the contract.

The maximum implementation period for projects is **one year**, with a tentative start in June 2025. For municipalities, however, some projects must be completed by November 2025. All payments for expenses incurred during the contract period must be finalized by the contract's end date. Any costs incurred or paid outside this timeframe will not be eligible for financing under the LDF.

Throughout and after the implementation period, recipients must be prepared to provide data and information regarding progress, results, and challenges encountered. GIZ and its donors reserve the right to conduct field visits to project sites for monitoring purposes within three years following project completion.

8. Timeline

End of January 2025	Announcement of the call for proposals
February-March 2025	Information sessions for interested applicants
March 25, 2025	Deadline for applications
End of March 2025	Administrative check, incl. eligibility check
April 2025	Jury assessment and site visits
May 2025	<ul style="list-style-type: none">- Commercial and legal eligibility check of pre-selected applicants- Revision of applications, if and as necessary
End of May 2025	Final selection and announcement of results
June 2025	<ul style="list-style-type: none">- Incorporation into municipal AWPs and budgets (if applicable)- Kick-off meeting with selected applicants to introduce contract regulations and other implementation provisions
June-July 2025	<p>Contracting</p> <p><i>Funding line 1 unique feature: after having the jury assessment and prior to start of the implementation energy audits must be conducted to confirm the technical feasibility of the measure, to specify the scale of the measure and required investment.</i></p>
Starting from July 2025	Implementation (deadline to be determined upon selection of project)
Throughout implementation and up to 3 years after	M&E (including site visits, before and after analysis, data collection)

9. Annexes

Annex 1: Application Template

Annex 2: Budget Template

Annex 3: Assessment Grid

Annex 4: Local Council Decision Template (only relevant for municipalities)

Annex 5: SDG database

Annex 6: Questionnaire on the technical characteristics of proposed objects (only relevant for funding line 1: Renewable Energy / Energy Efficiency)