

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

Development of draft laws and justifications based on the comprehensive analysis of LSG-related national legislation

**Project number/
cost centre:**

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0. List of abbreviations

IMD	Integrated Municipal Development in Armenia
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
BMZ	German Federal Ministry for Economic Cooperation and Develop
SDC	Swiss Agency for Development and Cooperation
GoA	Government of Armenia
MTAI	Ministry of Territorial Administration and Infrastructure of the Republic of Armenia
LSG	Local Self-Government Bodies
ToRs	Terms of Reference
TARA	Territorial and Administrative Reform of Armenia

1. Context

The “Integrated Municipal Development in Armenia” (IMD) project aims to enhance the efficiency, effectiveness, and citizen orientation of local self-governments. By advising and supporting partner organizations, the project seeks to improve the framework for local development while closely collaborating with selected municipalities known as transformation partners. These efforts focus on implementing reforms to enhance service quality and accessibility, foster local economic growth, optimize local self-governance and empower citizens in municipal decision-making. Throughout the project duration from April 2024 to March 2027, success stories and lessons learned from transformation partners will be shared through various exchange platforms, ensuring the replication of successful models for integrated municipal development across Armenian local self-governments.

The project is implemented by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and in partnership with the Ministry of Territorial Administration and Infrastructure (MTAI).

Background

The Republic of Armenia has been engaged in a significant transformation of its local self-government (LSG) system, which is a key element of the Government’s broader strategy to modernize governance, strengthen local institutions, and improve public service delivery. Historically, local self-governance in Armenia faced considerable challenges due to the fragmentation of its 915 municipalities, which varied greatly in size and capacity. Many municipalities struggled to deliver services effectively and manage resources efficiently. In response, the Government of Armenia (GoA) launched the Territorial and Administrative Reform of Armenia (TARA) in 2015. TARA aimed to consolidate smaller, less efficient municipalities into larger, more viable administrative units that could better meet the needs of their citizens.

By late 2022, TARA had successfully reduced the number of municipalities from 915 to 71, with 64 consolidated and 7 remaining as independent entities. This restructuring has been vital in improving the capacity of local governments to plan, manage, and deliver essential services. However, the structural changes alone were not sufficient to address the broader challenges of local governance. A comprehensive legal and regulatory framework was required to support these new arrangements and ensure their long-term sustainability and effectiveness.

In pursuit of stronger local governance, the Armenian Government, with support from international partners, has undertaken an extensive review of its legal framework governing local self-government. A critical component of this effort has been a thorough analysis of 304 national laws that impact local governance. Conducted in partnership with GIZ, this analysis revealed over 1,283 legal norms that required reassessment due to inconsistencies, regulatory overlaps, and gaps that hindered the efficiency of local governance. These findings provided the foundation for amendments to 60 laws across 14 key sectors, aiming to streamline regulations, resolve contradictions, and ensure that municipalities operate within a coherent and supportive legal environment.

Following these initial efforts, the Government has continued to prioritize legislative improvements as part of its broader governance modernization agenda. The focus has now

shifted toward amending an additional set of laws that are critical to enhancing the effectiveness of local governance structures. These amendments are intended to improve legal clarity, remove redundant regulations, and strengthen the ability of municipalities to perform their functions efficiently.

This new legislative initiative involves drafting amendments to a series of specific laws. Key areas targeted for reform include local fees and charges, budgetary systems, community and public services, public and constitutional institutions, property management and taxation, environmental protection and public health, as well as civil, corporate, and administrative laws.

These amendments aim to address the challenges identified during the legal reviews, including inconsistencies and gaps that hinder effective governance at the local level. By modernizing these laws, the Armenian Government seeks to create a more coherent, transparent, and accountable legislative environment that supports robust local governance. The proposed changes will enable municipalities to better manage their responsibilities and deliver services more effectively, fostering an environment that meets the needs of the Armenian public.

Additionally, this legislative effort will contribute to the development of a new edition of the Law on Local Self-Government. This is essential for ensuring that the proposed amendments are consistent with the broader legal framework governing local governance in Armenia. Aligning the new legal framework with international standards and best practices will further solidify Armenia's commitment to transparency, accountability, and enhanced public participation in local governance.

The results of the legal analysis will be provided to the contractor to inform and guide the development of the legislative amendments.

This new legislative initiative will focus on amending specific laws, which include:

1. Law on Local Fees and Charges
2. Law on the Budgetary System of the Republic of Armenia
3. Law on Architectural Activities
4. Law on Community Service
5. Law on Public Service
6. Law on the Constitutional Court
7. Law on the Human Rights Defender
8. Law on the Audit Chamber
9. Law on the Organization and Conduct of Inspections
10. Law on Administrative Territorial Division
11. Law on Environmental Fees
12. Law on Public and Individual Notification via the Internet
13. Law on Management of Multi-Apartment Buildings
14. Law on Condominiums
15. Law on Alienation of Property for Public Interest
16. Law on Financial Equalization
17. Law on National Minorities
18. Law on the Rights of Persons with Disabilities
19. Law on Joint-Stock Companies
20. Law on Limited Liability Companies
21. Law on Foundations
22. Law on Non-Governmental Organizations

23. Law on Copyright and Related Rights
24. Law on the Whistleblowing System
25. Law on the Rights of the Child
26. Law on State Non-Commercial Organizations
27. Law on Public Auctions
28. Law on Community Administrative Institutions
29. Law on Unregistered Private Residential Buildings
30. Law on Geographical Names
31. Law on Environmental Impact Assessment
32. Law on Environmental Control
33. Law on Cemeteries and Burials
34. Law on the Social Protection of Orphans
35. Law on Compulsory Execution of Judicial Acts
36. Law on the Protection of Historical and Cultural Monuments
37. Law on Children's and Youth Sports
38. Law on the Fundamentals of Administration and Administrative Proceedings
39. Law on Civil Status Acts
40. Law on Intellectual Property
41. Law on Real Estate Valuation
42. Law on Holidays and Memorial Days
43. Law on Road Traffic Safety
44. Law on Governance Legal Relations
45. Law on Public-Private Partnerships
46. Law on State Property Management
47. Law on the Commission for the Prevention of Corruption
48. Law on Refugees and Asylum
49. Law on the Prosecutor's Office
50. Law on Support for Public Officials
51. Law on Geographical Indications
52. Law on Employment
53. Law on Charity
54. Law on Personal Data Protection
55. Law on Border Regions

2. Tasks to be performed by the contractor

The contractor is responsible for providing the following services:

Task 1: Development of the First 25 Law Drafts

- Prepare draft amendments for the first set of 25 laws from the above list, incorporating the necessary changes and additions.
- Provide comprehensive justifications for each draft, detailing the rationale behind the proposed amendments and the need for their adoption.
- Ensure that each draft aligns with the overall objectives of the legislative review and supports the goals of decentralization and improved local governance, structuring each draft to address the challenges identified in the previous legal reviews.

Task 2: Presentation and Review of the First 25 Law Drafts

- Present the drafted amendments to the MTAI and GIZ.

- Conduct a thorough review session, incorporating feedback and comments provided by MTAI and GIZ.
- Revise and refine the drafts based on the feedback, ensuring that the changes meet the expectations and requirements of all stakeholders.
- Finalize the revised drafts and submit the finalized versions.

Task 3: Development of the Last 30 Law Drafts

- Prepare draft amendments for the remaining 30 laws from the above list, ensuring a consistent approach to changes and additions.
- Develop detailed justifications for each of these drafts, outlining the necessity for their adoption and the benefits they offer to the legislative framework.
- Ensure that each draft aligns with the overall objectives of the legislative review and supports the goals of decentralization and improved local governance, structuring each draft to address the challenges identified in the previous legal reviews.

Task 4: Presentation and Review of the Last 30 Law Drafts

- Present the drafted amendments to the MTAI and GIZ.
- Conduct a thorough review session, incorporating feedback and comments provided by MTAI and GIZ.
- Revise and refine the drafts based on the feedback, ensuring that the changes meet the expectations and requirements of all stakeholders.
- Finalize the revised drafts and submit the finalized versions.

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

Certain milestones, as laid out in the table below, are to be achieved during the contract term:

Tasks/ Deliverables		Expert days (up to)	Duration/ Deadline
Task 1	Development of the first 25 law drafts with the justifications for the adoption.	75	10.04.2025
Task 2	Presentation of the drafts of the laws to the MTAI and GIZ and based on the provided comments revise and finalize the packages. Submission of the final documents.	4	17.04.2025

Task 3	Development of the last 30 law drafts with the justifications for the adoption.	90	04.09.2025
Task 4	Presentation of the drafts of the laws to the MTAI and GIZ and based on the provided comments revise and finalize the packages. Submission of the final documents.	4	15.09.2025
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Period of assignment: from December 2024 until September 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, Ararat and Syunik provinces, are based on the travel warning issued by the German Federal Foreign Office and will be provided upon request.

3. 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.

Technical-methodological concept

Interpretation of objectives (1.1.1): The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender. Following this, the tenderer presents and justifies the explicit interpretation with which it intends to provide the services for which it is responsible.

Strategy (1.1.2): The strategy should outline a structured approach for drafting amendments, analyzing laws, addressing identified challenges, and engaging with stakeholders. Emphasis will be placed on practical solutions and alignment with governance objectives, demonstrating an understanding of the project's goals and effective stakeholder collaboration.

Work schedule and time schedule (1.1.4): The tenderer is required to describe the key processes for the services for which it is responsible and create a **work schedule** that describes how the services according to **Chapter 2** (Tasks to be performed by the contractor) are to be provided. In particular, the tenderer is required to describe the necessary work steps and present time schedule.

4. Personnel concept

The tenderer is required to provide personnel 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 (2.1)

Tasks of the team leader

- 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

- (2.1.1) Academic degree in Law, Public Policy, Political Science, or related fields.
- (2.1.3) 7 years of experience in local governance, public policy, or relevant sectors.
- (2.1.4) 7 years of experience addressing policy issues in local governance, with strong analytical, problem-solving, and communication skills to engage stakeholders effectively and support legislative reform.
- (2.1.5) 5 years of management/leadership experience as project team leader or manager in a company.

Short-term expert pool with minimum 2, maximum 3 members (2.6)

For the technical assessment, an average of the qualifications of all specified members of the expert pool is calculated. Please send a CV for each pool member (see below Chapter 7 Requirements on the format of the bid) for the assessment.

Tasks of the short-term pool

- Draft amendments based on the sector-specific legal reviews, addressing identified gaps and inconsistencies in local governance laws.
- Prepare justifications and impact assessments for proposed changes.
- Collaborate with stakeholders to refine drafts, integrating feedback to ensure alignment with project goals and sector-specific findings.

Qualifications of the short-term expert pool

- (2.6.1) Academic degree in relevant fields such as Law, with a specialization in constitutional law, local governance, or public law.

- (2.6.3) 7 years of experience in local governance, public policy, or relevant sectors.
- (2.6.4) 5 years of experience in assessing and drafting legislative acts regulating the sphere of local governance.

5. Costing requirements

Assignment of personnel and travel expenses

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.

6. Requirements on the format of the tender

The structure of the technical proposal must correspond to the structure of the ToRs. In particular, the detailed structure of the concept (Chapter 3) should be organized 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 or Armenian (language).

The complete tender must **not exceed 20 pages** (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. The information about the bidder must **not exceed 2 pages**. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the requirements specified in the ToR. The CVs shall **not exceed 10 pages** each. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs must also be submitted in the same language as the technical proposal.

Please calculate your financial proposal based exactly on the parameters specified in Chapter 5 costing requirements. The contractor is not contractually entitled to use up the days,

trips or budgets in full. The number of days, trips 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.**