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<b>Development of the Draft Law on Inter-Community Cooperation in Armenia</b>	<b>Project number/ cost centre:</b>
	<b>23.2131.3-005.00</b>

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## 0. List of abbreviations

IMD	Integrated Municipal Development
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
BMZ	German Federal Ministry for Economic Cooperation and Development
SDC	Swiss Agency for Development and Cooperation
MTAI	Ministry of Territorial Administration and Infrastructure of the Republic of Armenia
LSG	Local self-government
ICC	Inter-community cooperation

## 1. Context

### 1. Brief information on the project

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, optimise 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 is co-financed by the Swiss Agency for Development and Cooperation (SDC). It is carried out in close cooperation with the Ministry of Territorial Administration and Infrastructure (MTAI) as the main political partner.

## 2. Background Information

Over the past decade, Armenia has undertaken a series of comprehensive territorial and governance reforms aimed at strengthening the local self-government (LSG) system. At the heart of these reforms has been the consolidation of municipalities, reducing their number from 915 in 2015 to 71 by 2022. This major restructuring effort, while politically and administratively demanding, has produced notable results: community-generated revenues have more than doubled, and capital transfers from the state budget have grown over thirtyfold. These financial gains have enabled improved infrastructure investments and enhanced service delivery across Armenia's regions.

Yet, while consolidation has created a new generation of larger and more administratively capable municipalities, it has also exposed significant gaps in inter-community coordination and the capacity of local governments to address cross-boundary development needs. Many municipalities—especially those in rural, mountainous, or border areas—continue to face challenges in delivering specialized services or initiating larger-scale development projects due to limited financial resources, underdeveloped institutional structures, and lack of access to skilled personnel.

In this context, **inter-community cooperation (ICC)** has emerged as a strategic policy tool for achieving more equitable and efficient local development. ICC allows municipalities to pool resources, jointly implement projects, and collaborate on shared challenges such as infrastructure development, waste management, education, water supply, and emergency response. When supported by a clear and enabling legal framework, ICC also promotes economies of scale, cost-effectiveness, professionalization of municipal functions, and improved strategic planning. International experience—particularly from countries such as Germany, France, Finland, and the Netherlands—demonstrates that robust legal and institutional mechanisms for ICC are key to balanced territorial development and strengthened local governance.

In Armenia, however, the legal basis for ICC remains weak. The current Law on Inter-Community Unions, adopted in 2018, has proven ineffective in practice. Despite being formally available, this mechanism has not led to the establishment of any official unions. Local governments report various legal and institutional obstacles, including vague procedures, lack of delegated functions, limited financial incentives, and insufficient regulatory clarity. While some informal or donor-driven cooperation efforts exist, they remain fragmented, short-lived, and legally insecure.

In recognition of these constraints—and in line with Armenia's broader decentralization strategy—the MTAI, with support from the international partners, has prioritized the development of a new legal framework. The aim is to replace the current law with a modern and comprehensive **Law on Inter-Community Cooperation** that reflects both international good practices and Armenia's institutional realities. Rather than focusing solely on inter-community unions, the new law will offer a diverse menu of legally equal cooperation models, including unions, consortia, joint legal entities (both commercial and non-commercial), service contracts, etc.

This legal reform is informed by a 2024–2025 in-depth legal and comparative analysis of ICC practices, which examined both national legislation and advanced European models. The findings of this study identified specific legal gaps and implementation barriers in Armenia while also highlighting adaptable elements from successful international systems. These insights now provide the foundation for drafting a coherent, flexible, and practically applicable legal framework for ICC.

To ensure legal quality and alignment with Armenia's constitutional and legislative architecture, the law will be drafted through a phased and participatory process. The assignment will begin with the preparation of a conceptual framework and continue with the development of individual chapters covering general provisions, cooperation types, financing, governance, and oversight. All cooperation models will be treated with equal legal status. The draft law will also include final and transitional provisions, along with a set of complementary legal amendments to ensure harmonization with related legal acts such as the Law on Local Self-Government, the Civil Code, the Budget Code, and sectoral legislation.

Throughout the drafting process, the contractor will work in close coordination with MTAI and relevant stakeholders. Consultations will be organized to ensure the law reflects the practical needs of municipalities across Armenia. A justification report will accompany the final draft, explaining its rationale, expected impact, and alignment with international obligations and strategic policy goals.

The new Law on Inter-Community Cooperation is expected to become a foundational instrument for strengthening Armenia's local governance system. By facilitating structured cooperation, enabling resource-sharing, and promoting joint service delivery, the law will support inclusive development, reduce territorial disparities, and empower communities to meet shared challenges more effectively.

## 2. Tasks to be performed by the contractor

The contractor is responsible for providing the following services:

## **Task 1: Development of the Conceptual Framework for the New Law**

The contractor shall prepare a comprehensive concept paper that articulates the rationale, guiding principles, and proposed structure of the new law. This document will serve as the foundation for legal drafting and be submitted for review and endorsement by the MTAI.

## **Task 2: Drafting Chapter 1 – General Provisions**

This chapter will define the scope, objectives, principles, and key definitions underpinning inter-community cooperation in Armenia.

## **Task 3: Drafting Chapters on Types of Inter-Community Cooperation**

The contractor will draft separate chapters for each form of cooperation recognized under the new law. All forms are to be treated with equal legal standing, avoiding hierarchy or prioritization: Inter-Community Unions, Consortia-Based Cooperation, Joint Non-Commercial and Commercial Entities, Service Delivery Contracts, etc. The contractor shall also ensure the law allows for other potential or hybrid forms of cooperation, provided they align with constitutional principles and legal standards.

## **Task 4: Drafting Thematic Chapters on Governance, Financing, Decision-Making, and Oversight**

The contractor will develop the following cross-cutting chapters applicable to all cooperation types: financing of Inter-Community Cooperation, adoption of legal acts and internal decisions, oversight and accountability mechanisms.

## **Task 5: Drafting Final and Transitional Provisions, and Related Legal Amendments**

The contractor will draft the final and transitional provisions, including a force majeure clause, and prepare related legal amendments to align the new law with existing legislation.

## **Task 6: Public Consultations, Feedback Integration, and Final Revisions**

The contractor will:

- Support public presentations and consultations on the draft law in cooperation with MTAI
- Collect and analyze feedback from local governments, civil society, and other relevant stakeholders
- Revise the draft law based on the feedback received
- Prepare a Summary Report on Stakeholder Consultations and Revised Draft
- Prepare a Justification Report Accompanying the Draft Law, outlining the legal rationale, reform context, and incorporated changes.

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

Tasks	Milestones/process steps/partial services	Expert days (up to)
Task 1.	Concept Note on the Legal Framework	30

Task 2.	Draft of Chapter 1: General Provisions	20
Task 3.	Draft Chapters on All Forms of Inter-Community Cooperation (6 chapters)	120
Task 4.	Thematic Legal Chapters (Financing, Decision-Making, Oversight)	45
Task 5.	Final and Transitional Provisions	15
Task 6*.	Draft Package of Related Legal Amendments	30
	Public Consultations and Draft Revision	20
	Justification Report Accompanying the Draft Law	15
<b>SUM</b>		<b>295</b>

\* Expert preparation and participation in stakeholder consultations are covered under the expert-days allocated to Task 6. No additional expert-days or logistical inputs (e.g. venue, catering, or travel) are foreseen for these activities.

Period of assignment: from June 2025 until Dec. 2026.

### 3. Concept

#### 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).

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. In particular, the tenderer is required to describe the necessary work steps.

#### Further requirements (1.7)

### 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.

#### Team leader (2.1)

##### Tasks of the team leader/expert

- 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/expert

- Education/training (2.1.1): Academic degree in Law, Public Administration, Governance, Political Science, or related fields.
- General professional experience (2.1.3): 15 years of professional experience in public sector governance, administrative law, or local self-government, with a proven track record of long-term engagement in local governance reforms.  
Specific professional experience (2.1.4): 10 years of experience in legal drafting and advisory work related to decentralization, municipal governance, or inter-municipal cooperation. The expert must demonstrate substantial involvement in Armenia's local governance reforms, including verifiable contributions to key legislation, legal frameworks, reform strategies over the past 10 years.

### **Key expert 1 (2.2)**

#### Tasks of expert 1

- Support the Team Leader in the drafting of the new Law on Inter-Community Cooperation and related legal amendments.
- Conduct legal research, gap analysis, and review of the Armenian legal framework relevant to inter-community cooperation.
- Draft selected chapters of the law and provide written legal justifications.
- Ensure compliance of proposed legal text with Armenia's Constitution, the European Charter of Local Self-Government, and relevant codes.
- Participate in stakeholder workshops, consultations, and review sessions.
- Provide input to explanatory materials and public consultation summaries.

#### Qualifications of expert 1

- Education/training (2.2.1): University degree in Law, with specialization in constitutional, administrative, or municipal law.
- General professional experience (2.2.3): 7 years of professional experience in legal analysis, legislation drafting, or public law.
- Specific professional experience (2.2.4): 5 years of direct involvement in legal drafting or legislative advisory work related to local self-government, decentralization, or inter-municipal cooperation with demonstrated expertise in Armenia's local governance legal framework and active engagement in key national reform processes and legislation over the past decade.

#### Soft skills of team members

In addition to their specialist qualifications, the following qualifications are required of team members:

- Team skills
- Initiative
- Communication skills
- Socio-cultural skills
- Efficient, partner- and client-focused working methods
- Interdisciplinary thinking

The tenderer must provide a clear overview of all proposed short-term experts and their individual qualifications.

## 5. Costing requirements

Specification of inputs

Fee days	Comments
<b>Fees of TL/key expert/short-term expert pool</b>	Expert fee(s), per working day and in total
Team leader and Expert 1	<b>Total: 295 working days</b>

## 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 (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 can also be submitted in English (language).

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.**