TOR for Short Term Service Delivery Assignment   giz

Project: **Good Governance for Local Development South Caucasus**

PN: **19.2204.6-002.00**

Activity: **Review and Analysis of Territorial and Administrative Reform in Armenia (TARA): Benefits, Effects, and Promises for Future Reforms**

Period: **01.11.2023 - 30.08.2024**

1.   Information on the Programme

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, Georgia, and Azerbaijan 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 the municipal level. In the context of the German international cooperation approach, the Programme's objectives are oriented within the framework of the Caucasus Initiative; thus, the improved professional exchange among the countries of the South Caucasus and their increasing cooperation are also objectives at the regional South Caucasus 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 Governance and Climate Change Program of 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 on the Activity

In 2015, Armenia faced a highly fragmented municipal landscape with 915 municipalities varying significantly in population size and capacities. The existing territorial and administrative division, coupled with limited decentralization, posed significant challenges to local governance, efficient service provision, and optimal utilization of financial resources. Many municipalities struggled to fulfil their functions effectively, including raising sufficient revenues, maintaining public infrastructure, delivering essential services, and supporting sustainable social and economic development.

To address these challenges, the Government of the Republic of Armenia initiated a large-scale structural change process known as the Territorial and Administrative Reform in Armenia (TARA). The primary objective of TARA was to drastically reduce the number of individual communities and optimize the country's system of multi-level governance.

TARA's overarching goal is to establish favourable framework conditions for local self-government and build viable structures at the local level, enabling functional and responsive local governments. The reform involved a renewed policy approach to municipal planning, governance, management, human resources, local economic development, and resource

allocation within the governance system. As of the end of 2022, TARA resulted in a new territorial-administrative division, featuring 71 municipalities (64 of which are consolidated, and 7 single municipalities).

In conjunction with TARA, the government implemented various fiscal policy reforms to enhance consistency, effectiveness, and transparency, emphasizing the impact of policies and spending.

The introduction of proportional representation for local self-government bodies (council) and indirect representation for the mayor, along with the current territorial and administrative structure of the state, laid the foundation for further reforms.

Considering the significance of TARA's community consolidation process and changes to the local governments' election system, it is imperative to conduct a comprehensive review and analysis of its benefits, financial and administration effects, success stories, and promises for future reforms. Evaluating the outcomes and understanding the potential for future improvements will contribute to the sustainability and effectiveness of TARA and related local governance and service provision policies in Armenia.

3. Objective

The objective of this assignment is to conduct a comprehensive review and analysis of TARA to assess its results and impact on Local Self-Government Bodies (LSGs), financial effects, and promises for future reforms, with the aim of informing future policy decisions, improving local governance, and enhancing service provision in Armenia.

4. Tasks and Deliverables

The following **tasks** are expected to be fulfilled in the context of this assignment:

Task 1: Methodology development, data collection, and preliminary analysis

- **Define the scope of the review and analysis**, considering:
  - geographical, sectoral, and population coverage (will be discussed with and confirmed by the MTAI),
  - evaluation of the activity and effectiveness of community leaders, and administrative heads of settlements.
- **Formulate separate research plans**, to:
  - identify key research questions, such as how strategic planning of community development has progressed post-TARA, the budget process's effectiveness, and residents' role and impact on services provided, etc.
- **Develop a comprehensive methodology** for:
  - analyzing the impact of TARA on LSGs, highlighting areas such as financial management practices, including assessment of tax administration, asset management, and financial autonomy,

- assessing service delivery, including service availability, coverage, quality, and residents' impact on the services provided,
- assessing the capacities (human/financial) of municipal administrations and their contribution to local economic development,
- understanding the compliance and enforcement of public participation legislation by local governments,
- evaluating the effectiveness of leadership and management practices at the local level and their evolution post-TARA,
- assessing the impact of TARA on the strategic planning capabilities of LSGs and the alignment of local strategies with broader development goals,
- analyzing the enhancement of gender representation and social inclusion in local governance and policymaking,
- exploring the role of local entrepreneurship and community initiatives in local economic development,
- considering the influence of external factors, such as economic conditions, demographic changes, and technological advancements, on the outcomes of TARA.
- **Identify relevant stakeholders, beneficiaries, experts, and databases as sources of information** that:
  - can provide insights on leadership and management activities, financial management practices, public service delivery, and public participation.
- **Develop data collection instruments**:
  - create interview guides that address specific aspects such as the activity and effectiveness of community leaders, administrative heads of settlements,
  - formulate focus group discussion guides that can discuss the community's perspective on public participation, including transparency and accountability of local governments and municipal activities,
  - design document review checklists to ensure evaluation of strategic planning documents, including the 5-year development plan, annual work plans (AWP), Medium-Term Public Expenditure Framework (MTEF), annual budget, etc.
- **Conduct data collection using appropriate methods and techniques**:
  - ensure sampling includes representatives who can provide insights on areas like leadership, financial management, service delivery, and public participation,
  - ensure structured interviews, open-ended questions, and secondary data analysis.
- **Analyze the collected data**:
  - utilize statistical methods to evaluate quantitative metrics related to financial management and service delivery,
  - use qualitative methods to interpret feedback on leadership, management, and public participation.

Task 2: Comprehensive analysis of the impacts of TARA on LSGs in Armenia

- **Leadership and management analysis**:

- - evaluate the activity and effectiveness of community leaders, municipality staff, and administrative heads of settlements,
  - assess the impact of community consolidation on the overall resilience of communities, focusing on border regions,
  - evaluate the impact of TARA on human resources, examining recruitment practices, training of staff, the effectiveness of management and governance structures, and the capability to attract high-quality staff.
- **Strategic planning and development**:
  - evaluate the planning capacities of municipal staff before and after consolidation,
  - analyze strategic planning in community development, including the 5-year development plan, AWP, MTEF, annual budget, etc.
- **Financial management assessment**:
  - conduct a comparative financial analysis of budgets pre and post-consolidation to determine the financial effectiveness of TARA,
  - examine the accountability and processes of budgeting,
  - review the efficacy of tax administration, community asset management, and financial independence of communities.
- **Service delivery evaluation:**
  - assess the range, quality, administration, and planning of services provided by the community,
  - investigate the effects of TARA on changes in service provision, covering administrative and sectoral services, infrastructure development, and specific municipal needs,
  - evaluate the usage and impact of the Municipal Management Information System (MMIS) in enhancing service delivery and administrative efficiency,
  - study the role and influence of residents on the services provided.
- **Local economic development analysis**
  - analyze the level of LED in different communities, taking into account the role of LSGs in promoting LED, economic growth, attracting investments, and supporting entrepreneurship,
  - assess the role of LSGs in promoting LED, economic growth, attracting investments, and supporting entrepreneurship.
- **Public participation and engagement study:**
  - examine how public participation legislation is enforced by local governments,
  - study the depth of citizens' participation in the decision-making of the local self-government bodies,
  - evaluate local government activity for transparency, accountability, and integrity, with a focus on the inclusion of women, youth, and vulnerable groups,
  - review communication actions ensuring effective citizen engagement,
- **Comparative analysis:**
  - identify and discuss similarities and differences in the performance and outcomes of LSGs, considering the implementation of TARA initiatives,
  - perform a comparative analysis of local self-governments in Armenia, focusing on the impacts of TARA (on different marzes, rural vs. urban, big vs. small, rich vs.

poor (say per capita budget size) consolidated vs. non-consolidated, border vs. non-border, close to center vs. far from Yerevan, early consolidated vs. newly consolidated, rayon model vs. other and else depending on the subject matter, and more),

- assess the impact of community consolidation on the overall resilience of communities, focusing on border marzes, and discuss similar experiences in other countries.

- **Synthesize findings:**
  - compile and organize findings from each sub-task, ensuring both qualitative and quantitative results are highlighted,
  - formulate preliminary recommendations derived from the findings to inform future policy and practice directions.

Task 3: Compilation and presentation of findings, insights, and recommendations

- **Develop a structured report format:**
  - create a comprehensive and structured report format that accommodates the diverse topics within TARA. This structure should allow for independent exploration of each section while maintaining a cohesive and integrated approach to presenting the findings, insights, and recommendations,
  - ensure that the format is user-friendly, accessible, and suitable for a diverse audience, including stakeholders, policymakers, and the general public.

- **Prepare a series of papers and separate reports:**
  - develop a series of detailed papers and separate reports focusing on the different aspects of TARA analyzed in Task 2,
  - ensure that each document is comprehensive, and clear, and offers actionable insights and recommendations based on the analysis conducted.

- **Stakeholder engagement and feedback incorporation:**
  - engage proactively with key stakeholders, including the MTAI, GIZ, local governments, and community representatives, during the report writing process,
  - collect feedback, comments, and suggestions from stakeholders and revise the documents accordingly to ensure accuracy, relevance, and applicability,
  - facilitate discussions and workshops, if necessary, to gather diverse perspectives and build consensus on the findings and recommendations.

- **Presentation of the final draft:**
  - present the final draft of the report to all relevant stakeholders, ensuring clear and effective communication of the findings, insights, and recommendations derived from the analysis of TARA,
  - address any questions, clarifications, or concerns raised by stakeholders during the presentation, and make note of any additional feedback for potential further revisions,
  - finalize the report incorporating all the feedback and suggestions received and prepare for publication and dissemination.

- **Development of recommendations and future strategies:**

- develop well-informed and actionable recommendations based on the comprehensive analysis conducted, aiming to inform future policy decisions, improve local governance, enhance service provision, and guide future reforms in Armenia,
- explore and propose potential strategies and best practices for implementing the recommendations, taking into consideration the local context, stakeholder interests, and available resources.
- **Dissemination and knowledge sharing:**
  - propose a dissemination strategy to ensure that the findings, insights, and recommendations reach a wide audience, including government agencies, local authorities, civil society organizations, and the general public.

Any other tasks arising during the implementation of the assignment need a prior agreement between the Contractor and GIZ.

The Contractor shall provide the following **deliverables**:
- detailed methodology document outlining the research plans, key questions, methods of data collection and analysis, foreseen under Task 1,
- a documented list of stakeholders, databases, and other data sources to be consulted, foreseen under Task 1,
- interview guides, focus group discussion guides, and document review checklists, foreseen under Task 1,
- comprehensive dataset with preliminary analysis results, documented in an interim report, foreseen under Task 1,
- seven separate, in-depth thematic reports, each focusing on one of the aspects like leadership, strategic planning, financial management, service delivery, local economic development, public participation, and comparative analysis, foreseen under Task 2,
- a consolidated report bringing together the findings from the thematic reports, highlighting key insights, differences, and commonalities, foreseen under Task 2,
- a template detailing the structure and format for presenting the final findings, foreseen under Task 3,
- a comprehensive report incorporating all findings, analysis, and recommendations from the thematic reports, accompanied by an executive summary, foreseen under Task 3,
- virtual or in-person sessions for feedback collection from stakeholders, with documented changes made to the final report based on the feedback, foreseen under Task 3,
- a finalized report with all necessary adjustments, presented to the concerned authorities or stakeholders, foreseen under Task 3,
- a separate document or a chapter within the final report containing actionable recommendations and strategies, foreseen under Task 3,
- recommendations for knowledge-sharing sessions, webinars, and distribution of the report to relevant stakeholders and platforms, foreseen under Task 3.

TOR for Short Term Service Delivery Assignment

giz

5. Schedule and Implementation Details

The assignment is planned to commence on **01.11.2023** and be completed by **30.08.2024**. In total, up to **300 expert days** are foreseen.

Deliverables		Expert days (up to)	Deadline	Language
Task 1	Detailed methodology document outlining the research plans, key questions, methods of data collection and analysis	10	15.11.2023	Arm and Eng
	A documented list of stakeholders, databases, and other data sources to be consulted	5	17.11.2023	Arm
	Interview guides, focus group discussion guides, and document review checklists	10	29.11.2023	Arm
	Comprehensive dataset with preliminary analysis results, documented in an interim report	15	20.12.2023	Arm
Task 2	In-depth thematic report, detailed findings on leadership and management	25	26.01.2024	Arm and Eng
	In-depth thematic report, detailed findings on strategic planning	25	26.01.2024	Arm and Eng
	In-depth thematic report, detailed findings on financial management	30	12.03.2024	Arm and Eng
	In-depth thematic report, detailed findings on service delivery	30	12.03.2024	Arm and Eng
	In-depth thematic report, detailed findings on local economic development	30	25.04.2024	Arm and Eng
	In-depth thematic report, detailed findings on public participation	25	05.03.2024	Arm and Eng
	Comparative Analysis Report	30	03.05.2024	Arm and Eng
	A consolidated report bringing together the findings from the thematic reports, highlighting key insights, differences, and commonalities	15	24.05.2024	Arm and Eng

	Presentation of the report to the MTAI and revision based on the provided recommendations	5	31.05.2024	Arm
Task 3	Consultations with stakeholders (MTAI, GIZ, local governments, and community representatives) and review thematic areas to determine report structure needs	15	20.06.2024	Arm
	Initial template outlining essential sections such as executive summary, methodology, findings, discussions, and recommendations, ensuring a logical and coherent format	5	27.06.2024	Arm and Eng
	Refine and finalize the template, aligning it with project objectives and stakeholder feedback, including relevant visual elements to enhance readability and presentation	5	08.07.2024	Arm
	A comprehensive report incorporating all findings, analysis, and recommendations from the thematic reports, accompanied by an executive summary	5	15.07.2024	Arm and Eng
	Presentation of the final draft report to the stakeholders	5	22.07.2024	Arm
	A separate document within the final report containing actionable recommendations and strategies	5	29.07.2024	Arm and Eng
	Recommendations for knowledge-sharing sessions, webinars, and distribution of the report to relevant stakeholders and platforms	5	08.08.2024	Arm
Total		**up to 300**		

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 strictly frame and restrict operations in Tavush and Gegharkunik, Vayots Dzor, and Syunik provinces. Hence, GIZ approval will be needed prior to any visits to municipalities in these provinces.

6. Professional Requirements

The suggested **team of experts** for the assignment shall have the following composition and profile:

Expert 1 (Team Leader):

- Academic degree in Public Administration, Governance, Political Science, or related fields,
- 7 years of experience in local governance, public policy, or relevant sector.
- 10 years of leadership experience in managing projects and/or teams

Expert 2 (Data Analyst):

- Academic degree in Statistics, Data Science, Economics, or relevant disciplines,
- 7 years of experience in data collection, analysis, and interpretation,
- Proven track record in handling large datasets, especially in governance or public administration domains,
- Proficient in data analytics tools and software and demonstrate excellent report generation capabilities.

Pool of 3 to 6 Sectoral Experts (Leadership Management, Strategic Planning, Financial Management, Service Delivery, Local Economic Development, Public Participation):

- Academic degree in relevant fields such as Business Administration, Economics, Finance, Public Administration, Sociology, Political Science, or related disciplines.
- 7 years of experience relevant to the chosen sector (e.g., leadership, strategic planning, financial management, etc.),
- Comprehensive understanding related to the chosen sector, such as knowledge of budgetary processes for financial management or techniques to enhance community involvement for public participation, etc.,
- Experience in conducting cost-benefit analysis, cost-effectiveness analysis, and estimating the monetary value of costs and benefits,
- Excellent report-writing capabilities,
- Strong analytical skills with the ability to assess situations and provide recommendations,
- Demonstrated international experience/knowledge of local governance, including academic literature and policy debates in the contexts of other countries and regions,
- Familiarity with stakeholder engagement and consultation processes.

7. Submission of Technical and Financial Proposal

The Contractor is required to provide a Technical and Financial Proposal. The **Technical Proposal (in English)** shall outline in detail how the contractor is planning to provide the services requested through this ToR. The proposal must at least contain the following elements:

- Presentation of a strategy on how to implement the assignment,
- Description of methodology,
- Presentation of work plan,
- Foreseen transportation and accommodation modalities,

- Presentation of the suggested expert(s), including allocation of working days, description envisaged of role and tasks for the assignment, and CV.

The **Financial Proposal**, which must be submitted separately, needs to contain the following information:

- Expert fee(s), per working day and in total,
- Foreseen transportation and accommodation costs, based on the following guidance: Travel costs are reimbursed by 100 AMD per km as a lump sum or upon provision of evidence-based on the market price of transportation service, and accommodation by 14.000 AMD per night as a lump sum or upon provision of evidence-based on market prices for overnight accommodation,
- Any other expenses essential for implementing the assignment, e.g., costs for materials. Evidence of these expenses must be submitted.