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Federal Department of Foreign Affairs FDFA  
**Swiss Agency for Development and Cooperation SDC**  
Swiss Cooperation Office for the South Caucasus

## **Terms of Reference**

### **Swiss Cooperation Office for the South Caucasus**

# **Project evaluation**

**Mid-term Evaluation, “Improvement of  
the Local Self-Governance System in Ar-  
menia – Phase 2”  
2019-2023**

Yerevan, 27.06.2022

## 1. Introduction

This document sets out the requirements related to a project mid-term evaluation mandate for the “Improvement of the Local Self Governance System in Armenia – Phase 2 (2019-2023)” project, the selection process and related criteria.

The Terms of Reference (ToR) describe the context, purpose, objectives, guiding evaluation questions, the scope, and a proposed methodology of the evaluation. They further describe the evaluation process and the expected deliverables.

## 2. Background information

### 2.1. Context

Until recently, the territorial and administrative division inherited from the past, as well as limited decentralisation in Armenia were viewed as considerable impediments to the strengthening of local governance, effective service provision, and efficient use of scarce financial resources. Back in 2015, with 915 municipalities, which varied greatly in the population size and capacities, the municipal landscape of Armenia was highly fragmented, and the local institutions could only insufficiently perform their functions.

To address these challenges, the Government of the Republic of Armenia (GoA) in 2014 has launched a large-scale structural change process. The overall goal of the Territorial and Administrative Reform of Armenia (TARA) has been to create conducive framework conditions for local self-governance and to build viable structures at the local level that would enable local governments to become functional and responsive units. The reform has entailed a renewed policy approach to municipal planning and governance, management, and resource allocation within the governance system. The reform has ultimately resulted in Armenia now featuring 79 municipalities (72 of which will be consolidated, and 7 single municipalities).

Since TARA has by and large been completed, the Ministry of Territorial Administration and Infrastructure (MTAI) has decided to proceed with a more proactive approach and embark on a range of activities in the field of decentralization, including both fiscal and sectoral decentralization. A comprehensive decentralization concept shall be presented for adoption by the Government of Armenia in December 2022.

A number of development partners have gathered since 2014 under the auspices of the SDC to define and implement a common agenda of supporting TARA. A programmatic approach was agreed, and a unified results-framework was elaborated in close cooperation between three donors, three implementing partners and the MTAI. Apart of the Swiss Agency for Development and Cooperation (SDC), the program “Improvement of the Local Self-Governance System in Armenia” was funded by the German Federal Ministry of Economic Cooperation and Development (BMZ) and the United States Agency for International Development (USAID), and implemented by the German Technical Cooperation (GIZ), the Council of Europe (CoE), the United Nations Development Program (UNDP).

In 2019, a second Phase was launched which basically maintained the organizational set-up (duration: 15 July 2019 – 30<sup>th</sup> of June 2023 for contracts with the GIZ and the UNDP; 15 July 2019 – 30<sup>th</sup> June 2022 with the CoE). Upon request of the partners, the project was amended by (1) an additional credit to the GIZ in September 2020 to address COVID-related challenges (including the creation of a temporary small grant municipal fund); an additional credit in June 2021 to contribute to the UNDP Electoral Support Project in Armenia; and in June 2021 a budget revision of the component implemented by the CoE. On the basis of the evaluation findings and recommendations, a possible no cost extension until December 2023 could be considered.

In 2014 already, the SDC envisaged an exit phase 2024-2025, notably to ensure the sustainability of the long-term intervention.

### 2.2. Programme objectives and impact hypothesis

The **overall objective** of the Program Phase 2 (2019-2023) is the strengthening of accountability, effectiveness, efficiency and inclusiveness of the local self-government system in Armenia in a regionally and socially balanced manner. Outcomes are (1) The Government has created favorable framework conditions for decentralization; (2) Municipalities have delivered relevant services and incentives for citizens, the business environment and local economic actors; (3) Citizen participation of all relevant groups at local level has increased; and (4) The Communities Association of Armenia (CAA) has delivered the required services to the municipalities and has lobbied for the interests of its constituency.

**Transversal perspectives** to be consistently implemented included (1) principles of good governance, (2) gender equality, (3) the promotion of the youth, and (4) environmental and climate change considerations.

The **underlying assumption** was that the combination of civic participation-driven bottom-up and government-led top-down processes renders public policies more accountable and cost-effective to the benefit of all Armenian citizens.<sup>1</sup>

An external **evaluation of Phase 1** (2014-2018) took place in 2018 and concluded that the relevance of the program was high: Overall goal and objectives measured against pre-established indicators and other observations were achieved and partly overachieved, and the project was largely efficient.<sup>2</sup> The evaluators consider the cooperation between donors and implementers, as well as the collaboration under a unified Program Logical Framework as exemplary. Challenges identified include that the TARA reform advanced faster than initially planned and thus out-paced the ability of MTAI and donors to fund the capacity-development activities necessary to ensure sustainability and full acceptance by the population; therefore, a communication strategy was proposed. A system to ensure human resources development at municipal level is still lacking, and the CAA is still fragile as an organization. The need to link territorial development with perspectives of regional and local economic development has hardly been addressed by the Government of the Republic of Armenia country-wide, and the inclusion of women in local politics remains very challenging.<sup>3</sup>

For more details see some basic project documents listed in [Annex 2](#).

### 3. Objective, scope and focus of the evaluation

#### 3.1. Evaluation object

The mid-term evaluation shall focus on the mid-term progress, intermediate results as well as obstacles and challenges faced, including of the additional efforts and changes as introduced by the additional credits and budget revisions. The focus shall be on the outcome and impact level.

The evaluation should particularly focus on how challenges of Phase 1 (see paragraph above) have been taken up in the second Phase and how context changes were absorbed by the project structure (pandemic, war). Furthermore, a particular focus should lie on the activities necessary to make the achievements sustainable in the long-term.

Assessments and related recommendation shall relate to the overall political and governance environment of Armenia on the one hand, and to the new strategic framework and current operational program of the SDC in Armenia ([Annex 2](#)).

#### 3.2. Purpose and objectives

The **perspective** shall be a strategic and forward-looking, with a focus on the sustainability of envisaged and achieved changes in institutional terms and in terms of peoples' and stakeholders attitudes.

Based on preliminary lessons learnt of the implementation efforts, the mid-term **evaluation shall inform** the implementation efforts of the remaining time of Phase 2, as well as the planning of the LSG project Exit Phase. Moreover, linkages, potential synergies and uptakes of LSG-related objectives by other projects of the SDC portfolio shall be explored and assessed.

**More specifically, the evaluation shall**

- A. assess the results and the sustainability of the intermediate project results, individually per implementing partner (GIZ, UNDP, CoE), per objectives and per transversal topics;
- B. analyze and critically assess the organizational set-up of the project;

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<sup>1</sup> For the underlying impact hypothesis of the program in detail see ProDoc, p.13 ([Annex 2](#))

<sup>2</sup> The arguably biggest challenges in terms of program design was the implementation of the infrastructure grant through the World Bank Trust Fund arrangement. It led to laborious administrative procedures and took more than two years to begin the actual delivery of capital investments to the municipalities.

<sup>3</sup> While more stable in target municipalities with specific activities, there has been a major decrease in terms of absolute numbers of women elected per municipality in local elections of 2015 and 2017, dropping from 13% to 5% (including due to the fact that fewer councilor positions were available in the enlarged 52 municipalities compared to previous 465 municipalities).

- C. relate and evaluate the project results and the overall concept of the LSG project against the policy environment and related changes during the implementation phase (Phase 2);
- D. analyze linkages and synergies with most important future and ongoing SDC projects in Armenia (LILA-MDA; SIGMA; MAVETA; CC);
- E. review the validity of the impact hypothesis, including while taking into account the results of the 2018 evaluation;
- F. develop recommendations for each aspect to further improve efficiency, effectiveness and sustainability of the LSG project in view of a successful completion of Phase 2, the design of the exit phase, and the design of new SDC projects in terms of addressing ongoing challenges and needs for additional action.

### 3.3. Scope

Evaluations at the SDC are guided by the eight core principles derived from the international [OECD DAC](#), [ALNAP](#) and [SEVAL](#) quality standards for evaluation: *usefulness, feasibility, correctness, quality and reliability, participation, impartiality and independence, transparency and partnership*. The breadth and depth of the evaluation will be informed by the indicative evaluation questions that the evaluation seeks to answer (see chapter below).

The evaluation in question will specifically assess *the relevance, coherence, effectiveness and sustainability* of the project's second phase. The timeframe is limited to LSG project Phase 2, from July 2019 – June 2022. The geographical scope includes the intervention areas of the LSG project, respectively the focus areas of the main objectives and the respective implementing partners.

### 3.4. Indicative evaluation questions / key focus area

Relevance	<ul style="list-style-type: none"> <li>• How are the results and ongoing efforts of the LSG project to be embedded and assessed in the broader context of the Territorial and Administrative Reform of Armenia (TARA)?</li> <li>• What are the opportunities and challenges of the current LSG project in the current political context and under ongoing institutional dynamics to provide a meaningful contribution towards a more devolved or decentralized, more democratic and more efficient governance structure?</li> </ul>
Coherence	<ul style="list-style-type: none"> <li>• How is the project positioned among donors' and government's interventions in their totality to implement a territorial reform and decentralization agenda, in general and in terms of fiscal and sectoral decentralization of powers in particular? <ul style="list-style-type: none"> <li># Do relevant stakeholders have a unified position on how to perceive, prioritise, and jointly implement action in a host of distinct dimensions, including fiscal and sector decentralization?</li> <li># Is there enough indication that the sectoral reforms (led by distinct line Ministries) implying potential changes in area-specific local governance patterns will be aligned with the more overarching approaches in decentralization policies?</li> </ul> </li> <li>• How and to which degree does the LSG project support the implementation of the current Govt. Programme, strategies and policies related the Territorial and Administrative Reform, the institutional reform process in general, and local economic growth? <ul style="list-style-type: none"> <li># What is the situation of inter-ministerial coordination (with MTAI in the lead), and how does this impact on the implementation of the LSG project?</li> <li># What are the roles and contributions of State Agencies in the implementation process, in terms of funding, knowledge generation and transfer and policy advice?</li> </ul> </li> </ul>

	<p># How and to what extent has the LSG Project helped with increasing the effectiveness of vertical and horizontal cooperation and coordination among relevant state institutions engaged in designing and/or implementing various components of broadly defined local governance reforms?</p> <ul style="list-style-type: none"> <li>• How can the local perspective be mainstreamed in the existing and future SDC portfolio/future portfolio:</li> </ul> <p># What are lessons learnt from the LSG project for the promotion of LED in other SDC projects?<sup>4</sup></p> <p># What are entry points to establish climate change awareness and policies and to implement national policies at the local level?</p> <p># What are lessons learnt from the LSG project for strengthening accountability and inclusiveness in central state institutions and in national processes?</p>
Effectiveness	<ul style="list-style-type: none"> <li>• Do project implementation experiences confirm the Theory of Change? Which elements would need to be re-assessed as per mid-2022?</li> <li>• Has the intervention at the level of outcomes so far proven to be successful and what are the remaining challenges, notably in terms of</li> </ul> <p># supporting and implementing institutional and administrative reform at central state level towards territorial reform and devolution of powers and fiscal competences?</p> <p># strengthening stakeholders of local economic development (LED) as well as respective instruments and mechanisms, and notably the small grant scheme, as a means to promote private and public investments and to facilitate job creation and providing public support services at the local level?</p> <p># improving accessibility and quality of service delivery in enlarged municipalities, strengthening the capacities of the municipalities in service delivery to citizens?</p> <p># strengthening civic participation, and notably women and vulnerable groups, at local level, and rendering local governance more accountable?</p> <ul style="list-style-type: none"> <li>• Has the intervention contributed to strengthen transversal perspectives, including to strengthen the LSG system in a socially and regionally balanced manner?</li> <li>• What was the role of the CAA as a representative body of local communities (and a consultative body for central authorities) and its contribution to vertical and horizontal cooperation and coordination among state institutions.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• How sustainable are the programme's results with regards to citizen's involvement, institutional and organizational reform, strengthened human and technical capacities and underlying financial basis,</li> </ul> <p># at municipal level?</p> <p># with regard to the CAA, the Municipal Small Grant Scheme, and the support to the MTAI?</p> <ul style="list-style-type: none"> <li>• Is there evidence to assess the interventions in the areas of TARA and decentralization reforms as sustainable?</li> </ul>

<sup>4</sup> SDC projects SIGMA, MAVETA, LILA-MDA, SCAC and CCA+M (see [Annex 2](#)).

## 4. Evaluation process and method

### 4.1. Evaluation methodology

**Desk research** of relevant documents, including:

- LSG project documents by donors (SDC, BMZ), implementing partners (GIZ, UNDP, CoE) and MTAI
- Policy documents of the GoA
- Documents of SCO projects in ARM
- Relevant reports, surveys and other data by international organizations and financial institutions, academia and independent institutes
- Statistical data of ARMSTAT.

**Interviews and consultations** of resource persons and relevant organizations, including:

- Project staff GIZ, UNDP, CoE
- Local representatives
- Government authorities and other international development partners.

**Workshop** to validate assumptions, conclusions and recommendations, including:

- Government officials, other development partners, SCO project partners, scientific resource persons.

### 4.2. Roles and responsibilities of the evaluator(s)

The evaluation will either be conducted by a consortium composed of an international consultant and a local consultant, or by a team composed of a team leader (either international or local), and a subcontractor (in a complementary manner either international or local). In either case, the team will designate a lead consultant, being the contractual partner of the Swiss Cooperation Office in Yerevan.

### 4.3. Evaluation process and timeframe (*TENTATIVE*)

The following work plan provides suggested dates, responsibilities and resources needed for the various activities of the evaluation process. This work plan will eventually be adapted by the evaluation team, in consultation with the SDC. Award decision and contracting are expected to take place prior to the 12<sup>th</sup> of September and 30<sup>th</sup> of September, respectively.

<i>Activity</i>	<i>Date</i>	<i>Responsibilities</i>
<b>Kick-off meeting</b> with evaluation team and reference group	3 October	SDC; Consultant/s
<b>Field mission</b> with data collection, interviews, evaluation workshops, etc.	<b>3 October</b>	Consultant/s
Debriefing at Yerevan	14 October	Consultant/s
Data analysis and preparation of Draft Evaluation Report	21 October	Consultant/s
<b>Draft Evaluation Report</b>	<b>End of October</b>	<b>Consultant/s</b>
Feedback on the Draft Evaluation Report by the evaluation manager and reference group (workshop)	10 November	SDC; reference group
<b>Final Evaluation Report</b>	Around mid-November	Consultant/s
<b>SDC Management Response</b>	End of November	SDC
Dissemination of the Final Evaluation Report	Early December	SDC

<i>Task / Activity</i>	<i>Number of Days</i>
Preparatory work, data collection and analytical work, organizing meetings with local stakeholders	8

Field mission to Armenia	9
International travel	2
Report writing	10
<b>Total</b>	29

A briefing with the Management of SCO SC, based in Yerevan, will take place at the beginning of the assignment, as well as a debriefing to present draft report, prior to the workshop.

The mission to Armenia is expected to take place at the earliest convenience of the consultants, but not later than the first week of October 2022.

## 5. Deliverables / Reporting

The evaluation team is expected to provide the following deliverables:

- 1) Briefing presentation, explaining how the evaluation will be conducted
- 2) Debriefing workshop (capitalization workshop) to discuss first findings
- 3) Draft Evaluation report
- 4) Final Evaluation report, including
  - # List of interviewed persons and organizations
  - # Detailed assessment of progress achieved, based on logframe format.

The report should respond in detail to the evaluation questions and key focus areas. It should include a set of 8 to 12 specific recommendations formulated for the project, and identify the necessary actions required, who should undertake these, and possible timelines (if any).

An electronic copy of all the DRAFT deliverables shall be submitted to the SCO SC in Yerevan for comments 15 days upon the completion of the field research and consultations. The SCO SC will provide the consultants with its feedback within 10 working days after submission.

Electronic copies of the final products shall be submitted to SDC 15 days upon the reception of comments by the SCO SC.

The report shall be written in English and not exceed 20 pages (without executive summary and annexes). Format: Arial 11.

The evaluator(s) will report to the Deputy Regional Director, Swiss Cooperation Office for the South Caucasus, in Yerevan for the entire duration of the assignment. Operational support will be provided by the SCO for the South Caucasus in Yerevan.

## 6. References documents

After signing the contract the evaluation manager (SDC) will share the following documents with **the evaluator(s) for the evaluator's first desk review**:

- Documents on the development intervention, e.g. project documents, project factsheets, credit proposals, financial offers, annual plans and reports for the phases, etc.
- General document on the SDC, e.g. the Swiss Cooperation Programme, SDC guidance documents and policies for the sector, etc.
- An open list of key people to interview

## 7. Competency profile of the evaluator(s)

The evaluator(s) with the following qualifications are eligible to **conduct the assignment**:

- Advanced University degree or equivalent in political sciences, law, development studies or a related discipline, preferably with a focus on public policies and public sector reform
- Minimum 5 years' professional experience of conducting similar assignments for international organizations or bilateral donor agencies; work experience on decentralization issues
- Excellent knowledge of the development context in Armenia (economic, political, environmental). Previous working experience in the region (South Caucasus or Eastern Europe).
- Strong research and analytical skills; abilities to operationalize analytical results into actionable recommendations

- Experience with the SDC desirable
- Excellent verbal and written communication skills in English. Knowledge of the Armenian language (reading and speaking) for local consultant.

In addition to the above competences and skills, the selection will be done on the basis of the submission of a short description of the understanding of the present mandate, as well as on the financial offer.

Proposals shall be submitted by a team, consisting of an international and a local consultant.

## 8. Application procedure

Interested candidates, including consulting firms and individual consultants, are invited to send an application package, including the below listed documents, in English to the following email: [yerevan@eda.admin.ch](mailto:yerevan@eda.admin.ch) by **August 29, 2022 COB**:

- A profile/CV demonstrating the firm's/consultant's relevant experience and competencies.
- A brief proposal (maximum 5 pages) where the methodology and work plan are presented, as well as a short description of the understanding of the present mandate.
- A detailed financial proposal, indicating the cost required for undertaking the assignment. The financial proposal is to be submitted in accordance with the requirements outlined in Annex 4.

In the subject line, please indicate ***“Mid-term Evaluation: Improvement of the Local Self Governance System in Armenia”***.

Only complete applications with all the documents described above and submitted not later than by the deadline will be considered.

## 9. Contracting

The contract will be awarded by the Swiss representation following an analysis of technical and financial proposals received in response to these terms of reference.

## 10. Annexes

- 1) Terms and Abbreviations
- 2) Relevant documents and links
- 3) Requirements for the Financial Proposal



**Terms and Abbreviations**

BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
CAA	Communities Association of Armenia
CCA&M	SDC project Climate Change Adaption and Mitigation
CoE	Council of Europe
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GoA	Government of the Republic of Armenia
LED	Local Economic Development
LILA-MDA	SDC project Living Landscapes for Market Development in Armenia
LSG	Local Self-Government
MAVETA	SDC project Modernizing VET agriculture in Armenia
MTAI	Ministry of Territorial Administration and Infrastructure
OC	Outcomes
SCAC	SDC project (regional) Strengthening the Climate Adaptation Capacities in the South Caucasus
SCO SC	Swiss Cooperation Office for the South Caucasus
SIGMA	SDC project Local Sustainable and Inclusive Growth in Mountainous Armenia
SDC	Swiss Agency for Development and Cooperation
UNDP	United Nations Development Programme

## **Relevant documents and links**

Swiss Cooperation Programme South Caucasus Region 2022–2025

- [https://www.eda.admin.ch/dam/countries/countries-content/armenia/en/Swiss-Cooperation-Programme-2022-2025-South-Caucasus\\_EN.pdf](https://www.eda.admin.ch/dam/countries/countries-content/armenia/en/Swiss-Cooperation-Programme-2022-2025-South-Caucasus_EN.pdf).
- For a brief overview from an Armenian perspective: *Swiss Cooperation Programme South Caucasus 2022 – 2025: Armenia Component. Presentation at Launch Event to Development Partners of Armenia, December 8, 2021*

LSG project-relevant documents

- Project document (2019)
- LSG project Phase 1 (19.05.2014 – 30.06.2019). Independent End-of Phase evaluation. By Thomas Boysen and Karine Taslakyan, Yerevan, April 2018
- Project Logical Framework (2021)

*More documentation and information on other SDC projects are available upon request.*

## **Requirements for the Financial Proposal**

TYPE A for employed persons

### **Mandate Type A**

[https://www.fdfa.admin.ch/content/dam/eda/en/documents/dienstleistungen-publikationen/Abrechnungsformular-Auftrag-Typ-A\\_EN.xls](https://www.fdfa.admin.ch/content/dam/eda/en/documents/dienstleistungen-publikationen/Abrechnungsformular-Auftrag-Typ-A_EN.xls)

TYPE B for legal persons and institutions

### **Mandate Type B**

[https://www.fdfa.admin.ch/content/dam/eda/en/documents/dienstleistungen-publikationen/Abrechnungsformular-Auftrag-Typ-B\\_EN.xls](https://www.fdfa.admin.ch/content/dam/eda/en/documents/dienstleistungen-publikationen/Abrechnungsformular-Auftrag-Typ-B_EN.xls)

### **General Terms and Conditions of Business (GTC) of the Swiss Federal Department of Foreign Affairs (FDFA) for Mandates (Types A and B)**

[https://www.fdfa.admin.ch/content/dam/eda/en/documents/dienstleistungen-publikationen/auftraege/CG-contrats-A-B-2015\\_EN.pdf](https://www.fdfa.admin.ch/content/dam/eda/en/documents/dienstleistungen-publikationen/auftraege/CG-contrats-A-B-2015_EN.pdf)

### **Factsheet on Compensation for Fees and Expenses**

[https://www.collaboration.eda.admin.ch/en/Documents/Merkblatt%20Hon-  
oraren%20und%20Spesen\\_EN.pdf](https://www.collaboration.eda.admin.ch/en/Documents/Merkblatt%20Honoraren%20und%20Spesen_EN.pdf)