

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

Support to the MTAI in the analysis of the Armenian legislation governing local tax collection	Project number/ cost centre: 23.2131.3-001.00
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0. List of abbreviations

BMZ	German Federal Ministry for Economic Cooperation and Development
HR	Human Resources
IMD	Integrated Municipal Development
LSG	Local Self-Government
MTAI	Ministry of Territorial Administration and Infrastructure
RA	Republic of Armenia
TARA	Territorial and Administrative Reform
ToRs	Terms of reference

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, 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 in partnership with the Ministry of Territorial Administration and Infrastructure (MTAI).

Background

In Armenia, the territorial and administrative division inherited from the past, along with limited decentralization, posed significant challenges to local self-governance, effective service provision, and efficient use of financial resources. With 915 municipalities of varying population sizes and capacities, the municipal landscape was highly fragmented, with many municipalities unable to fulfil their functions effectively. In 2015, the Government of the Republic of Armenia (RA) launched a large-scale structural transformational process called the Territorial and Administrative Reform of Armenia (TARA) to address these challenges.

The goal of TARA was to create a conducive framework for local self-governance and to build viable structures at the local level. The reform aimed to renew policy approaches to municipal planning, governance, management, and resource allocation within the governance system. By late 2022, TARA succeeded in establishing a new territorial-administrative framework, reducing the number of municipalities to 71, with 64 consolidated into larger entities and 7 remaining as single municipalities.

While this reform has significantly reshaped the local self-governance landscape, it has also highlighted the need for updated legal and administrative mechanisms to support the newly structured municipal framework. To ensure effective operation, it is crucial to review the legislation pertaining to local taxes’ collection, administration, and the compulsory enforcement of liabilities in Armenia to improve the financial management of municipalities and support the increase of municipalities’ own revenues. This includes also revising the methodological guide for organizing the compulsory enforcement of these liabilities. The previous version of this guide was developed before the implementation of the reform, and the consolidated municipal structures and new realities necessitate a comprehensive analysis of the entire legal framework and an update of the guideline.

This assignment involves supporting the MTAI in analysing the RA legislation on local tax collection, administration, and compulsory enforcement of liabilities, as well as developing a new edition of the methodological guide. This task is vital to ensure that the newly established municipal structures operate efficiently and effectively. The aim is to equip municipalities with the necessary legal and administrative tools to better manage their

financial resources, enhance their capacity to deliver services, and ensure financial stability, ultimately benefiting the community and fostering sustainable local development.

2. Tasks to be performed by the contractor

The contractor is responsible for providing the following services:

- **Task 1: Analysis of the Republic of Armenia's legislation governing local tax collection, administration, and the compulsory enforcement of monetary liabilities.**

This analysis should encompass, but not be limited to:

- Analysis of legal relations under the Tax Code of the Republic of Armenia pertaining to the administration of immovable property and vehicle property taxes, the determination and calculation of arrears, application and collection of fines, conversion into non-appealable administrative acts and the corresponding actions of Local Self-Governance Bodies (LSGs).
- Analysis of the key provisions of the Administrative Procedure Code of Armenia concerning the preliminary examination and adjudication of non-appealable administrative acts, including an analysis of the guarantees for judicial protection against damages suffered by the municipality.
- Analysis of legal relations concerning the right of pledge, limitation of property rights, imposition of liens on property, liens on monetary assets, and their distribution under the RA Civil Code.
- Analysis of enforcement procedures under the RA Law "On Enforcement of Judicial Acts" for non-fulfilment or improper fulfilment of local taxes' liabilities, including the initiation of enforcement actions for non-appealable administrative acts and the procedural legal analysis of LSG's actions in this context.
- Analysis of the stages of the administrative proceedings under the RA Law "On Fundamentals of Administrative Action and Administrative Proceedings".
- Analysis of legal regulations outlined in the RA Law "On Fundamentals of Administrative Action and Administrative Proceedings" concerning non-appealable administrative acts.

- **Task 2: Development of the new edition of the Methodological Guide on "Organization of Works to Ensure Compulsory Enforcement of Local Taxes' Liabilities by LSGs".**

With the new edition, the methodological guide should at least include, but not be limited to the following:

- Description of terms/timeline of payment of liabilities.
- Description of the toolset for calculating fines.
- Description of the procedure for making a decision regarding the collection of overdue tax amounts.
- Description of the procedure to ensure proper notification of the decision made.

- Description of the process for making a decision to place a lien/ban on the debtor's property.
- Description of the procedure for sending the decision on placing a lien/ban on the debtor's property for enforcement.
- Description of the procedure for organizing the payment of the obligation through a schedule.
- Description of the procedure for sending the decision on collecting the unpaid amount for enforcement.
- Exemplary templates of administrative acts for the collection of immovable property and vehicle property taxes.
- Templates of non-appealable administrative acts and references.

• **Task 3: Finalization of the package**

- Present, discuss the package delivered with the MTAI and GIZ, revise based on provided comments and finalize the documents.
- Submit the final documents to the MTAI and GIZ.

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

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

Deliverables		Language	Expert days (up to)	Deadline
Task 1	Analysis of the Republic of Armenia's legislation governing the legal relations concerning local taxes' collection, administration, and the compulsory enforcement of liabilities.	Armenian	30	10.10.2024
Task 2	Development of the new edition of the Methodological Guide on "Organization of Works to Ensure Compulsory Enforcement of Local Taxes' Liabilities by LSGs".	Armenian	20	20.11.2024
Task 3	Final package, based on the recommendations of the MTAI and GIZ, presentation of the results.	Armenian	5	10.12.2024
Total			up to 55	

Period of assignment: from September 2024 until December 2024.

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, 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

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. 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).

Processes (1.4): 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.

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.

Expert 1 (2.2)

Tasks of the expert 1

- Responsible for the legal analysis task in close cooperation with the expert 2
- Support expert 2 in drafting of the methodology.
- Coordinating and ensuring communication with GIZ and MTAL.
- Regular reporting in accordance with deadlines.

Qualifications of the Expert 1

- Education/training (2.2.1): university degree in Law, Public Administration, Political Science, or a related field.
- General professional experience (2.2.3): 10 years of professional experience in advising state and/or donor agencies on reforms related to local self-government and decentralization.

- Specific professional experience (2.2.4): 5 years of professional experience in carrying out legal analysis of national legislation related to the field of local self-government, including developing legal recommendations, drafting legal acts, methodologies within the field.
- Specific professional experience (2.2.4): 5 years of professional experience in carrying out sectoral institutional assessments in the field of local self-government.
- Development cooperation: 5 years of experience (2.2.7) in advising in the field of development cooperation
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Expert 2 (2.3)

Tasks of the expert 2

- Responsible for the development of the Methodology in close cooperation with the expert 1
- Support Expert 1 in legal analysis.
- Coordinating and ensuring communication with GIZ and MTAL.
- Regular reporting in accordance with deadlines.

Qualifications of the Expert 2

- Education/training (2.3.1): university degree in Law, Public Administration, Political Science, or a related field.
- General professional experience (2.3.3): 10 years of professional experience in advising state and/or donor agencies on reforms related to local self-government and decentralization.
- Specific professional experience (2.3.4): 5 years of professional experience in carrying out legal analysis of national legislation related to the field of local self-government, including developing legal recommendations, drafting legal acts, methodologies within the field.
- Specific professional experience (2.3.4): 5 years of professional experience in carrying out sectoral institutional assessments in the field of local self-government.
- Development cooperation: 5 years of experience (2.3.7) in advising in the field of development cooperation

5. Costing requirements

Specification of inputs

Fee days	Comments
Fees of experts	Expert fee(s), per working day and in total
Travel expenses	Comments
Overnight allowance in case of travel overnight outside of Yerevan is needed to accomplish the assignment	Accommodation is upon provision of evidence. In case there is no provision of evidence, the accommodation will be reimbursed by lump sum of AMD 5,000 per night.

Transport	Comments
Travel expenses (train, car)	Travelling by private car is reimbursed with 100 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 Armenian or English.

The complete tender package must not exceed 15 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 4 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 be submitted in Armenian or English.

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.