



## **Request for Proposals**

### **Elaboration of an Assessment Study on Local Economic Development practices and potentials in South East Europe**

Opening date: 8 October 2018 | Closing date: 19 October 2018

#### **1. Summary of Requirements**

The Network of Associations of Local Authorities of South East Europe (in the rest of the document referred to as “NALAS”) requests proposals from interested qualified consultants for the provision of professional services to elaborate an Assessment Study on Local Economic Development practices and potentials in South East Europe. The Study will explore the potential capacity and role of local governments to contribute to the effective implementation of the Multi-annual Action Plan for a Regional Economic Area (MAP REA) in the Western Balkans and the Regional Investment Reform Agenda (RIRA). Therefore, the Study will include an assessment of MAP REA gaps in terms of local governments involvement and the identification of best practices of Local Government Associations and Local Governments in local economic development that could potentially address gaps and support the effective implementation of MAP REA.

#### **2. Invitation**

Teams of individual consultants, businesses or companies with proven experience and expertise in conceptualizing, developing and conducting complex studies on MAP REA and Local Governance are invited to respond to this request for proposals.

#### **3. Request for Proposals Terminology**

The following terms will apply to this Request for Proposals and to any subsequent Contract. Submission of a proposal in response to this Request for Proposals indicates acceptance of all the following terms:

##### Terminology

- a) “NALAS” means the Network of Associations of Local Authorities of South East Europe;
- b) “Contract” means the written agreement resulting from the Request for Proposal executed by the NALAS Secretariat and the successful vendor;
- c) “Contractor” means the successful vendor selected from this Request for Proposal;
- d) “Must”, “Mandatory” or “Required” means a requirement that must be met in order for a proposal to receive consideration;
- e) “Consultant” means a team of individuals or a company that submits, or intends to submit, a proposal in response to this Request for Proposal.

#### **4. Closing Date and Location**

To be considered, proposals must be received by e-mail by 16:00 (CET), 19 October 2018, to the following address: [info@nalas.eu](mailto:info@nalas.eu)

Proposals should be clearly marked with the name of the consultant and the name of the Project: “Request for Proposals: Elaboration of a Needs Assessment Study”. Technical and financial offer should be presented as attachments in PDF format.

## **5. Enquiries**

This Request for Proposal can be downloaded from the NALAS website at [www.nalas.eu](http://www.nalas.eu). Questions regarding this Request for Proposal should be directed to NALAS by email at [info@nalas.eu](mailto:info@nalas.eu).

## **6. Ownership of Proposals**

All documents, including proposals submitted in response to this Request for Proposals become the property of NALAS. However, only the submissions by the successful consultant will be used. Once a contract has been awarded, the name of the successful consultant will be available to the public upon request.

## **7. Project Overview**

The MAP REA, aims to enable unobstructed flow of goods, services, capital and highly skilled labour; making the region more attractive for investment and trade; and accelerating convergence with the EU, thus bringing prosperity to Western Balkans citizens.

To date, the actions of the MAP REA are focused only at central government level in each of the six Western Balkans countries. Unfortunately, local governments are not considered within this strategic framework for promoting regional economic development, although local governments play a critical role in promoting economic development, service delivery and job creation.

NALAS's mission is to “support the development of strong local self-government in South East Europe, creation of smart, sustainable, inclusive and resilient communities, based on innovative solutions, through a unique regional partnership, wide knowledge base and strong policy-making influence, thereby contributing to democracy, stability and prosperity in the region”.

In this framework NALAS is looking into the possibility to intensify the cooperation with Regional Cooperation Council (RCC) and the European Commission (EC) and support efforts to enhance local governments role in the effective implementation of the MAP REA and more generally sustainable local economic development through decentralized regional cooperation.

Local governments in the Western Balkan Six (WB6) countries manage a budget of about 4 billion Euro per year while they spend more than 850 million Euro in capital investments. Domestically, local governments in WB6 manage from 10% to 30% of overall public revenues while they account for 20-30% of overall public capital investments.<sup>1</sup> The vast majority of these funds are dedicated to improving public services and transport, water and waste water infrastructure all of which play a crucial role in promoting connectivity and competitiveness while improving quality of life. Further, almost all WB6 countries have put in place systems that allocate investment grants to local governments, promoting competition across local governments for capital infrastructure improvements. This perspective, suggests that local governments in WB6 could be an important factor in the effective implementation of the Multi-annual Action Plan for a Regional Economic Area (MAP REA) and the Regional Investment Reform Agenda (RIRA). There exists significant room for coordination between national and local government policies and efforts with regards

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<sup>1</sup> NALAS, Fiscal Decentralization Indicators in South-East Europe, 2006-2017 forthcoming.

to implementation of the MAP REA and RIRA. On the other hand, the implementation of the MAP REA and RIRA would create opportunities for additional positive spillovers to WB6 local governments' efforts to improve services and quality of life of their citizens. However, enhanced coordination efforts are needed for WB6 countries to be able to benefit and build on this opportunity. From this perspective WB6 local governments can be seen as both beneficiaries of the REA and at the same time key actors having a crucial role in the REA successful implementation.

To this purpose NALAS is planning to develop a **Study that would create a better understanding on the potential role of local governments in WB6 in promoting and benefiting from MAP REA and/or making its implementation more effective.**

This study is expected to position NALAS platform to facilitate regional exchange to enhance local governments' role in local, national and regional sustainable and long-lasting economic development. Further it is expected to identify opportunities for connecting and enhancing cooperation and exchange across local governments in the region on specific topics that are of mutual interest to local governments and RCC and the EC.

## **8. Scope and Objectives of the Assignment**

The Study will reveal what the MAP REA and RIRA is missing in regards with local governance and will elaborate what NALAS, RCC and EC could do to foster the effectiveness of REA and RIRA and at the same time promote good decentralized governance. The study will identify and assess:

- (1) **the existing gaps** within the current institutional and financial arrangement of the MAP REA/RIRA regarding the role of local governments;
- (2) **best practices and trends** in selected countries in South-East Europe (SEE) that address the gaps identified above and promote Local Economic Development (LED) while supporting the effective implementation of the MAP REA from a bottom-up approach within the single countries and then regionally;
- (3) **innovative mechanisms for regional cooperation, exchange and capacity building across local governments in SEE** in the areas that are critical for promoting LED and supporting the implementation of the MAP REA;

The Study will consist of the following elements:

- **Desk Research:** a comprehensive revision of the of MAP REA/RIRA and related strategic documents, NALAS Strategic Documents; existing regional Reports/Assessments on MAP Rea/RIRA and LED; Governmental strategic documents from three to four selected WB6 countries focusing on the implementation of MAP REA/RIRA promoting competitiveness and investments; Relevant Reports and Studies published by donors that support LED initiatives in the selected countries and the region to identify areas of convergence and interfaces with local governments; The scrutiny of these documents should provide an indication of the municipalities that would be visited during the field research as regards gaps and best practices;
- **The Field Research:** this should include an in-depth analysis and grassroots research with primary data and information from selected local governments in three to four NALAS member countries (potentially Albania, Bosnia and Herzegovina, Serbia from WB6, and Slovenia and other EU member states for comparative purposes) focusing on best practices in LED that foster or build on the effective implementation of MAP REA initiatives; Gathering of information in field will be assisted by national experts who will be recommended by NALAS member Local Government Associations.
- **Feedback loop** on the draft methodology and research outcomes from NALAS and the Local Government Associations of the selected countries;

NALAS is open to proposals for additions and amendments to the research methodology. In fact, the detailed assessment methodology should be proposed by the selected consulting company, based

on the use of tools such as: questionnaires, focus groups, interviews, etc., as well as on the inputs from NALAS and its relevant bodies. In each of the researched countries, the same combination of tools and research steps will be undertaken in order to secure comparability of the results.

All activities during the implementation of the task will be closely coordinated with NALAS to ensure coordination of approaches, activities, message delivery and branding.

The duration of the assignment should be completed within 12 weeks after signing of the contract and commencement of the assignment.

## **9. Support from NALAS and its partners in implementation of the Assignment**

NALAS, as a Network of 15 Local Government Associations (LGAs), will support this assignment through:

1. Assistance in engaging local experts through national Local Government Associations who will support the execution of field activities.
2. Providing its data base of municipal contacts;
3. Providing contacts of the respective Local Government Associations;
4. Providing a network of NALAS Knowledge Management Assistants support the implementation of the assignment;
5. Providing contacts of the partner Economic Chambers in some of the countries.

It is expected that the vendor coordinates all its activities with NALAS and its member LGAs and regulates the relationships with all partners on commercial basis.

## **10. Deliverables under the contract**

- a) Detailed methodology for execution of the research and finalized time and action plan for the execution of the assignment (*1-2 weeks after the commencement of the assignment*)
- b) Short summary/report on the implementation of the research in the selected countries including lists of participating companies, municipalities and institutions (*4-5 weeks after the finalization and acceptance of the agreed Methodology and Action plan by NALAS*).
- c) Draft detailed Assessment Study based on the results of the research (*2-3 weeks after the finalization of the research and submission of the short summary/report to NALAS*):
  - Executive summary
  - One chapter focusing on the current gaps or what the MAP REA/RIRA is currently missing as regards local governments roles and involvement with a maximum length of up to 15-20 pages. This chapter should include an overview of the gaps for each of the countries as per their endorsed or draft-strategic documents in support of MAP REA;
  - One chapter focusing on best practices and trends in LED in selected SEE countries that foster or build on the effective implementation of MAP REA/RIRA initiatives; This chapter should provide a catalogue of LED projects/initiatives from selected national and local governments and donors that clearly involve local governments as a crucial player and that foster the effective implementation of the MAP REA/RIRA; (length up to 20 pages);
  - One chapter focusing on recommendations for the most innovative and effective mechanisms for regional cooperation and exchange across local governments in the region in the areas identified by the gaps and the best practices. This chapter should clearly identify what NALAS, RCC and EC could further do to promote LED and MAP REA. (length up to 20 pages);
  - Conclusive remarks
- d) Final Assessment Study with included comments and suggestions from the NALAS (*2 weeks after the provision of comments and suggestions for improvement of the Draft Study by NALAS*). The

end deliverable must include a digital version of the report in Word and PDF format and two hard copies of the final report, including all attachments.

## 11. Proposal submission

The following format and sequence should be followed in order to provide consistency in Consultant response and to ensure each proposal receives full and fair consideration. All pages should be consecutively numbered.

### *Technical Offer:*

- a) Title Page, showing Consultant name, address and contact information;
- b) One page letter of introduction, signed by an authorized signatory;
- c) Table of Contents, including page numbers;
- d) A presentation of the consultant and its suitability for the assignment;
- e) A short summary of the key features of the proposal;
- f) The body of the proposal focusing on the Methodology of the proposed research approach, including: objectives, a detailed research approach including the tools planned to be used during the execution of the assignment and the rationale behind their use, individual approach in each of the research countries, proposed time and activity plan.

### *Financial Offer:*

- g) The Financial Offer shall contain the total budget for execution of the Study, showing separately the travel costs, expert fees and additional expenditures (if any). The prices should be stated in EUROS, VAT excluded, following the specified Terms of Payment in this RfP.

### *Organizational Capacity Guarantee:*

- h) A consultant Reference List with at least 3 similar researches conducted in the SEE Region;
- i) CVs of the experts proposed to execute the assignment.
- j) Documents confirming the financial capability of the consultant.

## 12. Technical or professional ability of the applicants

In order to qualify as capable of performing the contract for public procurement in terms of its technical and professional qualifications, the applying companies / teams of consultants must meet the following minimum requirements:

- the consultant has prepared/executed at least 3 similar researches in the SEE Region, including research of local government and Regional Economic Areas;
  - the consultant has the necessary financial capability, presented in their financial reports, and
  - the consultant has a team of at least three (3) experts in the relevant fields.
- a) Expert 1 - Local Government Expert
    - A degree in Local Governance, Local Development, Public Administration, Economics, Engineering or equivalent;
    - At least 7 years of relevant professional experience;
    - Experience in researches, analyses and preparation of other development documents in the field of local and regional economic development, MAP REA entrepreneurship, private-public partnerships, and other topics linked to the areas of the research in this RfP;
    - Developed assessment, conceptual and analytical skills, able to communicate and synthesize complex ideas to different audiences;
    - Practice of networking with national, regional and local government institutions, association of municipalities as well as international agencies;
    - Additional practice in policy advice to different levels of government on private sector development, creation of private sector development policies, would be an advantage;

- Additional practice in policy advice to local/regional government and support in performance improvement through training, capacity building and organizational reform, would be an advantage.

b) Expert 2 – Regional Economic Area (REA) Expert

- A degree in Economics, Engineering, public administration or equivalent;
- At least 7 years of relevant professional experience in regional (economic) cooperation initiatives, in promoting sustainable local economic development etc.
- Experience in working with local governance, LED, REAs, RIRA the RCC and the EC;
- Experience in researches, analyses and assessment studies with involvement of the regional cooperation institutions in the field of local and regional economic development, private-public partnerships, and other topics linked to the areas of the research in this RfP;
- Developed assessment, conceptual and analytical skills, able to communicate and synthesize complex ideas to different audiences;
- Practice of networking with national, regional and local government institutions, association of municipalities as well as international agencies;
- Additional experience in supporting the development of private sector entities by providing consultancy support in the areas of business planning, strategy development, investment decisions, private-public partnerships or similar, would be an advantage.

c) A team of National experts from the three WB6 countries who would be engaged in data collection and field activities. The engagement of the national experts needs to be coordinated with NALAS and the respective National Local Government Association.

Ideally, the team should also include a methodology expert, who will harmonize field approach, will analyze data and develop the report.

One of the proposed experts will assume the responsibility of a team leader and will be in charge of the communication to the NALAS and its relevant bodies.

### 13. Evaluation Criteria and Scoring

Evaluation of proposals will be undertaken by NALAS Evaluation Committee. At the sole discretion of the Committee, a short list of the highest scored consultants will be developed. Short listed applicants may be invited to make a presentation to the Committee. After the presentation(s), the Committee will re-evaluate the short-listed proposals.

The proposals will be evaluated and rated based on the criteria set out in this Request for Proposal document. In order to do so:

- the proposal must be in English;
- the proposal must be submitted by the appropriate date and time;
- the proposal must clearly list, in detail, what services will be provided with the associated costs for each component;
- the responses must contain a list of references of past projects and work of this nature, with contact names and telephone numbers.

The Evaluation Committee will evaluate the proposals based on the following criteria:

- 30% Methodology and approach – a work plan including the proposed method to accomplish the tasks identified in the Request for Proposal. Provide a brief description of your approach to execute the research, including: objectives, a detailed research approach including the tools planned to be used during the execution of the assignment and the rationale behind their use, individual approach in each of the research countries, proposed time and activity plan, based on the requirements provided in this Request for Proposal including explanation of any modification you would make.

- 20% Quality of the team - Appropriateness of the proposed consultants and fulfilling of the qualifications for the professional ability of the applicants in this RfP.
- 20% Previous Experience in undertaking similar work - indicate the number of projects of similar professional services and type or the number of projects of similar scale. Examples and samples of similar researches and other reports of a similar nature that have been prepared by the consulting company. Provide references from previous clients including specific contacts and phone numbers.
- 20% Cost and Ability to Meet Deadlines - the Financial Offer with a total budget for execution of the Needs Assessment Study, broken into the travel costs, expert fees and additional expenditures (if any) with associated timelines and a detailed explanation of the deliverables and services you will provide to NALAS. The prices should be stated in EUROS, VAT excluded, following the specified Terms of Payment in this RfP.

#### **14. Terms of Payment**

The payment will be done in 3 instalments after receiving all specified documents:

1. Advance instalment of 20% of the total price after the signing of the contract;
2. Second instalment of 20% of the total price, after the submission of the detailed methodology for execution of the research, agreed time and action plan for the execution of the assignment, finalization of the research and submission of the Short summary of the implementation of the research in the selected countries;
3. Third and final instalment of 60% after submission and approval from of the Final Assessment Study with included comments and suggestions from the NALAS.

#### **15. Modification of Terms**

NALAS reserves the right to modify the terms of the RfP at any time at its sole discretion.

#### **16. Consultant Expenses**

Consultants are solely responsible for their own expenses in preparing a proposal and for subsequent negotiations with NALAS. Short-listed proposals may be asked to make a presentation to the Evaluation Committee, which will be solely at the Consultants own expense.

Also, the selected Vendor will be invited to present the results of the Assessment in NALAS Assembly during spring 2019.

#### **17. Acceptance and Rejection of Proposals**

NALAS may not necessarily accept the lowest priced proposal or any proposal. At its sole discretion, NALAS reserves the right to reject any or all proposals received and to accept any proposal which it considers advantageous, whether or not it is the lowest priced proposal. NALAS is not under any obligation to award a contract, and reserves the right to terminate the Request for Proposal process at any time, and to withdraw from discussions with all or any of the Consultants who have responded. NALAS reserves the right to accept the proposed offer in total or in part, to reject any or all offers, to waive any minor informalities, irregularities, or technicalities, and to accept the offer deemed most favourable to the Network.

#### **18. Contract Negotiation**

NALAS reserves the right to negotiate specific terms of the contract with the short-listed proponents prior to the final award of the contract. NALAS also reserves the right to negotiate specific terms of the contract with the Contractor as the contract progresses.

Thank you for your interest in submitting a proposal. It is hoped that the information provided is of value and should anything be unclear, please contact NALAS directly.