

# Terms of reference (ToR) for the procurement of services/consultancy



**Project Title:** Enabling the Implementation of Georgia's Forest Sector Reform (ECO.Georgia)

**Project/Activity Number:** 2020.2275.4-007.00/C3A4

**Title of the assignment:** Assessment of non-timber forest product (NTFP) value chains in Georgia

## 1. Brief information on the project

Climate change impacts and the demand for fuelwood from rural population put significant pressure on Georgia's forests: up to 90% of rural households (1.43 million people) rely on fuelwood for their energy needs. The problem is exacerbated by the fact that households use obsolete technologies, such as traditional stoves with a lifetime of two years and an efficiency of 35% or less. Fuelwood demand exceeds sustainable harvesting levels, considering reduced productivity of many forests in the country because of extensive forest degradation. This forest degradation leads to a loss of carbon absorption capacity which is projected to decrease by five times between 1990 and 2030.

In order to address this negative development, the project "Enabling the Implementation of Georgia's Forest Sector Reform - ECO.Georgia" supports the Government of Georgia to implement its transformational forest sector reform agenda to put the entire nation's forests under the framework for sustainable forest management (SFM). It will do so by supporting the establishment of a nation-wide SFM system (Component 1) and in parallel promoting market development for energy efficient appliances and alternative fuels (Component 2) to address the main driver of forest degradation. The project will safeguard the reform implementation by diversifying livelihood opportunities and strengthening local self-governance in forest adjoining rural communities (Component 3).

In the frame of the Component 3 with the goal: "Strengthening Livelihoods and Social Inclusion in Georgia's Forest Sector Reform", is to diversify the livelihood opportunities and strengthen local self-governance in forest management to increase incomes and reduce socio-economic disparities, the project will work on enabling local communities to benefit from diversified income opportunities by a) developing professional skills and knowledge for forest management and conservation through vocational education, short-cycle training courses and international university partnerships, as well as by b) strengthening selected value chains for timber products, non-timber forest products (NTFP) and eco-tourism.

Component 3 has four outputs:

**Output 1:** Municipal-level tools, practices, plans and necessary capacities for participatory sustainable forest management and conservation are developed and introduced

**Output 2:** Mechanisms at local level to better protect the interests of adversely affected stakeholders are developed, promoted, and tested

**Output 3:** Professional skills and knowledge relevant to sustainable forest management and conservation are available through vocational education and international partnerships with centers of knowledge

**Output 4:** Selected value chains are strengthened of non-timber forest product (NTFP), timber forest product (TFP) and eco-tourism

Implementation of the Component 3 which will take place till June 2025 targets eight selected municipalities in the regions of Kakheti, Guria and Mtskheta-Mtianeti. The target municipalities are detailed below.

### Target regions and municipalities of component 3

#### Guria

- Ozurgeti
- Lanchkhuti
- Chokhatauri

#### Mtskheta-Mtianeti

- Tianeti

#### Kakheti

- Akhmeta
- Telavi
- Kvareli
- Dedoplistskaro

## 2. Description of the Assignment

### 2.1. Context

The national forest sector reform that Georgia has embarked on creates potential for sustainable and environment-friendly economic development, primarily in rural areas. While timber products promise higher economic return for the country, the collection and processing of non-timber forest products (NTFPs) contributes to livelihoods of the poorest households in Georgia and is a value chain where especially women can earn their own income.

NTFP utilization was poorly regulated before the new forest code, at the same time, the majority of local households and SMEs do not fully benefit from the economic potential of NTFP resources. The reason for that is a lack of knowledge and experience on sustainable, quality and market-oriented business approaches. The volatile situation in the region, and the decline in tourism sector due to the Covid-19 pandemic also puts additional pressure on local livelihoods especially in rural areas.

In general, potential value chains have been already identified for the three regions. However, already existing VC activities in the target municipalities, their economic and social potential, and specific barriers for establishing new or upscaling of existing VC activities have not yet been assessed.

Against this background, exploring the existing and potential NTFP value chains and resources is one of the important parts of rural development in forested areas of the country and can be part of a nature-positive and carbon-neutral development path. This will serve to diversify incomes of local population in the target regions of the project and further contribute to sustainable use of biodiversity and ecosystems.

In the context, as one of the value chains, the Output 4 of Component 3 focusses on non-timber forest products. This value chain was selected to reflect the realities of rural households, which generally rely on various sources of income including non-timber products.

Output 4 primarily supports the private sector, i.e., local entrepreneurs and households, especially women-lead ones, and SMEs in the target areas. Output 4 will focus on several aspects: firstly, on the development of improved business models for forest-related value chains and access to formal financial services. Further, the establishment of new local SMEs with solid business plans linked to these value chains will be promoted. Third, technical capacity building of local stakeholders will enable them to use forest resources sustainably,

to match market demand and generate additional added value through improved quality, packaging, and marketing.

At the national level, government institutions will be assisted in the development of appropriate approaches to ensure that local communities and businesses benefit from the income generated.

## **2.2. Objective(s) of the assignment and tasks**

The objective of the assignment is to assess collection, handling, operation, and marketing practices of existing and potential new non-timber forest product (NTFP) value chains by target municipalities

The consultant shall identify challenges, bottlenecks, information, and support measures for new or existing NTFP value chains (VCs). This assessment has the objective to narrow the focus of project support on potential concrete VC activities and to develop recommendations how to support income diversification and social inclusion of local households and SMEs in the collection, handling, operation and marketing of these VCs in a sustainable and gender balanced way.

**In close collaboration and coordination with the ECO.Georgia project team, the consultant shall fulfil the following tasks:**

### **A. Inception**

- Conduct desk review of existing studies to propose pool of promising NTFP products which may prove an income diversification potential for local households and SMEs inclusive of gender and socially vulnerable groups.
- Define priority NTFP products per municipality<sup>1</sup>, (max. 5 per region) in coordination to MEPA and ECO.Georgia.
- Design and propose interview and research questions.
- Design and propose the assessment plan for all target municipalities, including timeline for desk and field interviews.

### **B. Assessment**

- Conduct interviews with key stakeholders (see the list below) to compliment desk review. Looking into priority NTFPs specifically addressing experiences with export, local sales and marketing, certification, collaboration with local/international institutions and state or private support/subsidy schemes.
- Conduct field interviews with local households and SMEs (collectors; aggregators; processors; distributors; wholesale & retailers; exporters etc.). Identify existing collection, handling, operation, business knowledge and marketing practices/skills, challenges, and bottlenecks.
- Assess the role of different genders in collection, processing and marketing / along the value chains and identify potentials for empowering women and socially vulnerable groups.

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<sup>1</sup> The priority list for Guria should reflect information from the project - Global Project Supporting the design and first implementation steps of the new global framework for biological diversity (BioFrame)

- Assess the potential of value addition (i.e., packaging & design; Expert advice; customer onboarding, etc.) for certain priority products, also linked to tourism sector.
- Assess the feasibility of (re)introducing certifications, with promising products. This entails assessing the willingness of private companies to engage in the certification process, and enhance, traceability, quality, sustainability of collection and trading practices.
- Conduct max. 5 NTFP resource assessment in Kakheti and Mtskheta-Mtianeti<sup>2</sup> to assess resource availability to determine sustainable harvesting volumes and assess potential for cultivation to give predictable NTFP supply information.

## **C. Reporting**

- Prepare a report on reflecting assessment findings, knowledge needs and support measures including recommendations to the Ministry of Environmental Protection and Agriculture (MEPA), ECO.Georgia.
- Prepare PPT presentation to present findings and recommendations to MEPA and partner organizations through a GIZ organized workshop.

### **Preliminary report outline**

- Executive summary
- Introduction and methodology
- Assessment of NTFP value chain actors by products and municipalities
- Roles of different genders and socially vulnerable groups
- Support measures for value chain actors (SMEs, households) for income diversification and quality enhancement including collection handling and marketing practices
- Recommendations to promote and support NTFP certification, benefit-sharing approaches, and sustainable collection practices among private companies
- Recommendations to MEPA on sustainable NTFP harvesting volumes and approaches by target municipalities and products
- Conclusion
- Annexes
  - List of stakeholders met, inclusive of gender and contact info
  - Field interview questionnaires
  - Field interview results (raw data)

### **Exemplary guiding questions**

- Which NTFPs in target municipalities have better potential for income diversification and quality enhancement?
- How is existing knowledge used in collection and handling practices?
- What are barriers, bottlenecks and potential by certain value chain actors (I.e. collectors; aggregators; processors; distributors; wholesalers; exporters & retailers such as hotels, restaurants, online shops, etc.)
- What kind of business and commercial skills/knowledge are lacking along value

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<sup>2</sup> Resource assessment will be done for Guria under the project - Global Project Supporting the design and first implementation steps of the new global framework for biological diversity (BioFrame)

- chains by actors and municipalities?
- What are gender roles in collection practices?
- Which products have potential on the market to add more value by marketing activities and increase income for local households and SMEs?
- What measures to support or intervene to promote sustainable collection, handling, and fair-trading practices?

### **Stakeholders to consider for interviews**

#### ***Public sector***

- Ministry of Environmental Protection and Agriculture of Georgia
  - Biodiversity and Forest Department (BFD)
  - National Forest Agency (NFA)
  - Agriculture and Rural Development Agency (RDA)
- Ministry of Economy and Sustainable Development (MOESD)
- Local Governments
  - Municipal/regional representatives of Guria
  - Municipal/regional representatives of Mskheta-Mtianeti
  - Municipal/regional representatives of Kakheti

#### ***NGOs and projects***

- UNDP, Biodiversity Finance Initiative (BIOFIN)
- GIZ, EU4ITD - Catalysing Economic and Social Life in PIRDP Region
- GIZ PSD-TVET
- CNFA, USAID Agriculture Program
- Forest Product Association of Georgia
- Caucasus Nature Fund
- Caucasus Green Environmental Network, CENN
- Global Project Supporting the design and first implementation steps of the new global framework for biological diversity (BioFrame)

#### ***NTFP private companies***

- Geoflower LLC
- Kakheti Bio Ltd.
- Natura Tea Company Ltd.
- Caucasus Organic Fruits Ltd.
- Bio Product Company (BPC) Ltd.
- Tianetis Nobati AG. cooperative
- Georgian Herbs Ltd.

### **Reports/documents to be considered for desk review**

- UNIQUE Study - Research and preparation of the project “Strengthening Livelihoods and Social Inclusion in Georgia’s Forest Sector Reform” under ECO.Georgia
- Feasibility study - Enabling Implementation of Forest Sector Re-form in Georgia to Reduce GHG Emissions from Forest Degradation
- Georgian Forest Code, 2020
- Forest use regulations, Resolution №221, May 18, 2021, Tbilisi
- Stakeholder Mapping document under ECO.Georgia
- Socio-Cultural Checklist under ECO.Georgia

### 2.3. Outputs/deliverables

Expected outputs are:

**Output 1:** Desk review on pool of promising NTFP value chains by municipalities

**Output 2:** Approved list of priority NTFPs with MEPA

**Output 3:** Interview questionnaires to stakeholders and value chain actors

**Output 4:** Assessment plan and timeline for municipalities

**Output 5:** Interviews with stakeholders and value chain actors

**Output 6:** Resource assessment for NTFPs in Kakheti and Mtskheta-Mtianeti

**Output 7:** 1<sup>st</sup> Assessment draft

**Output 8:** Presentation of findings and recommendations to MEPA, ECO.Georgia and partner organizations within a GIZ organized workshop

**Output 9:** Final Report

### 2.4. Schedule and timeframe /estimated/

	Deadline	Number of experts	Number of days per expert
Output 1	End of September / beginning of October, 2022	1	5
Output 2	End of September /beginning of October, 2022	1	3
Output 3	End of September/ beginning of October, 2022	1	3
Output 4	End of October, 2022	1	3
Output 5	End of November, 2022	1	15
Output 6	End of December, 2022	1	6
Output 7	End of January, 2023	1	5
Output 8	End of February, 2023	1	3
Output 9	End of March, 2023	1	3
			Total 46*

\* the estimated total number of days includes the travel days. It is estimated that the contractor will need to spend up-to 15 working days with up-to 13 overnights, outside of Tbilisi in municipalities to meet involved stakeholders proposed in the section 2.

### 3. Experts or organization profile

- **Education/field of operation:** Economics, Business Administrations, and/or relevant research fields
- **Background experience:**
  - At least 5 years of experience in respective technical areas cited in the scope of work, with a minimum of five years of experience in Georgia.
  - Demonstrated experience of designing and/or managing similar tasks/assessments in Georgia.
- **Experience in the region/knowledge of the country:** Georgia, minimum 5 years.

- **Working languages:** Georgian and English

#### **4. Timing and duration**

From September 21, 2022, to March 28, 2023

#### **5. Place of assignment**

Georgia (Tbilisi and target municipalities)

#### **6. Reporting**

- Reports are to be prepared according to the template agreed with GIZ beforehand.
- All documents shall be delivered electronically (text files, PPT).
- Assessment report should be written in English. Presentation files (PPTs) both in English and Georgian Languages.
- The consultant shall report to and coordinate closely with Marit Berchner (Team Leader, GIZ/ECO.Georgia) and Giorgi Teliashvili (National Advisor on forest related value chains, GIZ/ECO.Georgia)

#### **7. Other provisions**

Participation expenses in workshops, meetings, study tours requested by GIZ and not already included in the ToR will be covered by GIZ.

Any other expenses related to assessment travel, accommodation, food provision etc. linked to the tasks laid out in the ToR should be covered by consultant.

Payments will be affected after provision of timesheet for accomplished outputs respective to number of working days indicated in TOR.

#### **8. Requirements on the format of the tender**

The technical proposal of the bidder shall explain in detail (in form of a concept and a work-plan as per output) how the contractor will ensure timely provision of deliverables, which are listed in this ToR.

Bidder should provide CV which includes references of executed projects and shall be submitted together with the technical proposal. In case if the bidder is a company bidder shall include CV(s) of proposed expert(s).

Financial proposal shall be based on the number of days presented in the 2.4 or in accordance with the bidder's own calculation of days