
Programme: Private Sector Development and Technical Vocational Education and Training Programme in South Caucasus (PSD TVET SC):
“Clusters4Development” Project

PN: 16.2179.6-007.00

Activity: Support representing Georgia and Kakheti & Imereti Authentic regional clusters at the ITB

Period: 1st March 2023 – 31st March 2023

Terms of Reference

1. Brief information about the project

“Clusters 4 Development: Better Business Sophistication in Georgia” Project (hereafter – C4D) is a multi-donor action funded by the EU and the German Ministry for Economic Cooperation and Development (BMZ). The project is implemented by the Private Sector Development and TVET South Caucasus Programme at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

C4D is an integral part of the EU Programme “Economic and Business Development in Georgia”, Component 3: greater business sophistication, in particular, related to the strengthened policy framework to facilitate the development of SME, clusters and incubators (Result 3.1) and the development and functioning of the clustering approach in at least 5 pilot sectors in Georgian regions (Result 3.2).

In line with these results, the specific objectives of the project are: 1) Enhanced business performance of private sector actors in the construction, tourism and apparel sectors through cooperation mechanisms (Components 1-3); and 2) Improved institutional framework for cluster and business development (Component 4).

Specifically, the project is implemented across four components:

- Component 1: Development and pilot implementation of a market-oriented cluster in the construction sector.
- Component 2: Development and pilot implementation of a market-oriented cluster in the tourism sector.
- Component 3: Development and pilot implementation of a market-oriented cluster in the apparel sector.
- Component 4: Enhancement of institutional capacities for cluster and business development.

Key Implementing Partner of the project is the Ministry of Economy and Sustainable Development of Georgia (MoESD).

2. Context and current situation in the field of assignment

Clusters4Development project supports establishment of two market-oriented clusters in the tourism sector, one in Kakheti, one in Imereti. Each cluster is comprised of approximately 30 “core” members, with additional “potential” members during the current start-up phase. Cluster members comprise the following types of business: Craft Makers, Concept Accommodation, and Food & Wine Producers. Both clusters have the theme of “Authentic”, with members selected due to their passion and interest in promoting traditional methods of production. Clusters were established in October 2021, and await legal registration, which is scheduled for early 2023. To support the establishment of the clusters, the project has formulated several support activities, both directly to individual cluster members, as well as the clusters themselves.

This approach has been chosen to highlight the clusters as offering something diverse, authentic, and experience-based tourism offerings to the respective regions. In the long-term this will not only help cluster members themselves, but also promote tourism in Imereti and Kakheti, as well as all of Georgia.

Covid-19 has hit Georgia’s tourism sector hard, and this is felt especially in rural areas. Before the pandemic Tourism was a major contributor to Georgia’s economy. It accounted for 7.5 percent of GDP growth in 2018. Georgia received a record number of 8.7 million international visitors (tourists, transit, other) in 2018, a 10 percent increase over 2017. Supporting tourism recovery of cluster members is therefore an additional goal of the project.

Cluster members have been assessed by project experts, and capacities need to be enhanced in terms of general and facility level management, quality service and infrastructure (e.g. product diversification, new marketing approaches, sustainable product development, digitalization), quality education in tourism related specialties. This mainly refers to the significant number of small-scale, family-owned businesses in the sector, which often lack adherence to quality and standards and have limited oversight on up-coming challenges and market trends. The cluster-based approach will contribute to enhanced sector-wide capacity and quality up-grade, product diversification and market access by strengthening cooperation and capacities of market players along both horizontal and vertical value chains.

The approach in both project regions reflects the strategic policy framework, in particular the efforts undertaken by the Georgian National Tourism Administration (GNTA) in raising regional tourism profiles both nationally and internationally. The most recent marketing and branding propositions for both regions suggest building the tourism offer around “the primary wine-making region and wine destination in Georgia” in Kakheti and the “ancient, diverse and rich history, culture and food plant heritage” in Imereti.

3. Objective of the project and assignment

The objective of the current assignment is to cover the tourism and clustering aspects related to the and development of one tourism cluster in in Kakheti and one tourism cluster in Imereti. The focus of the clusters is to unite Georgian small and medium size enterprises active in Tourism sector, identify their

needs, challenges and opportunities and support them in their further sustainable development through networking, promotion and access to knowledge and expertise. The vision for the clusters is to develop a cooperative, innovative space where tourism, technology, sustainability and knowledge meet - a space where different stakeholders within Georgia's tourism industry support and collaborate with each other to build a strong image of Georgia's tourism industry both locally and internationally. The mission is to represent, promote and support Georgian SMEs in Tourism sector while increasing their competitiveness in the local and international market as well as providing Tourism service producers with tools and skills which allow them to be more competitive in terms of sustainability, product development, marketing, and international exposure/outreach.

In 2021, 2022 and 2023, the Project has already identified opportunities for establishing and assuring sustainability and competitiveness of business clusters related to tourism and hospitality.

Every year in March the world of international tourism gathers at the largest travel trade show, ITB Berlin. For more than 50 years the name ITB has stood worldwide for industry knowledge 365 days a year, networking and trendsetting events, whether in a virtual, in-person or hybrid format.

With the expert knowledge of the trade fair team, long years of experience and a keen understanding of trends and developments in the international travel industry, ITB Berlin established itself as the World's Leading Travel Trade Show. Over the years ITB has not only grown in size, exhibitor numbers and attendance, it has also become a comprehensive industry marketplace, showcasing travel products and services from around the world and growth-intensive niche markets.

Global trends, leading experts and current best practice examples: The world's most important travel industry convention features keynotes, panel discussions, expert interviews and awards on groundbreaking topics such as travel technology, marketing & distribution, future travel, MICE, sustainability and social responsibility, hospitality, business travel, future work and much more.

ITB Berlin Convention 2023 will take place at the Berlin Exhibition Grounds 7-9 March 2023, opening with reception on 6th. Georgia, the official host country of ITB Berlin 2023, is gearing up to display its tourism offering in March 2023. According to the Georgian National Tourism Administration, hosting "is a terrific opportunity to exhibit the country's tourism destination to the entire globe."

Based on the overall objective of the Project, the purpose of this assignment is to help to support the promotion of Georgia and the Authentic Kakheti and Authentic Imereti Tourism Clusters on the global international market. Such an opportunity to be presented as the Host of the World's Largest Tourism exhibition is a once-in-a-lifetime opportunity and might not happen for years to come. The Host country will be getting a 950 sq.m. space at the venue and will be given a chance to showcase its touristic products in various aspects. The main scope of the ITB is to connect the tour operators worldwide. Travel agencies, associations, and tourism product sellers all over the world come to the ITB for experiencing new products and services offered for the upcoming touristic season, to observe new trends and get acquainted with what are the new offers and destinations at the market. The host country is amidst the center of such scrutiny and interest and most importantly gets the most exposure and outreach. Since the ITB 2023 will be held in the B2B format, most important is meeting with the potential partners and showcasing and offering them the products and services to interest them in Georgia and specifically in clusters.

C4D has supported both regional clusters and organized an info tour of Tour operators at the cluster member's locations in order to introduce them to the member SMEs, their products and services, so that tour operators know each and every member of the cluster really well, as well as are personally acquainted with their products, not only in Wine sector but in Gastro and Craft sector as well. While meeting with the international partners and counterparts we will be inviting them to our planned events in various locations of the ITB Messe.

We will be holding Wine, tea and gastro degustations, as well as conducting the phelt weaving and ceramic crafting masterclasses throughout the whole period of ITB. We will be represented, in the main Hall with the masterclasses, in the adventure hall with videos and meeting area with snacks bar, wine hall with wine degustations and welcome bar with spirits. The main aim for such activities is to exclusively showcase the products of our cluster members, and introduce each and every product and personally, provide detailed and comprehensive information to at the events and answer all the questions that may arise, for the attending guest and tour operators at the ITB.

The event company, in collaboration with GIZ team:

- a) **Support the implementation of the objectives and planned activities of Kakheti & Imereti Tourism clusters of holding Wine, tea, and gastro tastings at the ITB Berlin 2023**
- b) Support the GIZ team in promotion of Georgia and clusters by creating of Individual planning for the member SMEs based on the assessment for promotion at the ITB.
- c) Development of recommendations for the products list (provided by GIZ) to be showcased during the Gastro degustations based on the findings and results of work done previously, on their export capacity and technical assistance needs based on the product category
- d) Organize the purchasing and logistics of gathering of all the listed products for the ITB (*Please see the list of cluster members' products attached as Annex 1.*) *Contact information and other details about the products of the cluster members will be provided by the GIZ team)*
- e) Support the implementation of the objectives by managing the transportation of the goods, including the documentations, packaging, flight, storage and delivery of the products at the ITB Messe location in Berlin (*the producers have been informed regarding the needs for the degustation's and masterclasses and products are prepared for the shipment at their locations*)
- f) Support the GIZ team on sight in Berlin in customs and unloading procedures as needed
- g) Support the GIZ team in communicating with the ITB for storage and any other logistical needs for the smooth organization of degustations of cluster member's products

All activities will be conducted in close cooperation with program expert as well as GIZ staff.

3.1 Approach to the Implementation & Specification of Inputs and Outputs

To serve the purpose outlined in section 3, the Project seeks to contract a competent Event Organizing Company to prepare grounds for, to support and work in tandem with the team of program expert & local experts as well as GIZ staff to organize and implement the assignment.

The details of the assignment components are provided below. Please note that the foreseen implementation steps can be slightly amended during the course of the project.

3.3 Tasks to be performed by the contractor

All tasks relate only to the Info tours aspects of the clusters in the two regions

| Phase / Activities | Deliverables | Amount of days |
|--|---|----------------|
| 1. Preparations | | |
| 1.1. Review the objectives and planned activities of ITB degustations with a GIZ and other experts 1.2. Come up with the List of potential products to be presented at the degustations from each cluster member (up to 60) 1.3. Create the Final list of all products needed for the degustations | 1.1.1. Together with the GIZ team plan steps and objectives activities 1.2.1. Make the requests for all the products for the activities communicate with each participant which of their products and which specific varieties are selected for the degustation | 6 days |
| 2. Transportation | | |
| 2.1. Organize the transportation & customs clearance for the products, from regions to international transportation facility and to ITB Berlin Messe | 2.1.1 Agree the transportation details with the GIZ team 2.1.2 Deliver the information regarding the transportation means and logistical details and etc. to GIZ team 2.1.3 Be present at the with all the documents for customs clearance & inform GIZ regarding logistical details and etc. 2.1.4 Be present at the shipping and receiving facilities and manage the process | 15 days |
| 3. Consultation | | |
| 1.1. Review the existing documentation for export for all the members with various types of products (including labels) 1.2. Provide consultation for the members as needed (up to 60 members) | 1.1.1 Review the existing sample export documentation, as well as existing laboratory results topics with each producer 1.1.2 Provide consultation and liaison a communication with the member SMEs on the needed information regarding the export potential and needed preparation for the future | 30 days |

| Phase / Activities | Deliverables | Amount of days |
|--|---|----------------|
| 4. Implementation | | |
| 4.1 Implementation of the objectives and planned activities of Kakheti & Imereti Tourism clusters at the ITB Berlin 2023 | <p>4.1.1 Accompany the team during the ITB to help in case of the need, manage the transportation, storage and schedule etc. on sight</p> <p>4.1.2 Agree the changes (if such occur) with the GIZ team and respond according to communication</p> <p>4.1.3 Assist in the process of conducting Wine, tea, and gastro degustations as well as masterclasses and other activities during all three days of the ITB Berlin 2023, from March 6th to 9th</p> | 4 Days |
| 5. Preparing of financial documentation | | |
| 5.1 Event Organizer to prepare all the financial documentation | <p>5.1.1 Manage payments/collecting of invoices for the products, transportation services, customs and all the other activities</p> <p>5.1.2 Translate all the collected invoices in English language if needed</p> | 15 days |
| 6. Results / Implementation Report | | |
| 5.1 Provide an implementation report | Provide a small report on the conducted activities, and actions implemented | 5 days |
| Total Number of Days | | 75 days |

3.4 Activities, Deliverables and Due Dates

Expected deliverables and corresponding due dates are provided in the table below. Based on the still ongoing pandemic and uncertain situation, all the dates correspond to an ideal implementation of the contract and may be modified, based on the existing situation in Georgia at the time of the implementation.

| Milestones | Deadline |
|---|----------------|
| Preparatory work conducted | March 6, 2023 |
| Make the requested bookings for all the exchange activities in the Agenda | March 6, 2023 |
| Organize the transportation | March 7, 2023 |
| Conduct the ITB | March 10, 2023 |
| Consultation | March 10, 2023 |
| Preparing of financial documentation | March 31, 2023 |
| Provide an implementation report | March 31, 2023 |

5. Coordination and Communication

The Contractor works in close cooperation with the GIZ/C4D Programme Expert, and other experts contracted by the project. The contractor will maintain an active communication with cluster members participating in ITB. Reporting is to the GIZ/C4D Programme Expert.

5.1 Visibility

Development of all products under this assignment is funded by the EU and the German Federal Ministry for Economic Cooperation and Development (BMZ) and must follow communication and visibility requirements for the EU and BMZ financed external actions (i.e. inclusion of logos and disclaimers).

6. Conditions and payment terms

Payments will be carried out based on the implementation of this assignment and the acceptance of all deliverables and provision of the invoices according to the following schedule:

6.1.1. Advance payment

Advance payment in up to 20 % of the contract value will be made upon the signature of the contract.

6.1.2. Final payment

The final payment of the contract value will be made upon the completion of implementation of this assignment & invoices and the acceptance of the contract implementation report.

7. Submission Requirements

The bidder shall submit technical and financial proposals to comply with the following requirements:

7.1 The **technical proposal** shall contain proposed work plan to implement the assignment, bidder Company's Profile and CVs with requested team's relevant experience;

7.2 The financial proposal shall contain all types of costs & fees to be charged to the project for implementation of this assignment, such as **experts' fees, their transportation and Hotel accommodation fee, as per attached price schedule.** **The attached price schedule is to be used for the preparation of the financial offer.**

* The budget purchase of the products and materials for wine, tea, gastro degustations, as well as materials needed for hosting master classes and showcasing the products and the services of clusters

as well as cost for transportation of good to the location at the ITB Berlin Messe is determined by the project in advance. The contractor is required to submit invoices and a report that illustrates the expenses and the result of activities mentioned above. Such costs will be reimbursed by the project based on the implementation of this assignment & the presented invoices. The budget for such activities should not be included in the financial proposal.

8. Evaluation criteria

A technical proposal by a bidder shall be evaluated based on the assessment of: (1) proposed work plan, (2) bidder Company's Profile qualifications and experience, and (3) CVs with requested team's relevant experience;

8.1 Evaluation criteria for a technical proposal

A technical proposal shall be evaluated based on the relevance of the chapters of the work plan to include:

- a) Interpretation of objectives;
- b) Work schedule and timelines;
- c) Monitoring and evaluation concept.

8.2 Evaluation criteria for a bidder

It is envisioned that 3 positions will be needed to successfully complete the project:

Expert 1: Event Organization Manager (Team Leader)

- 5+ years of experience in event organization
- Language: Excellent business language skills in English and Georgian
- Experience in managing large scale events /activities on global scale
- Specific professional experience: working with travel organizations, field trip events/degustations/tastings
- Preferable experience in promotion of the tourism / cultural heritage sector
- Development Cooperation (DC) experience: will be an asset

Expert 2: Administrative Task Manager

- 5+ years of experience in administrative tasks
- Language: Excellent business language skills in English and Georgian
- General professional experience: 2+ years' experience in managing international purchases/ international partner communications
- Specific professional experience: 2 years' experience of working with administrative / finances field
- Development Cooperation (DC) experience: will be an asset

Expert 3: Trade / Export Expert

- 7+ years of experience in trade/export between Georgia and it`s trade partner countries

- Language: Excellent business language skills in English and Georgian
- General professional experience: 2+ years' experience in Organization and implementation of information and awareness- raising projects in connection to the reforms and legislative changes to be implemented within the Agreement of Deep and Comprehensive Free Trade Area (DCFTA)
- Specific professional experience: 2 years' experience conducting research and collecting relevant information on technical and legal needs for crossborder trade from Georgia
- Development Cooperation (DC) experience: will be an asset

* Please review the assessment grid attached to this document.