

TOR for STE-Assignments / Advisory / Services Contract

Programme:	Enhancing Company's Competitiveness through Quality Infrastructure (QUIS - Better Goods and Services).
PN:	23.2227.9-001.00
Activity:	Private Sector Needs Assessment for Conformity, Gap Analysis in Quality Infrastructure Services and Development of Supporting Mechanisms
Period:	October 21, 2024 - January 31, 2025

1. Brief information about the project

The multi-donor project "QUIS - Better Goods and Services" on 'Enhancing Company's Competitiveness through Quality Infrastructure' in Georgia (hereafter - QUIS) is jointly co-financed by the European Union, the Federal Ministry Economic Development BMZ and Czech Development Cooperation (CDC) and implemented by GIZ and CzDA. The project timeline is scheduled till January 31, 2027.

Overall objective of QUIS is to ensure safety and promote inclusive and sustainable economic growth in Georgia through improved competitiveness of the private sector and implementation of the DCFTA and its EU related commitments, with a particular focus on business, trade, environment, and better skills matching.

Notably, QUIS targets the following outputs:

Output 1: Optimized regulatory and policy framework for quality infrastructure in line with EU and international requirements that promotes competitiveness of the Georgian products (goods and services).

Output 2: Improved compliance with European and international standards of conformity assessment bodies (incl. laboratories).

Output 3: Improved compliance with European and international standards of local producers.

Output 4: Raised awareness for Georgian companies regarding the potential of private standards or state regulation, including the services offered by public and private organizations within the system of notified bodies.

Output 5: Intensified cooperation between quality infrastructure institutions and private sector actors.

The partner of the project at the political level is Georgian Ministry of Economy and Sustainable Development (MoESD). Narrower portfolio of partners encompasses public bodies supervised by MoESD, such as Georgian National Agency for Standards and Metrology (GeoSTM), Georgian Accreditation Center (GAC), Market Surveillance Agency (MSA), Georgian Competition and Consumer Agency (GCCA) and Enterprise Georgia (EG).

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2. Context and objective of the assignment

Scope of QUIS covers Conformity Assessment Bodies (CABs) development program, including building capacity of testing and calibration laboratory services, which is capital-intensive activity per se, requiring investment in fixed assets and marginal operational expenses. Thus, the project is determined to support this area of market failure and introduce financial mechanism(s) bundled with technical assistance (TA) to strengthen conformity assessment services and generally quality infrastructure in the country. Consequently, financial support will be granted to testing and calibration laboratories, aiming to meet the demand and contribute to overall quality infrastructure.

With this ToR, GIZ intends to conduct market screening and gap analysis regarding conformity of industrial or consumer products. The objective of this action is to study and analyze demand from the private sector on conformity assessment services (driven by regulatory requirements or intrinsically) and on the other hand understand challenges faced by conformity service providers (i.e. quality/safety testing laboratories) to meet this demand.

The research scope should include, inter alia, expression of interest from laboratory services existing and potential providers to develop or create appropriate activities and (co)invest in necessary infrastructure (including in-house laboratories), budget estimation (sources and uses), relevancy of indicative financial support options, indicative volume of annual orders to laboratories from the users (demand-side). Besides, findings should elaborate on parameters that are not reasonable to be tested locally due to the current, short-term, and medium-term demand (1-5 years) and the high costs related to setting up the relevant testing facilities. Findings should also clearly identify those testing fields which can be considered as a common for the different new and global approach directives, which covers most industrial products under their scopes ([დაწარმო III.pdf \(dcfta.gov.ge\)](#)). Local products requiring similar tests should be grouped in the report (e.g. fire resistance, thermal conductivity, acoustics, insulation, etc.).

Besides, the research scope should also identify local producers' intention to improve compliance with European and international standards.

The research is envisioned as a cornerstone for designing financial support program provided by the project in collaboration with Enterprise Georgia (EG), commissioned to launch and administrate the program. Enterprise Georgia is a public agency experienced in execution of business support state programs, such as grants, loans interest co-financing and credit guarantees.

The research should identify up to 20 priority testing fields (example: test of plastics for consistence, for flammability etc; test of metal for consistence and/or for strength etc.) and identify all relevant testing methods for those activities from the list of EU harmonized standards under the EU directives and regulations provided by MoESD in Annex 1. This list should be reviewed and approved by EG and MoESD.

The objective of the assignment is expected to be achieved through 4 major outcomes:

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Outcome 1: Identified up to 20 priority testing fields and all relevant testing methods from the list in Annex 1. Each selected testing method must be accompanied by a brief explanation, outlining the rationale and criteria for its selection.

Outcome 2: Supply-demand gap analysis in local laboratory services for selected 20 testing methods and proposed support mechanisms (including financial) to address the gap. The analysis should:

- Collect and aggregate local producers' needs related to the quality standards they need to fulfill by EN standards. Analysis of the gap(s) between the current as well as near future (1-5 years) demand and the capacities of testing laboratories in delivering such services to ensure conformity with EN standards. The supply-demand analysis must include a mapping of companies that are in need of conformity assurance services or adopting standard(s), laboratory/testing service providers and the value of related services.
- Elaborate on other meaningful findings and provide structured proposal on efficient financing and other mechanisms (varying from access to finance schemes to technical assistance/consulting) targeted at both sides of the ecosystem for mitigating mismatch between demand and supply.

As EG already provides credit guarantees and loan/leasing interest subsidies to laboratories, the proposal should design complementary grant features to be integrated in the existing support package or considered as a stand-alone mechanism, which will increase investment plan viability of the interested laboratories. The proposed financial mechanisms should come with a financial model, approximate budget, number of potential beneficiaries, assumptions/limitations, etc.

Outcome 3: Conducted workshop with the project partners and stakeholders (potential beneficiaries) on designed support mechanisms. Follow-up consulting on the mechanisms, including adjustments if applicable.

Outcome 4: Final report. The report summarizing outputs of the workshop and recommendations on further steps.

In alignment with GIZ's commitment to enhancing women's participation in economic activities, and with the project's objective to support and facilitate women-led companies, the study should pinpoint gender gaps. It should identify these disparities where viable and present information divided by gender where achievable.

3. Scope of work

The assignment shall be carried out in 4 phases:

Phase (1): Preparation for the research.

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The activities of the local service contractor for this phase involves:

- 1) Conduct desk review of economic papers and QI developments in Georgia, inter alia, web pages of quality infrastructure institutions (GEOSTM, GAC, MSA), EG's existing business support mechanisms and PTBs newly developed survey* on "Demand and Supply of Testing Services for Construction Materials in Georgia". Also, review existing EU harmonized technical regulations in the scope of MSA and those planned to be phased-in, awareness of which should be investigated within target groups.
- 2) Conduct interviews with QUIS team at GIZ and CzDA, top/senior managers of quality institutions and EG, industry associations, PTB project and collect insights for research methodology.
- 3) Design the research framework, encompassing methodology, tool(s), pools of respondents, timeline and agree with the project and EG.
- 4) Design criteria, analyze proposed testing fields and the methods, identify 20 priority testing fields with relevant methods, and provide robust rationale to be accepted by GIZ, EG, and MoESD.

Phase (2): Research implementation and outputs preparation

The activities of the local service contractor for this phase involves:

- 1) Conduct the research using pre-defined framework, process collected data/information.
- 2) Perform supply-demand gap analysis for the selected testing fields with relevant testing methods and identify challenges causing the gap, inter alia, possible lack of finance, lack of information, lack of technical assistance.
- 3) Prepare QI directory:
 - A list of active laboratory service providers and services provided by them (incl. value of related services);
 - A list of companies seeking to improve conformity by adopting standards.
- 4) Propose mechanisms addressing the gap, inter alia, access to finance, technical consulting, awareness activities. The proposal should approximate grant allocations and arrangement, beneficiaries' commitments (incl. down payment, cap, etc.) and number of potential beneficiaries per mechanism.
- 5) Present results of the phase to GIZ, EG, and MoESD for approval and agreement to move forward.

Phase (3): Conduct the workshop with project partners and stakeholders (potential beneficiaries). Provide follow-up consulting on further developments.

The activities of the local service contractor for this phase involves:

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- 1) Prepare agenda, list of participants and content of the workshop and agree with GIZ and EG.
- 2) Organize the workshop, present developed mechanisms to the target group, test the interest and facilitate information exchange among participants.
- 3) Draft summary report on outputs of the workshop, propose adjustments to the mechanisms (if applicable and feasible) and provide follow-up consulting to GIZ and EG.

Phase (4): Final Report

The activities of the local service contractor for this phase involves:

- 1) Draft final report, structuring and summarizing milestones and contractor's effort in each phase, followed by recommendations for further actions (proposed action plan).
- 2) Submit the final report with annexed deliverables defined by the contract.

****There is another ongoing project financed by the German Government and implemented by PTB (German Metrology Institute), currently finalizing similar research, covering majority of construction materials sector (except 1 economic code). The service delivered to GIZ through this ToR should be complementary and value-added through reaching other sectors.***

3.1. Intellectual Property

GIZ shall be entitled to all intellectual property and other proprietary rights including, but not limited to documents, files, and other materials, which the contractor will develop under the assignment, and which bear direct relation to fulfilment of the assignment. The contractor shall take all necessary steps in transferring intellectual property to GIZ.

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3.2. Deliverables and timeline

The contract period for this assignment is expected to be from 21.10.2024 – 31.01.2025. Structure of tasks, deliverables and due dates are as follows:

Phase / Tasks	Deliverables	Total Expert Days	Due Date
1. Phase #1: Preparation for the research			
<p>1.1 Desk review of economic papers and developments related to QI issues in Georgia (as indicated above in the scope of work).</p> <p>1.2 Interviews with QUIS team, public partners, PTB project, industry associations and collecting insights for the research design.</p> <p>1.3 Design criteria, analyze proposed testing fields, select up to 20 fields and relevant testing methods, and provide robust rationale.</p> <p>1.4 Design the research framework, inter alia, methodology, tool(s), pools of respondents, timeline and agree with the GIZ, MoESD, and EG.</p>	<ul style="list-style-type: none"> Designed research framework (word/pdf/excel files in ENG) Evidence of acceptance of the research framework by GIZ and EG. Evidence of acceptance of the proposed testing modes by GIZ, MoESD, and EG. 	up to 27	November 25, 2024
2. Phase #2: Research implementation and outputs preparation			

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Phase / Tasks	Deliverables	Total Expert Days	Due Date
<p>2.1 Conduct the research using the agreed framework.</p> <p>2.2 Perform supply-demand gap analysis for the identified testing fields and identify current and near-future challenges causing the gap, as described above in the scope of work and outcome.</p> <p>2.3 Prepare the list of testing laboratories with an indication of testing capacities of each and prices of related services, and a list of companies seeking to improve conformity by adopting standards</p> <p>2.4 Propose mechanisms addressing the gap for both sides of the market, as described above in the scope of work and outcome.</p> <p>2.5 Present results of the phase to GIZ and EG for approval and agreement to move forward.</p>	<ul style="list-style-type: none"> • Supply-demand gap analysis report (word/pdf/excel files in ENG) with supplementary documents (dataset collected per respondent, etc.). • List of testing laboratories (incl. testing capacities and prices of services) and a list of companies (local producers) seeking to improve conformity. (excel file in ENG) • Proposal on structured mechanism(s) as described above in 2.4 and outcome 2. (word/pdf/excel in ENG) • PowerPoint-presentation showing the main findings of the research phase to GIZ and EG. • Minutes, list of participants and agenda of presentation meeting, with evidence of acceptance the proposal (e.g. email). 	<p>up to 60</p>	<p>January 15, 2024</p>
<p>3. Phase #3: Workshop with relevant partners and stakeholders (potential beneficiaries), followed by consulting on further developments.</p>			

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Phase / Tasks	Deliverables	Total Expert Days	Due Date
<p>3.1 Prepare agenda, list of participants and content of the workshop and agree with GIZ and EG.</p> <p>3.2 Organize the workshop, present proposed support mechanisms to the target group, test the interest and facilitate information exchange among participants.</p> <p>3.3 Draft summary report on outputs of the workshop, propose adjustments to the mechanisms (if applicable and feasible)</p> <p>3.4 provide follow-up consulting to GIZ and EG.</p>	<ul style="list-style-type: none"> Ppt for the workshop. Agenda and list of participants of the workshop. Report as described in 3.3. (word/pdf file in ENG) incl. Annexes with Agenda, list of participants, PPT-Presentation Minutes of the consultation meeting with GIZ and EG. 	up to 10	January 31, 2024
4 Final report			
<p>4.1 Draft final report, structuring and summarizing contractor's work done in each phase, followed by recommendations and considerations for further actions (proposed action plan).</p> <p>4.2 Submit the final report with reference to annexed deliverables defined by the contract.</p>	<ul style="list-style-type: none"> Final Report (word-file in ENG). 	up to 3	January 31, 2024
Total number of expert days (performed by pool of experts) up to		100	

3. Coordination and Communication

Close coordination and reporting to the project Advisor and Team Leader, as well as liaison with government institutions/project partners (if necessary).

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4. Visibility

Development of all products under this assignment is funded by the EU, German and Czech Governments and must follow communication and visibility requirements of the donors (i.e. inclusion of logos and disclaimers).

5. Conditions and Payment Terms

For this assignment maximum of 100 working days are agreed, summing up the effort of the entire pool of experts. Interim payment is assumed up to 25%, and final payment will be carried out based on the full implementation of this assignment and the acceptance of all deliverables by GIZ.

Booking costs of the venue for the workshop will be provided by GIZ.

Transportation, telecommunication, and printing costs (if any) should be ensured by the contractor.

Data collection from the respondents should be conducted through an interactive format (e.g. physical meetings, phone calls, e-meetings).

6. Submission Requirements

The bidding company should submit technical and financial proposals.

Technical proposal must contain:

Information about bidding company, having think tank profile and demonstrating strong track record in conducting economic research and analysis, complemented by consulting. Cooperation with international organizations will be considered as an advantage.

Therefore, technical proposal should indicate the following:

1. Description of comparable portfolio, past works that demonstrate capability of tackling this assignment and submission of high-quality deliverables.
2. Awareness of mandate and services of quality institutions (GEOSTM, GAC, MSA) and EG should also be demonstrated.
3. Enclosed 3 economic value chains analysis and/or business strategy development advisory reports (preferably in English) prepared within the last 3 years and contact information of clients accepted those deliverables.
4. Proposed vision of the work plan for the assignment.
5. CVs of the proposed team, showcasing past achievements and comparable tasks fulfilled.
6. For the international technical subcontractor, the bidder should present the subcontractor's portfolio, profile, and description of implemented projects.
7. Composition of the team should include at least:
 - **Team Leader / Key Expert**, guiding the team and leading the assignment, having 8 years' experience in economic research / analysis, root cause analysis, impact assessment reporting and business consulting field (preferably in project finance and investment appraisal area). Team Leader will be contact person for GIZ on this assignment.

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Pool of Experts.

- **Senior Analyst**, involved in this assignment, having 5 years of experience in economic research / analysis, business intelligence, and consulting field (preferably in quality management area).
- **Conformity Technical Expert** involved in this assignment, having 4 years of experience in the field of conformity assessment and/or market surveillance, capable to support the assignment and provide consultations/inputs about laboratory services (tests).
- **International Technical Subcontractor** (individual expert or company) having 10 years' experience and technical knowledge of EN standards and testing requirements, namely industrial products testing based on EU directives, supporting the team to prioritize up to 20 testing fields which are common for the new and global approach regulations and identify relevant testing methods in the appropriate phase of assignment.
- **Researcher**, involved in this assignment, having 3 years of experience in conducting economic research via interviews, collecting, and processing high quality data, note meaningful information (preferably in quality management area).

The financial proposal shall clearly state:

- All types of costs to be charged to the **contract** (except venue for the workshop) for implementation of this assignment, **excluding VAT**.

7. Evaluation criteria

Technical Proposal will be assessed based on the following criteria:

- Background and capacity of the company.
- Quality and relevancy of the technical proposal.
- Competency of proposed key experts.

* For detailed information, please review assessment grid, attached to this document.