

**Project Title:** Mobility4Cities - Sustainable Urban Mobility in the South Caucasus  
**Project N:** 19.2270.7-001.00  
**Assignment:** Ex-ante Regulatory Impact Assessment (RIA) for improvement of inter-city connections in Georgia  
**Timeline:** 20.11.2020 – 30.03.2021

## **Tender Announcement**

### **Ex-ante Regulatory Impact Assessment (RIA) for improvement of inter-city connections in Georgia**

‘Sustainable Urban Mobility in the South Caucasus’ (hereafter – *Mobility4Cities*) project as part of the GIZ’s Regional Office in the South Caucasus, in close cooperation with the Ministry of Economic and Sustainable Development of Georgia (MoESD) is requesting offers/proposals from local service providers (locally registered) with relevant experience in the conduction of Regulatory Impact Assessment (hereafter - RIA) for improvement of inter-city connections in Georgia with the following conditions:

#### **I. Context**

The transport sector is one of the largest sources of greenhouse gases in the South Caucasus (for example Georgia with 33% of energy-related emissions). Current projections show a doubling of transport-related emissions by 2030. In addition to the impact on the global climate, the transport sector contributes to a reduced quality of life in the cities due to its emission of air pollutants. Furthermore, economic damage is caused by congestion, accidents and by diseases due to air and noise pollution. This causes a high dissatisfaction of the population with the current traffic conditions (inadequate quality, safety, accessibility and coverage of public transport).

A disorder is encountered in carrying out commercial transportation of passengers circumventing bus stations. Carriage of passengers from mass gatherings of passengers instead of bus stations has become systematic, leading to increased intensity of chaotic movement of buses, traffic jams and deteriorated ecological situation. Often, the carriage takes place by carriers which are not registered within entrepreneurial registry, without a traffic schedule, disregarding the traffic, the environment and drivers’ work and rest norms, as a result affecting quality and safety of transport operations.

The requirements of sanitary and hygienic, traffic and environmental rules established by the legislation of Georgia and international standards are not met at bus stations. Technological equipment and operational-technical characteristics of most bus stations do not comply with the requirements of the Technical Regulation «The Procedure and Conditions for the Operation of Bus Stations». Yet, bus stations often become carriers themselves, restricting other carriers, setting high service tariffs and eliminating the possibility for healthy competition between carriers.

Furthermore, the number of non-professionals with low level of qualifications have increased. Such persons buy cheap vehicles, the majority of which do not comply with the requirements of regular passenger transportation by technical or economic characteristics and start transportation

of passengers. As a result, carrier entrepreneurs, carrying out transportation of passengers in accordance with the requirements established by the legislation and making full payments into the budget, find themselves in non-competitive conditions, leading to their removal from the transportation market and replacement by individual owners of buses working disregarding the requirements of the legislation.

## **II. Objectives and scope**

Any effective legislative and public policy initiative of the government should be evidence-based, thoroughly evaluating the social, environmental and economic impacts. According to the EU Better Regulation Agenda<sup>1</sup> “impact assessment promotes more informed decision-making and contributes to better regulation which delivers the full benefits of policies at minimum cost”. The impact assessment process shall further be guided by the implementation principles of the Agenda 2030, namely to: (i) foster integrative approaches covering environmental, social and economic impact dimensions (ii) leave no one behind by ensuring greater efforts to address the poorest and most vulnerable groups and reduce inequalities (iii) underline shared responsibility of all stakeholders with multi-stakeholder approaches, which implies the obligation of not only the state to implement sustainable development goals, but also involvement of the society, its groups and citizens to be involved in this process on an equal footing (iv) enable accountability with strong review and monitoring mechanisms.

In order to effectively implement the RIA process, criteria for conducting ex-ante RIA shall be defined. Throughout the conduction, the RIA shall be well-consulted among different groups of the society, first of all stakeholders of the relevant sector, as well public sector encompassing field ministries, legal entities of public law (LEPLs), field committees of the Parliament or others, private sector, civil society, scientific or research institutions, business associations. The results and findings of this inclusive and transparent process shall be presented in the Regulatory Impact Assessment (RIA) report.

The service provider should pay particular attention to ensuring active involvement of relevant staff of MoESD in conduction of ex-ante RIA, development of their capacities not only in assessment-analysis of the outcomes of the Reform, but also in terms of RIA methodology.

The scope of the RIA for improving inter-city connections in Georgia extends on possible interventions in order to ensure:

- passenger transportation complying with the safety, health and environmentally friendly standards,
- competition on the market of inter-city passengers` transportation through the elimination of the facts of disrupting competition from the part of bus stations on road market and providing equal conditions with carriers,
- evaluation technical requirement of existing bus stations,
- reconstruction of bus stations based on modern requirements and stimulation of construction of new bus stations of international level,
- compliance with the conditions set for carriage,
- increase in budget revenues to promote faster integration of the national transportation system into the European and world transport system,
- improved quality of consumer services,
- protection of the rights of the participants of the road transport process,

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<sup>1</sup> [https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how\\_en](https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how_en)

- staffing of the field of passenger carriage with highly qualified, professional and experienced personnel.

In order to ensure abovementioned standards, there is a need for some legislative and non-legislative interventions from the relevant public authorities. In order to plan and to implement necessary measures, comprehensive analyze and assessment of current situation is needed. The analyses of state of play, of stakeholders and understanding their interests/needs will help to identify possible scenarios for further steps. They may lead to identification of potentials for possible cooperation among different stakeholders, in order to cope with the safe and healthy transport environment.

### **III. Tasks**

The service provider shall conduct the entire process of RIA implementation, according to the international best practices and taking into consideration the relevant EU directives through the following activities:

Kick-off with MoESD

The Service Provider shall initially discuss and agree its work approach, foreseen involvement of stakeholders and the scope of possible interventions for its review with the relevant project representatives of Mobility4Cities and MoESD

Establishing RIA group:

- a. Service Provider shall establish RIA group consisting with field experts, which will responsible for conduction of RIA on the abovementioned topic. Involvement of field international expert/-s on public transport regulations is a must; demonstrated expertise proofed by relevant work samples by all proposed experts is required. Selection and contracting of international expert/-s has to be communicated and agreed with Mobility4Cities team.
- b. Ensuring clear distribution of tasks between the RIA team members and development of a detailed plan for the RIA implementation, including reasonable timeline, milestones and a clear budget;

Research and analyze state of play:

- c. Quantitative and qualitative research of state of play in the relevant sector described in part "II Objectives and scope" of this announcement, analyzes of all stakeholders and assessment of risks connected to the possible regulatory and non-regulatory interventions,
- d. Organization and conduction of interviews with the relevant stakeholder, documentation of meetings;
- e. Collection of relevant data and their evaluation;
- f. Research of requirements of EU directives and international best practices

Consultations and trainings:

- g. Conduction of no less than 4 (four) trainings on RIA methodology for the MoESD staff throughout the RIA implementation process;
- h. Conduction meaningful stakeholder consultations among a broad group of stakeholders, including Ministries, Parliament Committees, civil society organizations and other interested stakeholders during the entire RIA process; monitor that the outcomes of the consultations are enshrined in relevant chapters of the RIA report;
- i. Constant communication with the staff of the MoESD on RIA processes and initial outcomes;

Interim and final RIA reports should entail:

- j. The outcomes of the assessment process with all relevant documentation;
- k. Consideration of the relevant EU directives` requirements and international best practices;
- l. Reasoned possible alternatives of interventions in order to achieve goals described under part “II Objectives and scope” of this announcement. Whereby assessment and comparative analysis of possible alternatives should be rendered along all three dimensions of sustainability – economic, social and environmental;

Presentation of interim and final RIA reports:

- m. Organization and presentation of interim and final RIA reports to the MoESD;
- n. Preparation and presentation in a public event format of the final report of the RIA together with the representatives of the MoESD.

Conduct other activities linked to the RIA process in coordination with *Mobility4Cities*.

#### **IV. Admissibility and qualification**

- Local Consulting firms;
- Local Research institutions;
- Local Universities;
- Local Non-governmental organizations.

**Note:** registered in Georgia

#### **The service provider shall meet the following requirements:**

- Demonstrated experience of RIA implementation (proof shall be provided with relevant sample RIA reports, experience in conducting ex-ante RIA is desirable), experience of undertaking environmental and social impact assessment, technical, legal and policy analysis;
- Working group members (staff) shall have at least 3 years of experience working in relevant fields, including in social sciences such as: economics, sociology;
- Involvement of international field expert/-s with profound knowledge and experience in public transport regulations shall be ensured in the RIA process;

- The RIA group shall be compiled by highly qualified individuals with good analytical, writing and research skills. They shall have experience in the methods necessary for conducting of RIA, especially in data collection-processing, stakeholder consultation etc.;
- Demonstrated ability to produce high level written outputs and presentation skills in English and Georgian;
- Provide Action Plan of conduction of RIA by outlining especially:
  - o methodology
  - o terms and milestones
  - o budget.

Deliverables should be provided in both Georgian and English languages.

## **V. Financial Provisions:**

Applicants shall provide exact calculation/costs of services (e.g. expert days of national/international experts, conference/workshop/training/discussion related costs; editor services (if necessary), etc.) as indicated in Article 10.2 of the General Terms of Contract governing the delivery of works and services commissioned by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (local).

## **VI. The applicant winning the tender, shall submit the following deliverables:**

- Detailed Action Plan of the RIA with relevant terms and milestones;
- Relevant budget outline;
- Interim RIA report, as described in the part “III Tasks”
- Final RIA report, as described in the part “III Tasks”

## **VII. Payment rules**

The applicant winning the tender will receive the service payment in three tranches compliant to the below presented deliverables:

Advance payment 20 % of payment

Second tranche 20 % of payment:

- Detailed Action Plan of the RIA, by outlining relevant budget, terms and milestones;
- Interim RIA Report;

Third tranche 60 % of payment:

- Presentation of the Final RIA Report and its presentation.

**VIII. Duration and place of the assignment fulfillment/completion**

The place of RIA implementation is Georgia. RIA shall be implemented within 4 months from the signing of the agreement between the service provider and the service receiver, but not later than March 30, 2021.