

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: Management of the „Georgian Apparel and Fashion Association”

Period: December 2020 – December 2021

1. Brief information about the project

Georgia has undergone significant economic reforms, but a range of critical constraints still impede business growth. SMEs still need constant support to enhance capacities and technological up-scaling, improve adherence to international industrial standards and quality frameworks, contribute to further product diversification and increase their access to global value chains. Moreover, cooperation among sector actors and with public authorities needs to be enhanced to fully exploit market opportunities.

To support business performance of private sector actors in construction, tourism and apparel sectors and to improve an institutional setup for cluster and business development with an ultimate objective of enhanced business performance of private sector fostering the socio-economic development in Georgia and its regions, the PSD TVET SC within the framework of the EU Programme “Economic and Business Development in Georgia”, Component 3: Greater business sophistication, implements the “Clusters4Development” Project (hereafter – the project) for the period of 3,5 years (from July 2019 to January 2023). The Project has been integrated into the PSD TVET SC implemented by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

The Project is composed of four components: (1) development and pilot implementation of a market-oriented cluster in the construction sector; (2) development and pilot implementation of a market-oriented cluster in the tourism sector; (3) development and pilot implementation of a market-oriented cluster in the apparel sector; and (4) enhancement of institutional capacities for cluster and business development.

Within components 1-3, it is foreseen to support the establishment of sectoral clusters. This includes a cluster on “quality and innovation in construction materials”, up to three thematic clusters in tourism (1: Kakheti and Imereti local wine and food tourism cluster; 2: Imereti authentic accommodation cluster; 3: Imereti cultural heritage cluster) as well as a cluster “sustainable apparel made in Georgia”. In Component 4, it is foreseen to support a conducive

cluster development framework at the national level as well as to provide specific assistance to Enterprise Georgia (a business development agency under the Ministry of Economy and Sustainable Development of Georgia) to strengthen its role in promoting business development and providing demand-oriented services and support to the private sector. Throughout all four components, a focus will be put on ensuring direct impact on the business performance of private sector enterprises.

2. Background and context of the project

Georgia has made substantial economic progress during the last years, with estimated annual Gross Domestic Product (GDP) growth rates over 4% (2017: 4.3%, 2018: 4.2%). Well-founded structural reforms have contributed to an enhanced business environment, including simplified procedures, advancement in e-government processes, improvements in tax administration including specific benefits for micro, small and medium enterprises (MSME) and to fighting corruption. As a result, the country ranks high in the Doing Business Report of the World Bank (2018: rank 9), being the only lower-middle income country in the top 10 countries of the index and having accomplished the highest number of business regulation reforms (2018: 47) since establishment of the index (2003).

Nevertheless, a range of critical constraints still impede business growth. Besides being a country with a small market (2017: 3,7 million inhabitants), it is characterized by a large number of SMEs (94% of all enterprises), which are contributing only 42% to employment and 15% to GDP. Regional disparities are significant, with 50% of SME located in Tbilisi. Despite regulatory improvements, the majority of SME predominantly operate in low added-value segments and show minimal export activities (2.9 % of small and 15.2 % of medium-sized companies export) with low levels of product/market diversification and sophistication. In addition, despite new business opportunities in view of the Deep and Comprehensive Free Trade Area (DCFTA), SME expect to face considerable challenges and short-term costs in order to comply with EU standards and to enhance competitiveness. SMEs still need constant support to enhance capacities and technological up-scaling, improve adherence to international industrial standards and quality frameworks, contribute to further product diversification and increase their access to global value chains. Moreover, cooperation among sector actors and with public authorities needs to be enhanced to fully exploit market opportunities.

The apparel sector has a long tradition in the country, with solid production growth rates over

the past years. Further economic opportunities exist, e.g. up-scaling production from the prevailing low added-value production scheme of “Cut-Make-Trim (CMT)” to higher added-value models such as “Original Design Manufacturer (ODM)” or “Original Brand Manufacturer” (OBM). Comparative advantages of the Georgian apparel sector include low energy costs, a favorable business environment and proximity to large markets (e.g. EU countries). Labour conditions in Georgian SMEs are satisfactory, an aspect that can be used to market the country for producing sustainable apparel. Against this background, Georgian apparel companies have started to diversify their export portfolio.

In July 2019, development and pilot implementation of the cluster “Sustainable apparel made in Georgia” has successfully started. During this period the following major activities were conducted:

1. Establishment of Cluster Initiative Group
2. Development of cluster vision, mission, strategy and structure
3. Development of 4 working groups and election of WG heads
4. Election of the board of directors
5. Development of visual branding and election of the title “Georgian Apparel and Fashion Association”
6. Development of legal documentation for the registration
7. Development of the road map 2021

The relevance of the assignment falls under Component 3 of the Project: Development and pilot implementation of a market-oriented cluster in the apparel sector.

3. Approach to the Implementation & Specification of Inputs and Outputs

The objective of this project is to establish the market-oriented cluster in the apparel sector - “Sustainable apparel made in Georgia” (now named as GAFA – Georgian Apparel and Fashion Association). The focus of the cluster is to unite the **Georgian small and medium size enterprises active in apparel sector** under one umbrella, identify their needs, challenges and opportunities and support them in their further sustainable development through networking, promotion

and access to knowledge and expertise. The cluster will support the creation of synergy among cluster members, as well as help to promote the production for potential local and international buyers.

Based on the overall objective of the Project, the purpose of this assignment is to continue support of cluster development, manage and monitor the successful implementation of agreed activities and procedure. Support BOD and WG heads and international experts engaged in the further development of GAFA.

4. Relevance, Approach, Activities and Deliverables

The relevance of the assignment falls under Component 3 of the Project: Development and pilot implementation of a market-oriented cluster in the apparel sector.

4.1. Approach to the Implementation & Specification of Inputs and Outputs

The Project seeks to contract an individual person as the local expert in order to support the project in conduction of daily management activities of GAFA – Georgian Apparel and Fashion Association. This support will serve the purpose outlined in section 1& 2 through diverse international and local experts.

4.2. Activities, Deliverables and Due Dates

Following activities shall be conducted by the local expert

Phase / Activities	Description of Deliverables	Expert Days	Due Dates
1. Preparatory work			
1.1. Review and get familiar with the developed documentation 1.2. Review and acquaint with GAFA members and partners 1.3. Together with BOD and WG heads develop an action plan and timeline for management of GAFA for 2021 1.4. Continuously identify additional potential members of the association	<ul style="list-style-type: none"> • List of appointed meetings • List of action plan for GAFA • List of identified companies • Short summary of conducted preparatory work 	10	30 December 2020
2. Support international experts			
2.1. Prepare all necessary documentations for international expert to enable them to become familiar with GAFA 2.2. Support international experts in conduction of their activities in order to support a further development of GAFA 2.3. Organize meetings / e-meetings with international experts and GAFA 2.4. Develop a final report regarding international experts' activities	<ul style="list-style-type: none"> • List of documentation • Record of the meetings • Monthly report on conducted activities • Final report 	60	20 December 2021
3. Support the conduction of the Cluster forums			
3.1. Support the program expert in assessment and coordination of a local service provider to organize cluster forum 3.2. Management of the conduction of the forum	<ul style="list-style-type: none"> • Tasks and deliverables for the local service provider • List of participants • Options for the location • Cost estimate • List of participants attended the forum • Record of the forum 	10	30 April 2021 (first forum) 30 November 2021 (second forum)
4. Conduct a sequence of PR and marketing activities of GAFA			

Phase / Activities	Description of Deliverables	Expert Days	Due Dates
4.1. Together with BOD and WG heads, develop a PR and marketing action plan for 2021 4.2. Calculate and agree the PR and Marketing budget for 2021 4.3. Agree the action plan, time table and budget with program expert 4.4. Support the implementation of action plan 4.5. Support the development of social media platforms (FB, Instagram, Web page)	<ul style="list-style-type: none"> Action plan, time table and budget for PR and Marketing for 2021 Monthly report on PR and Marketing activities List of GAFA `s requirements toward social media presence Draft of requirements toward the local service provider to develop and maintain social media platforms. 	30	20 December 2021
5. Coordinate phases of cluster development			
5.1. Communication with the cluster members to identify their needs 5.2. Communication with the program expert 5.3. Communication with GAFA partners 5.4. Support the implementation of identified needs 5.5. Development of the final report on conducted activities and achievements of the cluster	<ul style="list-style-type: none"> Records of the meeting List of identified needs and planned activities Records of the meeting Report on conducted activities Final report 	40	20 December 2021

5. Coordination and Communication

Close coordination and reporting with the Project Team Leader and the dedicated Programme Expert, as well as an active cooperation with the international consulting company, is mandatory during the implementation of the assignment.

6. Conditions and payment terms

6.1. Eligible costs

6.1.1. The financial proposal shall not include costs for items which will be provided for by the project separately:

- a) Venue(s), facilities, interpretation, and refreshments for meetings and workshops;

6.2. **Payments** will be carried out based on the acceptance of deliverables and provision of the invoices according to the agreement signed by the parties.

7. Submission Requirements

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

7.1. The **technical proposal** shall contain information about the consultant and his/her relevant experience, proposed concept and work plan to implement the assignment;

7.2. The **financial proposal** shall clearly state all types of costs to be charged to the Project to implement this TOR. (e.g. honorarium)

8. Evaluation criteria

A technical proposal by a bidder shall be evaluated based on the quality of a technical proposal, bidder's qualifications and experience and consideration of recommendations.

8.1. Evaluation criteria for a technical proposal

A technical proposal by a qualified bidder shall be evaluated based on the relevance of the chapters of the technical proposal to include

- 1) Interpretation of objectives;
- 2) Strategy of implementation;
- 3) Management of processes, cooperation, learning and innovation
- 4) Work schedule and timelines
- 5) Monitoring and evaluation concept

8.2. Evaluation criteria for a bidder

8.2.1. Education

Master's degree in Business Administration, Economics, Marketing or a related discipline.

8.2.2. Knowledge and skills

- a) Excellent communication, facilitation and moderation skills both in Georgian and English languages
- b) Advanced computer skills including Microsoft Office and web-based applications;

8.2.3. Work experience

- a) At least 5 years of relevant professional experience providing consulting services to the companies, cluster organizations, BMOs, international development agencies working in the field of private sector development.
- b) At least 5 years of professional experience in project management
- c) Professional experience in the following areas:

- i. Management in Marketing project;
 - ii. Management of the projects related to digitalization;
 - iii. Organizational and business strategy development;
 - iv. Organizational capacity development;
- d) Proven track record of supporting international experts' missions to Georgia implementing assignments under international capacity development projects;