
Programme: Private Sector Development and Technical Vocational Education and Training Programme in South Caucasus: “Clusters4Development” Project

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Activity: Support to Clusters4Development Project to explore new export opportunities

Period: June 25, 2021 – July 22, 2022

1. Brief information about the Programme

Georgia has undertaken significant economic reforms resulted in impressive growth rates and improved business climate repeatedly reported by the various international assessments throughout the past few years. Nevertheless, a range of critical constrains allied to low productivity and marginal export rates, lacking adherence to international standards and poor competitiveness still impede Small and Medium Enterprises (SMEs) to grow. At the same time, extensive growth opportunities exist in a range of sectors that require further support to enhance capacities and technological up-scaling, improve coherence to international standards and quality frameworks and increase access to global value chains. SMEs do not take advantage of the market opportunities provided by the European Union (EU) due to the lack of adequate entrepreneurial and institutional preconditions to develop foreign trade-oriented sectors for inclusive growth.

To foster business performance of private sector actors in construction, tourism and apparel fields and enhanced institutional framework for cluster and business development, with an ultimate objective of improved performance of private sector boosting the socio-economic development in Georgia and its regions, the GIZ Private Sector Development and Technical and Vocation Education (PSD TVET) Programme, within the framework of the EU Programme “Economic and Business Development in Georgia”, Component 3: Greater Business Sophistication, implements the “Clusters4Development” Project for the period of 3,5 years (starting in July 2019 and ending in January 2023). The Project is composed of 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.

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 (Cluster 1: Kakheti and Imereti Local Wine and Food Tourism Cluster; Cluster 2: Imereti Authentic Accommodation Cluster; 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 a national level as well as to provide specific assistance to Enterprise Georgia (business development agency under the Ministry of Economy and Sustainable Development of Georgia) to strengthen its role for promoting business development and providing demand-oriented services to the private sector.

2. Background and context of the project

With the support of the GIZ SME Development and DCFTA in Georgia Project (predecessor of C4D Project) export potential of numerous Georgian industries which had not been traded with the EU before were untapped, resulting in mounting interest of the European businesses, especially towards honey and furniture produced in Georgia. Both products fall under the limited list of Georgian goods which can benefit from DCFTA. Honey is harvested in number of regions in Georgia and furniture can be produced from local wood materials and therefore, satisfy the rules of origin required for exemption of import tax upon entry into the EU border. This competitive advantage of Georgian products has been promoted by the Project and attracted sufficient interest from European businesses beyond the Project cycle itself.

As of June 2021, there are a number of initiatives to explore potentials of connecting European buyers with Georgian producers and planning of physical trade missions in Georgia to examine the quality of honey, wine and outdoor furniture, that require adequate technical advisory and administrative support of qualified specialists to ensure successful accomplishment of negotiations between potential buyers and local producers. Furthermore, the key traditional challenges of Georgian SMEs - skills deficit, lack of marketing and communication techniques, quality infrastructure and the language barrier - can also be resolved with sufficient involvement of professionals as the previous project’s experience has demonstrated.

Against this background, the purpose of this assignment is to matchmake and unleash trade potentials between European businesses and local producers of honey and wood production and thus support increasing export possibilities of Georgian products to enter new markets.

3. Objectives of the assignment

The main objective of this assignment is to support the C4D project explore local honey and wood production market, examine exporting potential of local products and facilitate negotiations between local producers and European buyers.

The Project strives to contribute to this goal through the three major objectives within the scope of this assignment:

Objective 1: Review and analysis of export potential of honey and wood products through conducting a survey of local producers;

Objective 2: Technical assistance, preparations and implementation of trade missions of European buyers to Georgia;

Objective 3: Quality assurance in reviewing trade related information and existing export related regulations in Georgia.

4. Approach to implementation, activities and deliverables

To serve the objectives outlined in section 3, the Project seeks to contract an individual local consultant experienced in export capacity assessment, market research and market entry regulations to identify, prepare grounds for and support of implementation of trade missions to Georgia.

The assignment shall be carried out in five phases:

4.1. Phase (1): preparations and market research

The stream of work of the local consultant for this phase shall entail:

- 1) Desk research and preparation of background information, inter alia:
 - a) Analysis of honey and wood production export capacities in Georgia, including export figures from the recent years, overview of competitive advantages and assessment of sectoral challenges;
 - b) Review of the state programmes and donor supported initiatives, including lessons learnt from the business cluster (Furniture sector) established with the support of SME DCFTA Project;
 - c) Review of relevant studies, assessment, reports and recommendations provided by the C4D project;
- 2) Conducting a market research:
 - a) Preparation of a concept for the market research, relevant methodology and approaches to implementation, including interview questions for the potential stakeholders;
 - b) Development of a list of interview partners, including individual companies, relevant business and industry associations or clusters;
 - c) Conducting the interviews with potential exporters from the group identified in the preparatory phases;

- d) Summarizing the findings and development of the market research study to C4D project;
- 3) Development of the scope, agenda and itinerary of the meetings of the trade missions to Georgia with all necessary logistical arrangements.

4.2. Phase (2): Support in the implementation of the trade missions to Georgia

The activities of the local consultant for this phase involve:

- 1) Technical support in the organization of the trade missions to Georgia, including the facilitation of communication between Georgian SMEs and European businesses as well as with other stakeholders, like local business associations, government, quality infrastructure service providers, educational institutions;
- 2) Assistance in the implementation of the scheduled meetings with local producers and other relevant stakeholders, inter alia:
 - a) Support the international visitors with operations, logistical arrangements, last minute /on-site preparations and documentation of the results;
 - b) Provide interpretation during the meetings between English and Georgian, where and as needed;
 - c) Contribution to and documenting the results of the meetings and workshops and agreements on next steps.

4.3. Phase (3): Support to communication and planning

The stream of work of the local consultant for this phase shall consist of:

- 1) Further advisory and guidance of international buyers to identify information and follow-up on the local export procedures and regulations, documents, international standards and logistics;
- 2) Facilitation of development and examination/tasting of export product samples before ordering of large batches;
- 3) Background checks and competitive sourcing of local suppliers to ensure linking of EU businesses with quality products and reliable partners;
- 4) Development of the final report to the C4D Project to include, among other things:
 - a) A full account of tasks implemented against due deliverables defined by this ToR;
 - b) Overview of outputs generated through the implementation of the ToR;

- c) Justifications and clarifications on changes made to the initial implementation plan, if any;
- d) Annexes giving evidence on the provision of each of the submitted deliverable and on the agreements on changes to the plan / definition of the deliverable made in writing between the contractor and the Project.

Furthermore, throughout the phases of implementation of this assignment, the consultant is expected to support the C4D Project with the following activities:

- o Facilitation of any other activities directly related to arrangement of export deals between Georgian SMEs and EU businesses;
- o Quality assurance of documents and reports produced (where needed).

The indicative level of effort per phase of the assignment and mobilized expert days:

Phase / Activities	Description of Deliverables	Level of Effort (Expert-Days)	
		Expert days	Due dates
(1) Market research and preparations for the international trade missions	Report of sectoral overviews and export statistics of honey and wood production in Georgia (*.docx format)	3	September, 2020
	Report on market research on local producers and export potential (*.docx format)	5	
	Draft agenda of the missions and list of interview partners (*.docx format)	2	
(2) Implementation of the trade missions to Georgia	Participation in the trade missions and documentation on the meetings and interviews with local producers and all relevant stakeholders: actual itinerary, list of meetings held, minutes of meetings with government agencies (*.docx format)	20	October 2021 – March 2022
(3) Support to communications and planning	Overview of trade regulations, export procedures (*. docx format)	3	January – May 2022
	Export deal roadmap for local producers and international buyers (*. docx format)	2	
	Development of the final report to the C4D project (*. docx format)	2	July 2022
Throughout the phases 1-3	Facilitation activities related to arrangement of export deals between Georgian SMEs and EU businesses; Quality assurance of documents and papers produced; development of	13	June 2021 - July 2022

Phase / Activities	Description of Deliverables	Level of Effort (Expert-Days)	
		Expert days	Due dates
	presentations and further work as per project request.		
Total number of consulting days			50

5. Coordination and Communication

Close coordination and reporting to the Team Leader and dedicated programme expert, as well as active cooperation with the assigned international buyers is mandatory during the implementation of the assignment.

5.1. Additional means of support

Items to be provided for by the Project separately shall include:

- a) Hotel accommodation to implement visits to regions of Georgia, as appropriate;
- b) Transportation to implement visits to region of Georgia, as appropriate;
- c) In case of the expert traveling to the regions (Racha, Adjara region or Kakheti) without the GIZ provided transportation, GIZ will cover the transportation costs according to the submitted financial proposal (Section 6.2 of the ToR)

6. Submission requirements

In the bidding, an individual consultant shall submit technical and financial proposals to comply with the following requirements:

- 6.1. The **technical proposal** shall contain information about the consultant and his/her relevant experience, proposed concept and work plan to implement the assignment;
- 6.2. The **financial proposal** shall clearly state all types of costs to be charged to the Project to implement this ToR (e.g. honorarium (*including the income tax and pension saving 2%*), transportation cost, in case of expert's travel to regions (Racha, Adjara, and Kakheti) without the GIZ provided transportation, up to two times per region considering provisions of Section 5.1 of the ToR.

7. Evaluation criteria

Technical proposals of the bidders will be evaluated based on the quality of a technical proposal, bidder's qualifications, experience and consideration of recommendations.

7.1. Evaluation criteria for a technical proposal

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

- a) Interpretation of objectives;
- b) Strategy of implementation (technical concept / alternative concepts);
- c) Management of processes, cooperation, learning and innovation;
- d) Work schedule and timelines
- e) Monitoring and evaluation concept

7.2. Evaluation criteria for a bidder

7.2.1. Education

Master's degree in Business Administration, Economics, Public Administration, Social Science or a related discipline.

7.2.2. Knowledge and skills

- a) Strong research, analytical and report writing skills;
- b) Advanced computer skills including Microsoft Office and web-based applications;
- c) Excellent knowledge of English and Georgian languages.

7.2.3. Work experience

- a) At least 15 years of relevant professional experience of providing consulting services to the business development organizations, private sector, government institutions, international development agencies working in the field of private sector development, out of which, at least 10 years of working experience in the areas of: 1) export promotion, 2) export capacity assessment and 3) market survey and market entry recommendations;
- b) Proven track record of undertaking analytical work and prepare working papers, reports and studies;
- c) Professional experience in at least two of the following areas:
 - i. Consultancy and advisory in export promotion, export capacity assessment and export management;
 - ii. Expertise in market research, market surveys and market entry recommendations;
 - iii. Export strategy development, facilitation of trade missions and preparation of trade fairs.

- d) Proven track record of supporting international experts' missions to Georgia implementing assignments under international capacity development projects (preferably in private sector development field).