

**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

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**Activity:** Support to the institutional strengthening of the Enterprise Georgia

**Period:** September 16, 2020 – November 20, 2020

## **1. Brief information about the project**

Georgia has undertaken significant economic reforms resulted in impressive growth rates and improved business climate repeatedly reported by the World Bank’s “Doing Business” surveys 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 upscaling, improve coherence to international standards and quality frameworks and increase access to global value chains

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, 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).

To foster business performance of private sector actors in construction, tourism and apparel fields and enhance institutional framework for cluster and business development, 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 the establishment of 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 and institutional capacities for promoting business development and providing demand-oriented services to the private sector.

## **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% (2018:4.8%, 2019:5.1%). Well-founded structural reforms contributed to an improved business environment, including simplified procedures, advancement in e-government services, developments in tax administration including specific benefits for micro, small and medium enterprises (MSMEs) and fighting against corruption. As a result, the country ranks high in the Doing Business Report of the World Bank (2019: rank 6), 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 since the establishment of the index (2003).

Georgia is characterized by a large number of SMEs (94% of all enterprises) contributing only by 42% to employment and 15% to GDP, while in 2018, SMEs accounted for 53% of the EU-28 GDP.<sup>1</sup> Despite regulatory improvements, most SMEs in Georgia predominantly operate in low value-added segments and demonstrate minimal export activities (2.9% of small and 15.2% of medium-sized companies) with low levels of product and market diversification and sophistication. Despite new business opportunities in a view of the Deep and Comprehensive Free Trade Area (DCFTA), SMEs in Georgia face considerable challenges and short-term costs to comply with the EU standards and enhance sectoral 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.

Enterprise Georgia (EG) is strategically positioned to play a central role to facilitate private sector development through a variety of financial, technical and promotional support mechanisms. Established in 2014, Enterprise Georgia, under the Ministry of Economy and Sustainable Development (MoESD), is the key implementing partner of “Produce in Georgia” and is responsible for business support, export and investment promotion of the country. Core functions of the agency are implemented by respective divisions. The Business division of the agency promotes entrepreneurial activity in Georgia by supporting entrepreneurs - assisting with the creation of new enterprises as well as the expansion and refurbishment of existing enterprises. The export division promotes the export potential of the country by increasing the competitiveness of local products and the overall volume of goods directed towards international markets. The Invest division’s

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<sup>1</sup> **Annual Report on European SMEs 2017-2018: SMEs growing beyond borders; Publication Office of the European Commission**

primary role is to attract, promote and develop direct foreign investment in Georgia. As the moderator between foreign investors and the Government of Georgia, the Invest division ensures access to updated information, provides an efficient means of communication with Government bodies, and serves as a “one-stop-shop,” supporting investors throughout the investment process. Lately, the Analysis, Monitoring and Evaluation Department was added to the structure of the Agency to work on cross cutting issues and integration management within the agency.

To be able to fulfill its core functions properly, to streamline existing service offerings and introduce new services in line with the EG organizational and business development strategies the Agency audits its performance, runs periodic internal and external organizational and human capacity development needs assessment, exercises and takes measures to address revealed needs as appropriate.

Based on the findings of the EG’s recent USAID HICD assessment and the outputs of the organizational development workshop supported by the C4D project, capacity development measures to increase the performance and overall efficiency of the Agency have been identified through specific trainings for the management and selected divisions of the EG.

The purpose of this assignment is to acquire services of a well-established local training and/or consulting company to prepare and conduct management training for the mid and high-level management of the EG (up to 17 persons) aiming at enhanced knowledge, managerial capabilities and overall performance.

### **3. Relevance, approach, activities and deliverables**

#### **3.1. Relevance**

The relevance of the assignment falls under *Pillar 2: Support to Enterprise Georgia* of the Component 4 of the Project: “Enhancement of Institutional Capacities for Cluster and Business Development”.

#### **3.2. Approach to the Implementation**

**3.2.1.** The assignment shall be carried out in two phases:

##### **Phase (1): Preparations**

This stream of work shall consist of:

- 1) Finalization the thematic scope of management training in consultation with the EG and the Project to cover but not be limited to the following topics:
  - Modern principles and concepts of management;

- Current leadership and management challenges and proved strategies to overcome;
- Specific tools, strategies and techniques for an excellent manager / leader;
- How to create and manage effective teams;
- Multiple strategies for boosting team performance;
- Applying goals, strategy, objectives and tasks to priorities and meet outcomes;
- Motivate and inspire employees to ensure business success.

2) Development of a tailor-made training course including:

- Preparation of an overview of a training module;
- Setting learning goals and objectives set for each topic covered by a training course;
- Selecting teaching methods appropriate for attaining learning goals and objectives for topics covered by a training course;
- Developing the agenda of a training course to fit with the following requirements:
  - Overall period of delivery of a training course shall not exceed six calendar weeks from its start date to be agreed with the EG;
  - A training course should be delivered in sessions either during evening hours on working days (no longer than two calendar hours a day) or during the day on weekends (no longer than four calendar hours a day);
  - Overall duration of all training sessions of a training course should not exceed 48 calendar hours.
- Deciding on methods of and developing instruments for gauging the attainment of learning goals and objectives for topics covered by a training course;
- Preparing training materials (presentations, reading materials, guides for group exercises, etc.) to be distributed among the participants of a training course;
- Elaborating the list of references for further reading for each topic covered a training course;
- Developing a participants' attendance registration form;
- Preparing a training course certificate form;
- Preparing a training course assessment form.

**Phase (2): Implementation of the trainings**

This stream of work shall consist of:

- 1) Implementation of the intended training course in line with the agreed agendas;
- 2) Preparation of a final report to include, among other things, data on the participants' level of interest, progress in attaining learning goals and objectives and recommendations for further HCD measures.

**NB: Training units shall be consisted of (but not limited to) the topics listed above with at least 4 working hours assigned to each module.**

### 3.3. Activities and Deliverables

Based on the current pandemic situation, all the data correspond to an ideal implementation of the contract and can be modified. The changes to the means of work, e.g. shift to remote basis, will be discussed with Consulting and decided on short-term basis:

Phases / Activities	Deliverables	Due Date
<p><b>1. Preparations</b></p> <p>1.1. Finalization the thematic scope of the training course in consultation with the EG and the Project</p> <p>1.2. Development of tailor-made training courses</p>	<p>1.1. The finalized thematic scope of the training course (*.docx, English)</p> <p>1.2.1. A full-fledged description the training course (*.docx, Georgian);</p> <p>1.2.2. The agenda of the training</p> <p>1.2.3. Training materials (*.docx, *.pptx, Georgian)</p> <p>1.2.4. Participants' attendance registration form (*.docx, Georgian);</p> <p>1.2.5. Instruments to gauge the learning attainment (*.docx, Georgian)</p> <p>1.2.6. The training course certificate form (*.pdf, Georgian)</p> <p>1.2.7. Training course assessment form (*.docx, Georgian)</p>	<p>September 24, 2020</p>
<p><b>2. Implementation of the trainings</b></p> <p>2.1 Conduct and delivery of the intended training course in line with the agreed agendas;</p>	<p>2.1 The evidence of implementation in case of each training modules shall include:</p> <p>2.1.1. Participants' daily attendance lists (*.pdf, Georgian);</p> <p>2.1.2. Photos taken during the training events (*.jpeg, *.png or similar)</p>	<p>November 20, 2020</p>

Phases / Activities	Deliverables	Due Date
2.2. Preparation of the final report.	2.1.3. The list of participants receiving certificates (*.docx, Georgian) 2.1.4. Filled-in training evaluation forms (*.pdf, Georgian) 2.2. Final report (*.docx, English)	

#### 4. Conditions and payment terms

Payments to the contractor will be made upon the completion of the deliverables.

#### 5. Coordination and Communication

Close coordination and reporting with the dedicated Programme Expert and the Team Leader, as well as active cooperation with the EG is mandatory during the implementation of the assignment.

#### 6. Submission Requirements

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

- 6.1. The **technical proposal** shall contain information about the bidder's relevant experience (including the CVs of proposed staff) on the projects implemented in similar scope, expand on the approach and methodology to implement this assignment and include a related work plan.
- 6.2. The **financial proposal** shall clearly state all types of costs to be charged to the Project to implement this TOR. The financial proposal shall omit costs for the venue(s), facilities and refreshments for holding the trainings (these will be provided by the Project separately as needed).

#### 7. Criteria for the bidder

- Over 5 years of company experience of advisory and consulting for public and private sector actors in the organizational and human capacity development areas;
- Over 5 years of experience in designing and delivering of managerial trainings of similar scope for the public and private institutions in Georgia;
- Proven track record of delivering successful trainings in the areas of general management, organizational management, team building, motivation strategies and personnel development;

- Over 8 years of professional experience of proposed trainers and/or coaches in the development and implementation of a tailor-made trainings in the areas of human and institutional capacity building;
- Demonstrated experience in facilitating trainings, workshops and seminars and providing mentorship and on-the-job coaching to the personnel in public and private entities in Georgia;
- Good understanding and practical experience in conducting institutional and human capacity needs assessments;
- Excellent command of Georgian and English languages.