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**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:** Support for development and pilot implementation of a market-oriented cluster in the **Cultural Heritage** sector

**Period:** June 2021 – December 2021

## **Terms of Reference**

### **1. Context**

Georgia has undergone significant economic reforms, but a range of critical constraints still impede business growth. SMEs require 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 impact of the corona crisis brings further challenges.

To support the business performance of private sector actors in construction, tourism and apparel sectors and to improve the institutional setup for cluster and business development with the ultimate objective of enhanced business performance of private sector fostering the socio-economic development in Georgia and its regions, the Private Sector Development and TVET in the South Caucasus Programme (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 is 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, the establishment of sectoral clusters is supported. This includes

a cluster on “quality and innovation in construction materials”, up to three thematic clusters in tourism as well as a cluster “Sustainable Apparel Made in Georgia”. Component 4 contains support to a conducive cluster development framework at the national level as well as 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.

The work of the Clusters4Development project in general is described in Annex 1, First Annual Report.

Tourism was a major contributor to Georgia’s economy before the corona pandemic. It accounted for 7.5 percent of GDP growth in 2018. Georgia received a record number of 8.7 million international visitors (tourists, transit, other) in 2018, a 10 percent increase over 2017.

Still, Georgia considers tourism as a major economic sector and currently works towards the post-corona recovery of the sector.

To cope with challenges and unlock potentials of the tourism sector, especially in the aftermath of the pandemic, capacities need to be enhanced in terms of general and facility level management, quality service and infrastructure (e.g. product diversification, new marketing approaches, sustainable product development, digitalization), quality education in tourism related specialties. This mainly refers to the significant number of small-scale, family owned businesses in the sector, which often lack adherence to quality and standards and have limited oversight on up-coming challenges and market trends. The cluster-based approach will contribute to enhanced sector-wide capacity and quality up-grade, product diversification and market access by strengthening cooperation and capacities of market players along both horizontal and vertical value chains.

With the cluster-based approach the Project focuses on promoting tourism through higher competitiveness of tourism actors in the two project regions: **Imereti** and **Kakheti**. Both regions have a need to further develop their tourism profile, products, quality and cooperation to better exploit their touristic potential. The development of touristic clusters will improve networking and cooperation among actors in the tourism sector in both regions, help up-grade service quality, promote more harmonized approaches to tourism product development, support an enhanced understanding of customers’ needs and expectations, also in view of sustainable and green tourism, and joint visibility activities.

The approach in both **project regions** will reflect the strategic policy framework, in particular the efforts undertaken by the Georgian National Tourism Administration (GNTA) in raising regional tourism profiles both nationally and internationally. The most recent marketing and branding propositions for both regions suggest building the tourism offer around “the primary wine-making region and wine destination in Georgia” in

Kakheti and the “ancient, diverse and rich history, culture and cultural heritage” in Imereti.

Despite the pandemic and until March 2021 the Project conducted significant work to prepare one cluster per region. A team of national and international experts identified around 70 potential cluster members per region. A detailed summary of the work conducted so far is attached in Annex 2.

### **1.1 Objective of the project and assignment**

The objective of the current assignment is to cover the cultural heritage aspects related to the establishment and further development of one tourism cluster in Kakheti and one tourism cluster in Imereti.

The focus of the clusters is to unite **Georgian small and medium size enterprises active in Tourism sector**, identify their needs, challenges and opportunities and support them in their further sustainable development through networking, promotion and access to knowledge and expertise.

**The vision** for the clusters is to develop a cooperative, innovative space where tourism, technology, sustainability and knowledge meet - a space where different stakeholders within Georgia’s tourism industry support and collaborate with each other to build a strong image of Georgia’s tourism industry both locally and internationally

**The mission** is to represent, promote and support Georgian SMEs in Tourism sector while increasing their competitiveness in the local and international market as well as providing Tourism service producers with tools and skills which allow them to be more competitive in terms of sustainability, product development, marketing, and international exposure/outreach.

In 2020, the Project has already identified opportunities for establishing and assuring sustainability and competitiveness of a business clusters related to tourism and hospitality, with sub-clusters in Cultural Heritage in Imereti and Kakheti and identified potential cluster members in both regions. Cultural heritage is understood in terms of both tangible and intangible cultural heritage, i.e. sites and objects as well as communities and traditions.

Based on the overall objective of the Project, the purpose of this assignment is to help establish the two clusters (one in Imereti and one in Kakheti) to realize their vision, mission and objectives. The local expert for Cultural Heritage shall, in collaboration with a team of international and a further local expert on Tourism, and key stakeholders:

- a) Study and analyze the objectives and planned activities of the clusters and develop recommendations - review the findings and results of work done previously with regards to heritage aspects.
- b) **Co-Develop the Cluster Strategies and implementation plan** - Assess cultural heritage-related member companies, support the development of training

materials and co-conduct trainings in (including but not limited to): product development, product diversification, visibility, access to finances, Sustainability, Digitalization, workforce development etc. with regards to cultural heritage

c) **Contribute to the development of an efficient communication strategy** regarding sustainability and development both for local and international markets with regards to cultural heritage aspects

d) **Contribute to the Institutionalization and strengthening of the clusters** - This will include preparation and organization of one cluster forum per region, elaborating action plans and priority fields for pilot activities, and, if needed, registration of the cluster as a legal entity under Georgian law.

e) **Support the marketing and digitalization process within the clusters and selected member companies.**

f) **Assess cultural heritage-related challenges and needs of the cluster.** The central idea is to ensure the sustainability of the cluster. The international consultant team will develop and monitor the implementation of necessary measures to achieve sustainability. Particular attention needs to be devoted to strengthening key stakeholders, such as local governments and Destination Marketing Organisations (DMO).

All activities will be conducted in close cooperation with the team of international experts as well as GIZ staff.

## 2. Approach to the Implementation & Specification of Inputs and Outputs

To serve the purpose outlined in section 1, the Project seeks to contract a competent local consultant / Cultural Heritage expert (an individual) to prepare grounds for, to support and work in tandem with another local expert providing expertise in sustainable cultural heritage tourism and an international consulting company to be implementing activities serving the purpose outlined in section 2.1. through a team of international experts in the fields of (1) clustering in tourism, (2) gastronomy and (3) cultural heritage (4) Marketing/Digitalization (hired separately).

The details of the assignment components are provided below.

### 2.1. Tasks to be performed by the contractor

All tasks relate only to the cultural heritage aspects of the clusters in the two regions

Phase / Activities	Deliverables	Amount of days
<b>1. Preparations</b>		
1.1. Review the findings and results of work done	1.1.1. An assessment report of existing	5 days

Phase / Activities	Deliverables	Amount of days
<p>previously, study and analyse the objectives and planned activities of clusters with regards to cultural heritage</p> <p>1.2. Advise international consultants in developing recommendations regarding optimization of existing objectives and planned activities with regards to cultural heritage</p>	<p>documents and additional recommendations for measures are developed</p> <p>1.1.2. Potential member SME overview reviewed, if necessary, amended and submitted</p>	
<p><b>2. First field mission and Workshop</b></p> <p>2.1 Initiation of cooperation with the international consulting company with regards to cultural heritage</p> <p>2.2 Joint development of the agenda of the first mission of international experts to Georgia with regards to cultural heritage</p> <p>2.2 Supporting Implementation of the first mission of the international experts to Georgia with regards to cultural heritage</p> <p>2.3 Together with the international experts, finalization of the concept for the workshop with each cluster with regards to cultural heritage</p>	<p>2.1.1 Protocol of an online kickoff call to contain sections on its agenda, participants and results: cooperation arrangements, operational plans and schedule of actions for joint work (English, *.docx)</p> <p>2.1.2 Agenda of the mission</p> <p>2.2.1 Tentative list of workshop participants in each region (names, entities, positions, contact details, tentative roles with the cluster, drawing on previous work is prepared and submitted to the international team with all the needed information.</p> <p>2.3.1 Work jointly on the concept of the workshop</p>	<p>8 days – (including days for implementation of workshop)</p>

Phase / Activities	Deliverables	Amount of days
<p>2.4. Supporting international experts' inputs in preparation of the workshop with regards to cultural heritage</p> <p>2.5. Participation in the workshop with regards to cultural heritage</p> <p>2.6 Joint preparation of a mission and workshop report which shall include the cluster initiation roadmaps for each cluster and documentation of feedback from participants with regards to cultural heritage</p>	<p>2.4.1 Work jointly on Workshop moderation plan</p> <p>2.4.2 Supporting the process of preparation for Experts' presentations:</p> <p>2.5.1 Supporting the international team in preparation of the Mission implementation report with annexes (minutes of preparatory and wrap-up meetings with the Project and the local consultants, minutes of meetings, workshop implementation report to be submitted by the local experts as well as all other relevant documents for the Mission implementation report, survey of participants feedback)</p> <p>2.6.2 Workshop report</p>	
<p><b>3. Development of strategies related</b></p> <p>3.1 Support the international team in development of the cluster's sustainable development strategies for the next 3 years with regards to cultural heritage</p> <p>3.2 Jointly with international team work on an action plan to implement the strategies for the next year detailed (2021) and until 2023 general with regards to cultural heritage</p>	<p>3.1.1. Input provided for the Cluster's sustainability strategies (Imereti and Kakheti)</p> <p>3.2.1. Input provided for Action plan (detailed and general) developed and submitted</p>	<p>8 days</p>

Phase / Activities	Deliverables	Amount of days
<p>3.3 Develop and introduce a report to the international team with the list of proposed interventions and trainings for cluster`s member companies with regards to cultural heritage</p> <p>3.4 Trainings are conducted according to the developed agenda with regards to cultural heritage</p>	<p>3.3.1. Overview of the potential interventions with recommendations is submitted.</p> <p>3.4.1. Trainings are conducted according to the plan – Agenda, attendees</p> <p>3.4.2. Training assessment result is developed and submitted (Trainings are not necessarily developed and conducted by the local experts – additional experts and trainers might be hired. This depends on the assessment. Local experts are expected to facilitate and participate in key-training events.)</p>	
<b>4. Organizing field trips in regions</b>		
<p>4.1 Planning of a second international field mission with regards to cultural heritage</p> <p>4.2. Shortlisting of stakeholders to be met with regards to cultural heritage</p> <p>4.3. Mission planning with regards to cultural heritage</p>	<p>4.1.1 Scope, agenda, itinerary and logistics plan for the international experts' second or further missions to Georgia (English, *.docx)</p> <p>4.2.1 A short-list of stakeholders to be met during the field mission (English, *.docx)</p> <p>4.3.1 The scope, agenda, itinerary and logistics plan of the field mission to conduct relevant meetings, on-site visits</p>	<p>20 days – in the field</p>

Phase / Activities	Deliverables	Amount of days
<p>4.4 Implementation of stakeholder meetings and interviews with regards to cultural heritage</p> <p>4.5 Field trips to be conducted with regards to cultural heritage</p>	<p>and interviews (English, *.docx)</p> <p>4.4.1 Documentatio n of the meetings and interviews with the Project stakeholders: actual itinerary, list of meetings held, minutes of meetings copies of filled-in forms and interview questionnaires if applied (*.pdf)</p> <p>4.5.1. The local expert will also travel on their own to prepare missions for the international team or to do the follow-up work.</p>	
<b>5. Mid-term assessment</b>		
<p>5.1. Review document on new members and mid-term assessment report (combination of both first assessment and mid-term assessment for the international team) with regards to cultural heritage</p> <p>5.1.1. Conduct interviews with potential members (in the regions) with regards to cultural heritage</p> <p>5.1.2. Discuss the results with potential cluster members with regards to cultural heritage</p> <p>5.2 Advise the international team in communicating the action plan and</p>	<p>5.1.1 Mid-term assessment report is submitted</p> <p>5.1.2 Record of the meetings with members and GIZ is submitted</p> <p>5.2.1 List of actions that can / will be supported until 2022, is agreed with members and GIZ</p>	6 days

Phase / Activities	Deliverables	Amount of days
results of intervention plans with local SMEs with regards to cultural heritage		
<b>Total Number of Days</b>		<b>47 days</b>

## 2.2. Activities, Deliverables and Due Dates

Expected deliverables and corresponding due dates are provided in the table below. Based on the current pandemic and uncertain situation, all the dates correspond to an ideal implementation of the contract and may be modified, based on the existing situation in Georgia at the time of the implementation.

Milestones – all with regards to cultural heritage only	Deadline
Study and analyse the objectives and planned activities of clusters & development of recommendations	June 31, 2021
Organizing the First cluster fora (one in Imereti, one in Kakheti)	September 1, 2021
Development of a vision and a strategy for both clusters	October 31, 2021
Elaboration of an action plan and identification of priority areas for pilot activities	November 31, 2021
Potential registration of the cluster as a legal entity under Georgian law	October 31, 2021
<b>Mid-term assessment</b>	December 15, 2021

### 3. 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/international experts and the local tourism and hospitality expert, is mandatory during the implementation of the assignment.

### 4. Other Conditions

#### 4.1. Additional means of support

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

- a) Venue(s), facilities, interpretation and refreshments for workshops;
- b) Hotel accommodation to implement visits to regions of Georgia, as appropriate;
- c) Transportation to implement visits to region of Georgia, as appropriate;
- d) In case of the expert traveling to the regions (Imereti 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)

**4.2. Payments** will be carried out based on the acceptance of deliverables and provision of the invoices according to the following schedule:

#### 4.2.1. Advance payment

Advance payment in up to 20 % of the contract value will be made upon the signature of the contract.

#### 4.2.2. Final payment

The final payment up to 80 % of the contract value will be made upon the completion of Phase 7 of the assignment – Final Reporting – and the acceptance of the contract implementation report.

### 5. Other provisions

5.1 The cost of services agreed with this Agreement shall include income tax and cumulative pension contributions (employer's contribution as well as payment to be made on behalf of the contractor) envisaged by the legislation of Georgia.

5.2 Payment will be made via bank transfer.

### 6. Submission Requirements

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

6.1. The **technical proposal** shall contain proposed concept and work plan to implement the assignment, CV with bidder's relevant experience, and recommendations;

6.2. The **financial proposal** shall clearly state all types of costs to be charged to the Project to



implement this assignment (e.g. honorarium; transportation cost, in case of expert's travel to regions (Kakheti & Imereti) without the GIZ provided transportation, up to two times per region (including the including income tax and pension saving 2%.) considering provisions of Section 4.1 of the ToR.

## **7. Evaluation criteria**

A technical proposal by a bidder shall be evaluated based on the assessment of: (1) proposed concept and work plan, (2) bidder's qualifications and experience, and (3) recommendations.

### **7.1. Evaluation criteria for a technical proposal**

A technical proposal shall be evaluated based on the relevance of the chapters of the concept and work plan to include:

- a) Interpretation of objectives;
- b) Strategy of implementation;
- 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**

Higher education in Arts, History, Architecture, Design, Caucasian studies, Cultural Heritage Preservation or a related field.

#### **7.2.2. Knowledge and skills**

- a) Strong research, analytical and report writing skills;
- b) Excellent communication, facilitation and moderation skills;
- c) Advanced computer skills including Microsoft Office and web-based applications;
- d) Excellent command of English, both written and spoken.

#### **7.2.3. Work experience**

- a) Experience in identifying aspects of tangible and intangible heritage and assessing them from the perspective of heritage preservation and use for their role tourism
- b) Experience in researching and assessing potentials of cultural tourism aspects (tangible and intangible) and proposing programs/projects in sustainable development of respective tourism products;
- c) Experience of developing tourism products related to tangible and intangible cultural heritage in Georgia
- d) Preferably, 5 years of consulting experience in private sector development in the Tourism/Hospitality sector.

Applicants should include at least two examples of their previous work (articles, presentations etc) on cultural heritage aspects in Georgia



### **7.3. Recommendations**

At least two recommendation letters from international development partners / programs / projects or government agencies in Georgia issued to a bidder in the last 2 years shall certify that the bidder successfully completed consultancy assignments of the scope and complexity similar to this assignment.