

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

Activity: Development and Pilot Implementation of the Impact Assessment Framework of Enterprise Georgia

Period: July 6, 2020 – October 30, 2021

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 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 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. Particular emphasis, throughout all four components, will be made on ensuring direct impact on the business attainment 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% (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 42% to employment and 15% to GDP, while in 2018, SMEs accounted for 53% of the EU-28 GDP.¹ Despite regulatory improvements, most SMEs predominantly operate in low value-added segments and demonstrate minimal export activities (2.9 % of small and 15.2 % of medium-sized companies export) with low levels of product/market diversification and sophistication. Throughout 2008-2017 years, SME contribution to increase in the EU-28 value added and employment of the non-financial business sector were as 47% and 53% respectively. Despite of the new business opportunities in a view of the Deep and Comprehensive Free Trade Area (DCFTA), SMEs in Georgia expect to face considerable challenges and short-term costs to comply with the EU standards and enhance competitiveness.

Established in 2014, the Enterprise Georgia under the Ministry of Economy and Sustainable Development (MoESD) is the key Government institution responsible for business support, export and investment promotion. To promote an entrepreneurial culture in the country, over the past few years EG has implemented large number of programs via its business, export and investment dimensions. However, due to the lack of comprehensive impact assessment methodology in the Agency, the impact of the agency's programs has not been properly assessed and the institution's capacity in this regard has remained underdeveloped.

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

The purpose of the assignment is to help the agency improve and develop the Impact Assessment Framework of the programs implemented, including approaches for data collection and analysis, development of suitable instruments, selection of appropriate IT tools and outsourcing modalities (e.g. for data collection). This will contribute to the strengthening of the institutional capacities of the EG to analyze economic, social and environmental impacts of the projects. In addition, this will enable the agency to assess effectiveness and efficiency of the actions and detect potentials for improvement.

3. Objectives of the assignment

The main objective of this assignment is to strengthen the institutional capacities of the Enterprise Georgia to revise existing impact assessment practices, develop and implement a standardized impact assessment framework of its services and programs with suitable instruments and modalities.

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

Objective 1: Revision of the current impact assessment practices applied by the Enterprise Georgia and joint development of a refined impact assessment methodology and framework.

Objective 2: Strengthening the capacities of the relevant departments of the EG in adapting and implementing of proposed assessment model for the EG business operations and/or programs;

Objective 3: Conducting a joint pilot assessment of the selected services and/or programs of the EG based on a clearly defined selection criterion.

4. Relevance, approaches, activities and deliverables

Current assignment will be carried out under the *Pillar 2: Support to Enterprise Georgia* within the framework of the Component 4 of the Project: “Enhancement of Institutional Capacities for Cluster and Business Development”.

4.1 Approach to the implementation & specification of inputs and outputs

To serve the purpose outlined in section 3, the Project seeks to contract an individual local consultant experienced in the fields of impact assessment and/or monitoring system development to prepare grounds for, support and work in a tandem with an international consulting company. The local consultant will assist the Project in the implementation of activities outlined in sections above with a pool of intranational experts in the areas of (1) impact

assessment development framework, (2) capacity building within designated government agency and (3) implementation of the pilot assessment of the selected programmes.

To achieve the objectives defined in section 3, the assignment shall be carried out in five phases:

4.1.1. Phase (1): desk research and preparation for the first mission of international consultants

The local consultant shall:

- 1) Conduct a comprehensive desk research and prepare background information, inter alia:
 - a) Mission, structure, scope of interventions and business operations of the Enterprise Georgia;
 - b) Overview of the programs (throughout 2014-2019 years) running under business development, invest in Georgia and export promotion directions;
 - c) Review of the analytical reports, studies and assessments conducted concerning the organizational performance of the EG;
 - d) Scrutiny of the performance assessment policies, models and practices applied (if any) by the EG and/or the MoESD and overview of the impact assessment reports (if any);
 - e) Review and analysis of the relevance of the Performance Assessment System (PES) applicability to the EG.
- 2) Initiate cooperation with the contracted international consulting company:
 - a) share background information and observations of the desk research.
- 3) Contribute to the finalization of the report on the international best practices applied by the institutions similar to the scope and mission of the EG;
- 4) Compile a suggested short-list of interview partners from the selected departments of the EG and other stakeholders to be met during first mission of the international experts;
- 5) Contribute to the finalization of the scope, agenda and itinerary of the international experts' mission to Georgia and arrange for the logistics of relevant meetings and interviews to be conducted by the international consulting company.

4.1.2. Phase (2): Support to the first mission of the international experts to Georgia

The activities of the local consultant for this phase shall entail:

- 1) Support the organization, participate, contribute to and document the meeting with the Project, international experts and relevant counterparts;

- 2) Assist in the implementation of the scheduled meetings and interviews with potential stakeholders, inter alia:
 - b) Support the international experts with operations, logistical arrangements, last minute /on-site preparations and documentation of the results;
 - c) Provide interpretation during the meetings between English and Georgian, as needed.
- 3) Participate in, contribute to and document the results of the workshop on international best practices and findings of the Georgian system to be held with the EG;
- 4) Support the international experts with compiling the mission report and planning on next steps.

4.1.3. Phase (3): Development of the impact assessment framework and implementation roadmap

Activities of the local consultant for this phase shall involve:

- 1) Contribution to drafting an in-depth analysis of the Georgia framework incorporating the international best practices and findings of the first mission of the international experts to Georgia;
- 2) Input / comments to drafting the impact assessment methodology and implementation roadmap, along with the recommendations and justifications of the steps to be taken by the EG;
- 3) Support in the implementation of the second mission of the experts to Georgia, tentatively in December 2020, inter alia:
 - a) Contribute to the development of the workshop agenda, presentations and other supporting materials;
 - b) Organizational support, participation in and contribute to the outcomes of the workshop with the EG and potential stakeholders;
 - c) Inputs to the planning on the next steps and interventions.

4.1.4. Phase (4): Capacity building of the relevant divisions of the EG

This phase shall enclose:

- 1) Contribution to the elaboration of the questionnaire and/or other tools to analyze the capacity development needs of the relevant departments of the EG and MoESD;
- 2) Support to in the development of the capacity building measures e.g. trainings / seminars / further mentorship for the staff of the EG / MoESD;
- 3) Organizational arrangements, participation in and contribution to:

- a) delivery of the tailor-made workshops and trainings for the EG / MoESD staff;
- b) planning of coaching schedule of the EG staff;
- c) elaboration of the selection criteria for the pilot assessment.

4.1.5. Phase (5): Implementation of the pilot impact assessment for selected operations and/or programs of the EG

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

- 1) Support in the advisory and guidance (where requested) of the EG monitoring team in conducting the pilot assessment on the services / projects in accordance with the approved methodology and clearly defined criteria;
- 2) Contributions to and quality review of draft assessment report by the EG;
- 3) Support in the implementation of the fourth mission of international experts to Georgia, inter alia:
 - a) inputs to the finalization of the assessment report;
 - b) co-facilitation of the public presentation of findings of the first the assessment for a wide range of stakeholders;
- 4) Development of the final report to the C4D Project to include, among other things:
 - a) A full account of tasks implemented under this ToR against due deliverables defined in the 4.1. subsection of 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) Observations on the international consulting company’s inputs;
 - e) Recommendations on the further advisory to the Monitoring Division of the EG and next steps;
 - f) 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.

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) Desk research and preparations for the first mission of international experts	Desk research on the EG mission and programs under business development, export support and invest in Georgia divisions (*.docx format)	5	July 2020

Annex 1

**ToR for STE-Assignments /
Advisory / Service Contract**



Phase / Activities	Description of Deliverables	Level of Effort (Expert-Days)	
		Expert days	Due dates
	Overview on the EG impact assessment and M&E practices (*.docx format)	3	
	List of interview partners; draft agenda of the mission (*.docx format)	2	
(2) Support to the first of the international experts in Georgia	Minutes of the initial meetings with the project and the EG (*.docx format)	1	August, 2020
	Documentation on the meetings and interviews with the Project stakeholders: actual itinerary, list of meetings held, minutes of meetings with government agencies (*.docx format)	5	
	Documentation on the workshop: agenda, participants, outputs, recommendations (*.docx format, *.jpg for pictures)	3	
	Inputs / comments to the mission implementation report	2	
(3) Development of the impact assessment methodology and implementation roadmap	Communication between the international experts and the monitoring team of the EG: brief on the work in progress (*. docx format)	5	December, 2020
	Inputs / comments to the methodology and framework (*. docx format)	5	
	Contributions / comments / review of the roadmap (*. docx format)	5	
	Documentation of the the workshop: agenda, participants, outputs, recommendations (*.docx and *ppt formats, *.jpg for pictures)	5	
(4) Capacity building of the EG staff	Questionnaire on needs assessment of the monitoring team of the EG and assignment department(s) of the MoESD	3	February, 2021
	Inputs / contributions needs assessment report (*. docx format)	3	
	Tailor-made workshop materials: agenda, participant list, TLM inputs (if needed) (*. docx format)	4	
(5) Implementation of the pilot assessment	Quality assurance and guidance of the EG staff to select the programmes/operations and conducting	5	October, 2021

Phase / Activities	Description of Deliverables	Level of Effort (Expert-Days)	
		Expert days	Due dates
	the assessment: briefs on the work in progress (*. docx format)		
	Input / contributions to the findings of pilot assessment (*. docx format)	5	
	Contributions to the workshop materials: agenda, participant list, TLM inputs (if needed) (*. docx format)	5	
	Development of the final report to the C4D project (*. docx format)	5	

5. Coordination and Communication

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

6. Submission requirements

The bidding 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.) Other costs will be covered by the project (e.g. Venue(s), facilities, interpretation, and refreshments for meetings and workshops).

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.

7.2.3. Work experience

- a) At least 7 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 2 years of working experience in impact assessment and/or monitoring and evaluation fields would be an asset;
- 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. Sectoral research and analysis in business and institutional development fields;
 - ii. Institutional capacity development for government and private sector actors;
 - iii. Consultancy and advisory services to the government business development agencies;
 - iv. Organization and business strategy development (preferably for the public sector players);
 - v. Impact assessment development frameworks and M&E systems within public and /or business development agencies;
- d) Proven track record of supporting international experts' missions to Georgia implementing assignments under international capacity development projects (preferably in private sector development field).

7.3. Recommendations

At least two recommendation letters from international development partners / programs / projects in Georgia issued to a bidder in the last 2 years shall certify that the bidder successfully managed and completed consultancy assignments of the scope and complexity that are comparable to this ToR.