

Terms of reference (ToRs) for the procurement of services below the EU threshold

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

PN: 16.2179.6-007.00

Activity: Support the assessment of digitalization potentials and opportunities of the Georgian Private Sector

Period: May 2020 – June 2020

1. Brief information about the programme

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.

In this respect, to support business performance of private sector actors in construction, tourism and apparel sectors and improved institutional framework 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 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; and 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 national level as well as to provide specific assistance to Enterprise Georgia with regard to strengthen their role for promoting business development, providing demand-oriented services and support to the private sector. Throughout all four components, particular focus will be put on ensuring direct impact on the business performance of private sector enterprises.

2. Background and context of the project

The jointly co-financed EU/BMZ Action (hereafter referred to as “Action”) contributes to the **EU Programme “Economic and Business Development in Georgia”, Component 3: Greater business sophistication**. In particular, it will contribute to the following results:

- Result 3.1: Strengthened policy framework to facilitate the development of SME, **clusters** and incubators
- Result 3.2: Development and functioning of the **clustering approach** in at least 5 pilot sectors in Georgian regions (such as **construction materials**, packaging, **apparel**, creative industry, **tourism**, organic farming, seeds/seedlings)

The expected outputs of the Action refer to two main results provided in the AD of the relevant EU programme: 1) Result 3.1: Strengthened policy framework to facilitate the development of SME, clusters and incubators, and 2) Result 3.2: Development and functioning of the clustering approach in at least 5 pilot sectors in Georgian regions (such as construction materials, packaging, apparel, creative industry, tourism, organic farming, seeds/seedlings). **The action outlined here** will be 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 up to three market-oriented clusters 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

Digitalization plays a significant role in private sector development. On the one hand implementation of high technology increases effectiveness of an organization`s internal processes and on the other hand digital tools enable the transparency of the supply chain as well as support efficient customer relationship management processes.

The future development of digitalization of tourism, construction and apparel sectors will benefit from best practices from European and other developed countries. The transition process to digitalization is associated with many complex challenges that have to be identified and analyzed.

In this framework, PSD and TVET Programme in Georgia: “Clusters4Development”, seeks to contract a local expert to support an international expert in a preparatory study of the current status of digitalization of the Georgian private sector and based on the findings support in development of a concept for further steps toward increased digitalization of the Georgian Private sector.

3. Activities and deliverables

Tasks and Deliverable	Timeline/ Dead-line	Working days (up to)
1. Desk-review of existing local strategies and best international practices <ul style="list-style-type: none"> • Prepare and share a list of relevant stakeholders • Prepare and share a list of digital tools already implemented by the private sector in Georgia 	20.05.2020	5

<ul style="list-style-type: none"> • Compile relevant information about digitalization of the private sector in Georgia supported by relevant documentation (statistics, studies etc.) 		
<p>2. Status of digitalization – study</p> <p>Support an international consultant to:</p> <ul style="list-style-type: none"> • Analyze the status of digitalization in Georgian private sector; • Identify main gaps, needs and requirements of the private sector toward digitalization; • Identify main linkages of digitalization between private and public sector, focusing on tourism, apparel and construction. • Conduct a workshop with private sector players and other stakeholders to develop a SWOT analyses (remotely / online conference) 	15.06.2020	10
<p>3. Development of Concept on Digitalization Opportunities for the Georgian Private sector with a focus on the above-mentioned sectors as well as a more general outlook (5-10 pages)</p> <p>support an international consultant to:</p> <ul style="list-style-type: none"> • Assess and outline the current status of digitalization of the Georgian Private sector (SWOT-Analysis) • Identify main activities to support the process of increased transition to digitalization of the private sector in Georgia 	20.06.2020	4
<p>4. Presentation on digitalization for the sectors - Tourism, Apparel and construction material of Georgia (minimum 5 slides per sector)</p> <ul style="list-style-type: none"> • Develop the presentation in cooperation with an international consultant • Obtain and share all relevant information important to prepare the presentation • Review, analyze and give feedback on both the content and visual part of the presentation • Support finalization of the presentation. 	<p>Latest</p> <p>30.06.2020</p>	3

4. Coordination and Communication

Close coordination and reporting with the Project Team Leader and the dedicated Programme Expert, as well as an active cooperation with an international consultant (contracted by the project separately), is mandatory during the implementation of the assignment.

5. Concept

In the bid, the bidder is required to show how the objectives are to be achieved, if applicable under consideration of further specific method-related requirements (technical-methodological concept). In addition, the bidder must describe the project management system for service provision.

5.1. Technical-methodological concept

The bidder is required to consider the tasks to be performed with reference to the objectives of the services. Following this, the bidder presents and justifies the strategy and methodology with which it intends to provide the services for which it is responsible.

The bidder is required to present the actors relevant for the services for which it is responsible and describe the **cooperation** with them.

The bidder is required to describe the key **processes** for the services for which it is responsible and create a schedule that describes how the services are to be provided. In particular, the bidder is required to describe the necessary work steps and, if applicable, take account of the milestones and contributions of other actors.

The bidder is required to describe its contribution to knowledge management for the partner and GIZ and promote scaling-up effects (**learning and innovation**).

6. Requirements and evaluation criteria

A technical proposal by a qualified bidder shall be evaluated based on the bidder's required experience evidenced by portfolio projects/contracts of similar type and complexity and the completeness and relevance of the chapters of the technical proposal to include:

a. Expert`s qualification

- a) More than 5 years of professional experience in digital solutions, innovation, digital systems and tools in private sector;
- b) Professional experience in the assessment, development and deployment of digital solutions for the private sector;
- c) Excellent command of both written and spoken English;

b. Appropriateness of suggested concept and work plan

- a) Interpretation of objectives
- b) Strategy (technical concept/alternative concepts)
- c) Implementation methods: Management of processes, Cooperation, Learning and Innovation (L+I)
- d) Work schedule and time schedule
- e) Monitoring and evaluation concept (as part of L+I)

c. Technical backstopping/ Knowledge management

- a) Knowledge and information management (as part of L+I)

7. Requirements on the format of the bid

The structure of the bid must correspond to the structure of the ToRs. The bid is drawn up in English (language). It must include a methodology and a detailed action plan. The complete bid shall not exceed 10 pages (excluding CVs).

The CVs of the personnel proposed must include all requirements indicated in Chapter 6 of the ToRs. The CVs must clearly show the position and job the proposed person held in the reference project and for how long. The CVs must be submitted in English language.