

CONFIDENTIAL

## TERMS OF REFERENCE (TOR) FOR THE PROCUREMENT OF SERVICES BELOW THE EU THRESHOLD




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**Project title:** EU4ITD - Catalysing Economic and Social Life in PIRDP Regions  
**Project number/cost centre:** 19.2204.6-013.00/3900

**Country:** Georgia

**Transaction number:**

**Services specified in the tender:** Monitoring/evaluation of CESL outputs/outcome

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### 1 BACKGROUND

Georgia's [Pilot Integrated Regional Development Programme \(PIRDP\)](#) is a national initiative that addresses the social and economic territorial imbalance between the capital, Tbilisi, (and to a lesser extent Batumi), and the rest of the country. Targeting the 4 regions of Guria, Imereti, Kakheti, and Racha, Lechkhumi and Kvemo Svaneti, it is supported by the EU under its 2019 programme "[EU4 Integrated Territorial Development](#)" (**EU4ITD**) to the tune of 54 MEUR. Of this amount, 40 MEUR in budget support, together with 10 MEUR from the national budget, was channelled to **1**) municipal investment projects via the [Ministry for Regional Development and Infrastructure \(MRDI\)](#) and, to a lesser extent, **2**) individual entrepreneurs and micro-/small-enterprises via [Enterprise Georgia](#) and the [Georgian Innovation and Technology Agency \(GITA\)](#), both under the Ministry of Economy and Sustainable Development), as well as the [Rural Development Agency \(RDA\)](#) under the Ministry of Environmental Protection and Agriculture. In addition to this (already completed) budget support initiative, EU4ITD is also funding a number of complementary measures, including a grant scheme for municipalities (2.5 MEUR in grant funding to the municipalities of Chokhatauri, Kutaisi, and Khoni), technical assistance (2.25 MEUR), and 2 Contribution Agreements,<sup>1</sup> the first with UNDP (2 MEUR, "EU4ITD: Advancing decentralized, effective, and inclusive governance in Georgia"), and the second with GIZ (outlined in the next paragraph).

"**EU4ITD - Catalysing Economic and Social Life in PIRDP Regions**" ([CESL](#)) is implemented under the wider GIZ regional programme "Good Governance for Local Development South Caucasus" and has a total budget of 7.5 MEUR (6.5 from the EU and 1 from the German government); it runs from 28 January 2022 to 27 September 2025. It addresses on one hand municipalities to improve the quality of life locally,<sup>2</sup> and on the other individual entrepreneurs and micro-enterprises to stimulate income generation and economically activate "hard-to-reach" target groups.<sup>3</sup> Interventions are limited to the 4 PIRDP regions,

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<sup>1</sup> Under Contribution Agreements, the EU entrusts project implementation to international or Member State organisations which it has assessed as fulfilling criteria related to managing of public finances.

<sup>2</sup> Financing 21 projects, with budgets ranging from 65,000 to 800,000+ GEL on urban renewal (e.g youth centre in Zestaphoni), tourism development (e.g Bakhtrioni forest park in Akhmeta), and economic activation/income generation (e.g Agro market in Lentekhi)

<sup>3</sup> 5 schemes have been or are being implemented to support rural women and youth to start up or expand business ideas – 2 implemented by municipalities and 3 by CSOs (in total there will be 120+ beneficiaries). Additionally, support is given to target gaps identified in regional or location specific value chains (e.g. the wine sector in Kakheti, use of Oda houses for economic activity in Western Georgia).

while they should, in principle, also be “integrated” in nature;<sup>4</sup> an overview of what has been financed is presented in a [map](#) developed for internal purposes. Given the project’s scope, stakeholders are varied and numerous at both central, regional, and local level; of particular note are MRDI (the ministry responsible for the PIRDP and therefore the project team’s prime interlocutor), the Governor’s Offices in each of the 4 regions, and the 27 constituent municipalities. The implementing team’s front office comprises 5 staff based in Tbilisi, 2 in Kutaisi (covering Guria, Imereti, and Racha) and 1 in Telavi (for Kakheti).

As it is funded (mostly) by the EU, CESL is based on an intervention logic expressed in a logframe matrix - (see Annex), as required by the standard project cycle management methodology. And in line with this approach, CESL’s success in achieving its objectives will be, to a large extent, assessed against how far output and outcome indicators have been met. Measuring the progress of output indicators is part of **monitoring**, and is of particular interest to GIZ as the implementing agency responsible for ensuring that project inputs translate into outputs. On the other hand, following outcomes usually falls under the heading of **evaluation**; this is often a focus of donors (though it also of course of interest to implementers), as they wish to know whether the changes anticipated as a result of their financing have actually taken place.

## 2 RATIONALE

Given the interest of GIZ and CESL donors in how far project objectives have been achieved, it is important that progress towards outputs and outcome is assessed accurately. Such accuracy cannot be ensured directly by the CESL team because it does not have: **1)** the capacity to **a)** check on information received from beneficiaries regarding output indicators, and **b)** to assess likely progress towards outcome indicators after CESL has come to an end;<sup>5</sup> **2)** the objectivity to perform an independent (and therefore reliable and accurate) monitoring and evaluation exercise.<sup>6</sup> It is therefore necessary to contract appropriate external expertise for such an exercise, to result in an assessment of how far CESL has been (and will be) a success in relation to the intervention logic set out in its logframe matrix.

## 3 OBJECTIVES OF THE ASSIGNMENT

To accurately assess (including forecasting) progress towards meeting **1)** CESL outputs by the end of its implementation period and **2)** CESL’s outcome by end 2026.

## 4 ACTIVITIES, OUTPUTS, PAYMENT, INDICATIVE TIMELINE

### 4.1 Activities

As indicated in the previous Section, the contractor’s activities shall aim at **1)** assessing CESL’s progress towards meeting its outputs by the end of its implementation period, and **2)** assessing or forecasting progress towards CESL’s outcome by end 2026.<sup>7</sup> In addition, the CESL team is extremely interested in

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<sup>4</sup> An “integrated” project should at least be “place-based” (i.e. sensitive to the needs of a particular location), multi-sectoral, and involve different stakeholder groups (e.g. local administration, CSOs, businesses); in addition, it should, ideally, combine hard and soft measures, and bring together different levels of government.

<sup>5</sup> Since CESL will be working on outputs up until the end of its implementation period, it is logically impossible for most outcomes to be realized before 28 September 2025 (let alone by the target date given in the logframe matrix). It is therefore necessary to develop informed forecasts of the likely achievement of outcomes in the years following CESL final implementation date.

<sup>6</sup> Were the CESL team to conduct such an exercise, it would be assessing its own work; an objective approach would therefore be a logical impossibility.

<sup>7</sup> With regard to this second point, in many cases, funding supplied via CESL to beneficiaries is reserved for investment in infrastructure, with inputs having to be delivered by partners in “implementing coalitions” at a later date (i.e. after the infrastructure has been completed and the contract with CESL formally closed); here, the goal of the assignment is to assess

3) any additional reflections the contractor might have on CESL implementation and (likely) results – e.g. positive impacts that were not foreseen, any improvement of the capacities of municipal staff after having worked on CESL-funded initiatives. It is anticipated that the vast majority of information necessary for the assessment under points 1) and 2) will be gathered via project visits and face-to-face interviews with relevant organisation and people (information contained within reports is either insufficient or should be confirmed independently).

Activities foreseen under this assignment are indicated in chronological order below.

- **Kick-off** meeting with the CESL team
- **Familiarisation with relevant documentation** handed over after contract signature, including **1)** CESL's "Description of Action" (DoA) and bi-annual narrative Progress Reports,<sup>8</sup> and **2)** ≈33 contracts concluded by CESL with selected beneficiaries (for almost 3 MEUR), together with narrative reports
- Development of a **methodology** setting out, inter alia: which organisations/people should be interviewed (including CESL team members) and when;<sup>9</sup> the types of questions that will be asked; any further actions to be taken (e.g. physical examination of sites/infrastructure); explanation of any sampling (e.g. which rural women/youth benefiting from support should be interviewed, and why); how the assessment report is to be structured (e.g. executive summary, how the assessment exercise was conducted, findings per project, recommendations/lessons for the future); and proposed dates for submission of the assessment report, as well as the presentation of the latter. The methodology shall be approved by the CESL team prior to the contractor moving ahead to its implementation; in certain cases, the team may request that proposed research is expanded (e.g. so that it does not just focus on the (non-fulfilment) of output/outcome indicators).
- **Implementation of the methodology** agreed, including arranging and conducting interviews with organisations/people. Note that this activity will require significant travel (see the CESL map referred to above), including to remote locations (e.g. where rural women have premises for their economic activity).
- Drafting and submission of the **assessment report**, in line with the structure agreed in the methodology, followed by revision as per comments received from the CESL team.
- Giving a **presentation** of the assessment report to the CESL team; a separate ppt will be required for this.

## 4.2 Outputs

Outputs will comprise the following:

- Minutes of the kick-off meeting
- The methodology for conducting the assessment exercise
- The assessment report
- The ppt use during the presentation of the assessment report to the CESL team

All outputs are to be delivered in English and only in electronic form. The same communication and visibility requirements which apply to CESL also apply to the contractor; all outputs will therefore need to respect them (the contractor will be given fuller information during the kick-off meeting).

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the likelihood of these inputs (e.g. co-financing from municipalities, operation/occupation/use of premises by local business or CSOs) leading to project success (i.e. the new or renovated infrastructure "lives" and thus contributes to the improvement of the social and/or economic life of the local community).

<sup>8</sup> CESL's DoA is the content-related part of its contract (Contribution Agreement) with the EU Delegation in Tbilisi.

<sup>9</sup> Between 3 and 6 interviews are indicatively expected per project.

### 4.3 Payment

The contractor will be remunerated on the basis of costs already incurred on a quarterly basis – i.e, assuming implementation commences on 1 March 2025, the first invoice covering the period March to May inclusive should be submitted after 31 May. The second (and final) invoice would be submitted in early September<sup>10</sup> and would cover the months June to August inclusive. All invoices shall be accompanied by monthly timesheets for each expert.

### 4.4 Indicative timeline

Performance of activities shall fall within the duration of the assignment (see Section 5 below). Indicatively, the initial kick-off meeting is foreseen for the first half of March, with the finalisation of the agreed methodology by mid-April, and the submission of the assessment report by early July. A more developed timeline is to be included in the methodology.

## 5 DURATION AND LOCATION OF THE ASSIGNMENT

The anticipated duration of the assignment is 1 March 2025 to 31 August 2025, though the final start/end dates will be set in the contract itself.

## 6 REQUIRED INPUTS

The following inputs are indicatively foreseen as necessary for contract implementation. Presented under the 3 main budget headings of “fees”, “travel expenses”, and “other costs” (see the format to be completed for the contract budget).

Budget heading/item	Comments
<b>Fees</b>	
Team Leader	<b>Experts for management and implementation of the contract:</b> These experts comprise the team indicated by the contractor in its bid as responsible for the management and implementation of the contract as a whole; as such, they should also deal with communication and visibility activities. The number of person days for such experts is estimated at 100. One of the experts responsible for contract management and implementation should be identified as the <b>Team Leader</b> ; the person so identified should have the appropriate skills and experience, and it is up to bidders’ discretion how many days to assign to the position.
Experts	
<b>Travel expenses</b>	
Total travel expense budget	N/A
Transportation	It is assumed that the contractor will visit projects (see the on-line map referred to above) and travel between interviews by car from a base in Tbilisi. The cumulative distance to be travelled is estimated at 5,000 kilometres.
Per-diem allowance	This budget line relates to the daily subsistence allowance (e.g. for food) for which the contractor’s experts will be eligible while on the road (to visit projects and conduct interviews). The number of days these experts will be travelling is estimated at 65.

<sup>10</sup> though it could be submitted earlier if the assignment is performed ahead of schedule

Budget heading/item	Comments
Overnight accommodation allowance	The contractor's experts will be eligible for an allowance for accommodation when staying overnight (i.e. away from home base, assumed to be Tbilisi). The number of nights is estimated at 65.
Flights	N/A
Other travel expenses	N/A
<b>Other costs</b>	
Subcontracts	N/A - here "subcontracts" refers to contracts the contractor might conclude with other companies, not independent individual experts
Equipment	N/A – no equipment purchase is foreseen as necessary. It is assumed that the contractor and the experts working on their assignment will possess the necessary equipment (e.g. laptops). A project will be provided by CESL for the final presentation by the contractor (in CESL's offices).
Workshops	N/A - with regard to premises, interviews should be conducted at interviewees' place of work or their home, while the presentation to CESL will be held in its office.
Other expenses	N/A
Flexible remuneration	N/A

## 7 LIAISON WITH CESL

The company contracted for the performance of this ToR shall ensure regular liaison with the CESL team as necessary/appropriate; the relevant contact person will be the team member responsible for the monitoring and evaluation portfolio.

## 8 FORMAT OF TENDERERS' BIDS

Tenderers' bids shall comprise **1)** a technical offer, and **2)** a financial offer.

### 8.1 Technical offer

There is no prescribed format for the **technical offer**, and it is therefore up to bidders' discretion how to structure these documents. However, they should:

- Be no more than 10 pages (excluding any attachments) in English, with a minimum font size 11;
- Cover the issues indicated in the table below.

Technical offers will be evaluated against the positively weighted criteria in the assessment grid (indicated in the table below for ease of reference), with marks awarded for completeness, accuracy, argumentation, imagination, critical thinking, and presentation.

Issues to be covered in the technical offer	Assessment criteria
An <b>indicative plan</b> for implementation indicating both individual steps to be taken and their timing. See sections 4.1 and 4.4 above; in the case of proposed deviations from the information included there (e.g. due to critical thinking or imagination), explanations should be provided.	1.4.1 - Presentation and explanation of the implementation plan: work steps, milestones, schedule
An <b>outline of the personnel</b> (i.e. expert team) who will be involved in contract implementation from the side of the contractor, including <ul style="list-style-type: none"> <li>• A description of each expert should be included setting out relevant education, experience, and skills (e.g. languages); for each expert the following is expected: a first university degree (BA</li> </ul>	2.8.2 - Qualifications and sufficient assignment duration of the team (professional experience and other specific experience)

Issues to be covered in the technical offer	Assessment criteria
<p>equivalent), 3 years' experience of monitoring and/or evaluation (or equivalent activities, such as conducting research), Georgian at level C1 and English at B2,<sup>11</sup> though at least one of the team should have a level of English at C1 level (in order to ensure proper drafting of outputs in English).</p> <ul style="list-style-type: none"> <li>• An indication of which experts will be assigned which tasks, and how many person days each will work on the assignment; though 100 person days are estimated for performance of the assignment, alternatives (either higher or lower) may be proposed, provided a solid explanation is proffered.<sup>12</sup> The expert team needs to comprise enough people to convince the reader that the assignment will be completed on time, but not so many people that the team would be difficult to manage.</li> <li>• The designation of the expert from the team who will act as Team Leader (and therefore be the main contact point for CESL). The expert so identified should have the appropriate skills and experience, including 6 years of relevant experience (relevant either to the content of these ToR or team management). It is up to bidders' discretion how many days to assign to the position.</li> </ul> <p>CVs are not to be included the bid</p>	
<p><b>Qualifications and experience of the bidder</b> are to include information on previous and/or current work/assignments/activities of a similar nature, with an indication of what they concerned, where they were performed, when they were conducted, and how much they cost. The contractor should have performed three assignments monitoring and/or evaluating donor funded projects and/or programmes in Georgian regions (i.e. outside Tbilisi and Batumi) in the last five years (i.e. since 1 January 2019); the average value of such assignments should, on average, be 80,000 GEL.</p>	3.1 – See ToR for requirements

## 8.2 Financial offer

The financial offer is to be drawn up using the format included in the tender dossier circulated to tenderers. Costs should be either:

1. Based on the related “**required inputs**” indicated in Section 6 above, or
2. Based on the bidder's own estimation of the inputs necessary for the performance of contract activities; in this case, since there is **deviation** from the “required inputs” in Section 6 above, appropriate information should be included in the column for “explanations” in the financial offer format. Note that any such deviations will be seen in a positive light provided that they are supported by solid reasoning (outlined in the technical offer with an explanation of, for example, the difference between the number of expert days proposed in the offer and the number indicated in these ToR); indeed, such reasoning will be understood as a sign of appropriate critical thinking by a tenderer.

## 9 OTHER PROVISIONS

<sup>11</sup> These levels correspond to those laid down in the [CEFR](#).

<sup>12</sup> Such alternatives will be seen in a positive light provided that they are supported by solid reasoning; indeed, such reasoning will be understood as a sign of appropriate critical thinking by a tenderer.

**VAT:** The contract amount doesn't include VAT. According to the article 71 of Order N 996 of the Ministry of Finance on "Tax Administration" and in compliance with international agreements on Technical Cooperation between the government of The Federal Republic of Germany and the government of Georgia dated December 19 2008, (which is previously based on international agreement dated May 11, 1998) GIZ enjoys tax exemption and will procure goods/services exclusive of VAT (issuing "0" VAT rate), using off-setting right. The relevant status may be found at the webpage [www.rs.ge](http://www.rs.ge) - [საგადასახადო შეღავათით მოსარგებლეთა რეესტრი](#) .

**Confidentiality:** Since the contractor will be handling documentation internal to CESL and its beneficiaries, it must ensure that the files and the information within them remain confidential. Breach of such confidentiality will be understood as breach of contract.

**Personal data** collected by GIZ may be entrusted to the contractor in order to fulfil the contract. The contractor is obliged to protect this data under the standards of the [GDPR](#), in particular the Art. 44-50 GDPR. The contractor shall act as an independent data controller for the personal data that he processes in connection with the contract and shall comply with the applicable obligations under data protection legislation."

**Communication and visibility requirements:** As noted in section 4.2 above, outputs produced by the contractor will have to respect CESL's communication and visibility requirements. Relevant information will be supplied to the contractor at the kick-off meeting.

## 10 ANNEX – CESL LOGFRAME MATRIX

Intervention logic	Indicators	Baseline	Target (30/6/25) <sup>13</sup>	S&MoV <sup>14</sup>	Assumptions
<b>Overall objective: Impact</b>					
Improvement of economic and social life in PIRDP regions	<p>1) Aggregate value added by Georgian and foreign private and legal persons in PIRDP regions</p> <p>2) Aggregate # of persons in PIRDP regions employed by enterprises</p> <p>3) Average % year-on-year change in aggregate population of PIRDP regions over the previous 3 years</p>	<p>1) 1,889 M€ (2019)</p> <p>2) 185,800 (2020)</p> <p>3) -1.26% (2019-2021)</p>	<p>1) 2,172 M€ - i.e. 15% increase (2024)</p> <p>2) 200,000 (2024)</p> <p>3) -0.8% (2022-2024)</p>	<p>1) GEOSTAT</p> <p>2) GEOSTAT</p> <p>3) GEOSTAT</p>	
<b>Specific objective: Outcome</b>					
Municipalities, businesses, and citizens in PIRDP regions realise untapped economic and social potential	<p>1) # locations in # of municipalities subject to integrated urban development projects supported under the Action where both economic and social life has improved</p> <p>2) # of tourism service providers supported under the Action with higher turnover compared with when they received support initially</p> <p>3) # of businesses (self-employed persons and MSMEs, but excluding tourism service providers) supported under the Action with higher turnover compared with when they received support initially</p> <p>4) # of businesses (self-employed persons and MSMEs, but excluding tourism service providers) supported under the Action which go on to apply for funding under national schemes (e.g. those of Enterprise Georgia) having never applied before</p>	<p>1) N/A</p> <p>2) N/A</p> <p>3) N/A</p> <p>4) N/A</p>	<p>1) 6 locations, 4 municipalities</p> <p>2) 12</p> <p>3) 80 (of which 50%/20% women/youth or women-/youth-led/established MSMEs)</p> <p>4) 30 (of which 50%/20% women/youth or women-/youth-led/established MSMEs)</p>	<p>1) Reports from municipalities verified by project team; survey(s)/analysis conducted by external service provider(s)</p> <p>2) As above</p> <p>3) Reports from municipalities/implementing partners verified by project team; survey(s)/analysis conducted by external service provider(s)</p> <p>4) As above</p>	<p>Local/regional urban centres catalyse economic development in their catchment areas</p> <p>Continued commitment to the decentralisation agenda by central government, including following a “place-based” approach to socio-economic development</p> <p>Ready access to quality tertiary education and VET in PIRDP regions</p>
<b>Outputs</b>					
Municipalities turn “spaces” into “places”	<p>1) # of integrated (i.e. incorporating both “hard” and “soft” measures) urban development projects implemented in selected urban centres which a) represent collaborations or consultations between public administration, citizens, the private sector, educational/research institutions, and spokespersons for the environment (the <a href="#">quintuple helix</a>), and b) take account of the leave</p>	<p>1) N/A</p> <p>2) N/A</p> <p>3) N/A</p> <p>4) N/A</p>	<p>1) 6</p> <p>2) 32</p> <p>3) 12</p> <p>4) 18</p>	<p>1) Reports from municipalities verified by project team</p> <p>2) As above</p> <p>3) As above</p> <p>4) As above</p>	<p>Effective implementation of PIRDP measures other than this Action, including those funded under the EU4ITD programme (via budget support and the UNDP-</p>

<sup>13</sup> Target date is 30 June 2025 unless indicated otherwise in the table

<sup>14</sup> Sources and means of verification

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Intervention logic	Indicators	Baseline	Target (30/6/25) <sup>13</sup>	S&MoV <sup>14</sup>	Assumptions
	<p>no-one behind principle (with consideration of, for example, women and minorities)</p> <p>2) # of new premises or forums (e.g. citizen-led initiatives) allowing for commercial and/or social interaction in the locations selected for integrated development projects</p> <p>3) # of sites of natural and cultural heritage linked to regional or regionally significant tourism development initiatives supported by the Action in PIRDP regions which have been upgraded</p> <p>4) # of tourism service providers which commenced or expanded operations in the context of regional or regionally significant tourism development initiatives supported by the Action in PIRDP regions</p>				<p>implemented “EU4ITD: Advancing decentralized, effective and inclusive governance in Georgia”)</p> <p>Continued operation of the Fund for Projects Implemented in the Regions at current financing levels</p> <p>Continued availability of support schemes for the private sector (e.g. those administered by Enterprise Georgia)</p>
Income generation and economic activation are catalysed	<p>1) # of businesses (self-employed persons and MSMEs) which commenced or expanded operations as a result of support under the Action</p> <p>2) # of value chains originating in or passing through PIRDP regions where value added accruing to the local population has been created or increased</p> <p>3) # of new spaces for production, selling and marketing products originating in PIRDP regions; such spaces may be virtual and may be located outside PIRDP regions</p> <p>4) # of Oda houses refurbished with a view to generating income for their owners (e.g. as guest-houses) or indirectly for the wider community (e.g. by being included in sightseeing itineraries for tourists)</p>	<p>1) N/A</p> <p>2) N/A</p> <p>3) N/A</p> <p>4) N/A</p>	<p>1) 120 (of which 50%/20% women/youth or women-/youth-led/established MSMEs)</p> <p>2) 6</p> <p>3) 10</p> <p>4) 6</p>	<p>1) Reports from implementing partners verified by project team; survey(s)/analysis conducted by external service provider(s)</p> <p>2) As above</p> <p>3) Reports from implementing partner(s) verified by project team</p> <p>4) As above</p>	<p>Anti-COVID measures are relaxed, and, once they are, normal levels of economic and social activity (in particular those related to tourism) resume in PIRDP regions</p> <p>Civil society organisations’ room for manoeuvre does not shrink, and possibilities for civic engagement are not limited or discouraged</p>
Institutions are enabled to tap unrealised economic and social potential	<p>1) # of local or regional administrations in which modalities for the improving evidence base (e.g. data to be collected/aggregated and presented geographically) and for using it to plan and implement local/regional development interventions (e.g. to inform land use or control construction) have been introduced; “modalities” are here understood to include a GIS-enabled IT facility. (Indicator conditional on the relevant activity being performed)</p> <p>2) # of learning events/activities (e.g. peer-to-peer exchanges, presentations, workshops) benefiting stakeholders and organised under the Action</p>	<p>1) N/A</p> <p>2) N/A</p>	<p>1) 4</p> <p>2) 6</p>	<p>1) Reports of external experts and contractors hired under the Action</p> <p>2) Each learning event/activity noted by the project team</p>	