
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 implementation of a market-oriented cluster in the **Cultural Heritage** sector

Period: 16 May 2022 – 31 March 2023

Terms of Reference

1. Brief information about the project

“Clusters 4 Development: Better Business Sophistication in Georgia” Project (hereafter – C4D) is a multi-donor action funded by the EU and the German Ministry for Economic Cooperation and Development (BMZ). The project is implemented by the Private Sector Development and TVET South Caucasus Programme at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

C4D is an integral part of the EU Programme “Economic and Business Development in Georgia”, Component 3: greater business sophistication, in particular, related to the strengthened policy framework to facilitate the development of SME, clusters and incubators (Result 3.1) and the development and functioning of the clustering approach in at least 5 pilot sectors in Georgian regions (Result 3.2).

In line with these results, the specific objectives of the project are: 1) Enhanced business performance of private sector actors in the construction, tourism and apparel sectors through cooperation mechanisms (Components 1-3); and 2) Improved institutional framework for cluster and business development (Component 4).

Specifically, the project is implemented across 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.

Key Implementing Partner of the project is the Ministry of Economy and Sustainable Development of Georgia (MoESD).

2. Context and current situation in the field of assignment

Clusters4Development project supports establishment of two market-oriented clusters in the tourism sector, one in Kakheti, one in Imereti. Each cluster is comprised of approximately 30 “core” members, with additional “potential” members during the current start-up phase. Cluster members comprise the following types of business: Craft Makers, Concept Accommodation, and Food & Wine Producers. Both clusters have the theme of “Authentic”, with members selected due to their passion and interest in promoting traditional methods of production. Clusters were formally established in October 2021, and await legal registration, which is scheduled for early 2022. To support the establishment of the clusters, the project has formulated several support activities, both directly to individual cluster members, as well as the clusters themselves.

This approach has been chosen to highlight the clusters as offering something diverse, authentic, and experience-based tourism offerings to the respective regions. In the long-term this will not only help cluster members themselves, but also promote tourism in Imereti and Kakheti, as well as all of Georgia.

Covid-19 has hit Georgia’s tourism sector hard, and this is felt especially in rural areas. Before the pandemic Tourism was a major contributor to Georgia’s economy. 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. Supporting tourism recovery of cluster members is therefore an additional goal of the project.

Cluster members have been assessed by project experts, and 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.

The approach in both project regions reflects 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 food plant heritage” in Imereti.

3. 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 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 2021 and 2022, 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 core 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 to support the development of the Authentic Kakheti tourism cluster and Authentic Imereti Tourism Cluster (one in Imereti and one in Kakheti) to realize their vision, mission and objectives conducted by the C4D project through its phases of activities. 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) Together with the GIZ team & international expert team develop and help implement objectives and planned activities of the clusters and develop recommendations - review the findings and results of work done previously regards to heritage aspects.
- b) Co-Develop/participate in developing of the Cluster development Strategies and implementation plan – for the member companies SMEs, support them in further development, in developing 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) Asses individual cluster members and their individual needs in terms of product development, service development & market positioning, co participation in branding, in strategy development.
- d) Create an Individual development planning for the member SMEs based on the assessment and help in implementation of the plans and actions, provide individual coaching and consultations to the cluster member SMEs.
- e) 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
- f) 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.
- g) Support the marketing and digitalization process within the clusters and selected member

companies.

- h) 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.

3.1 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 with an international consulting company to be implementing activities 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. Please note that the foreseen implementation steps can be slightly amended during the course of the project.

3.3 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
1. Preparations		
1.1. Review the findings and results of work done previously, study and analyse the objectives and planned activities of clusters with regards to cultural heritage	1.2.1. Assessment report on developed objectives & planned activities with recommendations	2 days
1.2. Support international consultants in developing recommendations regarding optimization of existing objectives and planned activities with regards to cultural heritage	1.2.2. Potential member SME overview reviewed, if necessary, amended and submitted	
2. Second field mission and Workshop		
2.1 Initiation of cooperation with the international consulting company with regards to cultural heritage	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)	9 days – (including days for implementation of workshop)
2.2 Joint development of the agenda of the Second mission of international experts to Georgia with regards to cultural heritage	2.1.2 Agenda of the mission	
2.3 Supporting Implementation of the first mission of the international experts to Georgia with regards to cultural heritage	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.	
2.4. Together with the international experts, finalization of the concept for the workshop with each cluster with regards to cultural heritage		
2.5. Supporting international experts' inputs in preparation of the workshop with regards to cultural heritage		
2.6. Participation in the workshop with regards to cultural heritage		

<p>2.7 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>2.3.1 Work jointly on the concept of the workshop 2.4.1 Work jointly on Workshop moderation plan 2.4.2 Supporting the process of preparation for Experts' presentations 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) 2.7.1 Workshop report</p>	
<p>3. Development of strategy 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 3.2 Jointly with international team work on an action plan to implement the strategies for the next year detailed (2022-23) 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) 3.2.1. Input provided for Action plan (detailed and general) developed and submitted</p>	<p>5 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>	
4. Support the development of communication strategies		
<p>4.1. Support the international team in developing a communication strategy for both clusters with regards to cultural heritage</p> <p>4.2. Communication strategy and guideline is introduced to members of both clusters</p>	<p>4.1.1. Report provided for the input in Clusters` communication strategies</p> <p>4.2.1 Records of the meeting are submitted</p>	2 days

Phase / Activities	Deliverables	Amount of days
5. Organizing Regional field exchanges		
5.1 Planning of a events & activities	5.1.1 Scope, agenda, itinerary and logistics plan for the planned events or other activities with GIZ team & other experts (English, *.docx)	10 Days
5.1.1 Plan & conduct two regional exchanges	5.1.2 Record of the meetings with members and GIZ is submitted	
5.1.2 Discuss the results with potential cluster members	5.2.1 List of actions that can / will be supported until 2023, is agreed with members and GIZ team	
5.2 Together with the international team conduct the implementation of the action plan & activities, reporting of results of intervention plans.	5.2.2 Participate in the implementation of listed actions	
	5.2.3 Report on the results	
6. Individual Coaching		
6.1 Asses individual cluster members and their individual needs in terms of product development, service development & market positioning, co participation in branding, in strategy development with regards to cultural heritage	6.1.1 Create an Individual development planning for the member SMEs based on the assessment and help in implementation of the plans and actions, provide individual coaching and consultations to the cluster member SMEs with regards to cultural heritage	5
	6.1.2 Records of the individual interventions are submitted	
7. Final Reporting		

<p>7.1. Review the produced documents as well as new members assessment report (combination of both first assessment and final assessment for the international team) with regards to cultural heritage</p> <p>7.2. Conduct interviews with potential members (in the regions)</p> <p>7.3. Final Report is submitted with regards to cultural heritage</p>	<p>7.1.1 Final package of all produced documents is submitted</p> <p>7.2.2 Records of the meetings with potential new members is submitted</p> <p>7.3.1 Final Report with cluster activities, implemented actions and evaluation of the work done with regards to cultural heritage is submitted.</p>	<p>4 days</p>
Phase / Activities	Deliverables	Amount of days
Total Number of Days		37 days

3.4 Activities, Deliverables and Due Dates

Expected deliverables and corresponding due dates are provided in the table below. Based on the still ongoing 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	Deadline
Organizing & Implementation of the Second mission of the international experts to Georgia & second cluster Workshop (one in Imereti, one in Kakheti)	June 31, 2022
Mission & workshop implementation report	July 15 th , 2022
Development of a vision and a strategy for both clusters	August 31, 2022
Communication strategy and guideline is introduced to members of both clusters	September 31, 2022
Potential registration of the cluster as a legal entity under Georgian law	October 31, 2022
Organizing Regional field exchanges & other planned other activities	Ongoing
Create an Individual development planning for the member SMEs, provide individual coaching and consultations to the cluster member SMEs.	Ongoing
Final Reporting	March 25, 2023

4. Coordination and Communication

The Contractor works in close cooperation with the Berlin Economics Team Leader and the GIZ/C4D Programme Expert, and other companies contracted by the project. The contractor will maintain an active communication with cluster members. Reporting is to the Berlin Economics Team Leader and the GIZ/C4D Programme Expert.

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)

5. Conditions and payment terms

Payments will be carried out based on the implementation of this assignment and the acceptance of all deliverables and provision of the invoices according to the following schedule:

5.1.1. Advance payment

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

5.1.2. Interim payment

Interim Payment will be paid upon completion of up to 20 working days, based on the timesheets submitted.

5.1.3. Final payment

The final payment of the contract value will be made upon the completion of implementation of this assignment & timesheets and the acceptance of the contract implementation report.

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;

6.2 The financial proposal shall contain all types of costs to be charged to the project for implementation of this assignment, **included income tax and pension.**

* Please review the assessment grid attached to this document.

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:

- e) Interpretation of objectives;
- f) Strategy of implementation;
- g) Management of processes, cooperation, learning and innovation;
- h) Work schedule and timelines;
- i) 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.

7.3. Recommendations

At least two recommendation letters from international development partners / programs / projects to Georgia issued to a bidder in the last 4 years shall certify that the bidder successfully completed consultancy assignments of the scope and complexity similar to this assignment.

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