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**Project Title:** Enabling the Implementation of Georgia's Forest Sector Reform (ECO.Georgia)

**Project/Activity Number:** 20.2275.4-001.00 / 0204

**Title of the assignment:** Preparation of technical regulation for energy-efficient fuelwood stoves

## 1. Brief information on the project

Climate change impacts and the demand for fuelwood from rural population put significant pressure on Georgia's forests: up to 90% of rural households (1.43 million people) rely on fuelwood for their energy needs. The problem is exacerbated by the fact that households use obsolete technologies, such as traditional stoves with a lifetime of two years and an efficiency of 35% or less. Fuelwood demand exceeds sustainable harvesting levels, considering reduced productivity of many forests in the country because of extensive forest degradation. This forest degradation leads to a loss of carbon absorption capacity which is projected to decrease by five times between 1990 and 2030.

In order to address this negative development, the project "Enabling the Implementation of Georgia's Forest Sector Reform - ECO.Georgia" supports the Government of Georgia to implement its transformational forest sector reform agenda to put the entire nation's forests under the framework for sustainable forest management (SFM). It will do so by supporting the establishment of a nation-wide SFM system (Component 1) and in parallel promoting market development for energy efficient appliances and alternative fuels (Component 2) to address the main driver of forest degradation. The project will safeguard the reform implementation by diversifying livelihood opportunities and strengthening local self-governance in forest adjoining rural communities (Component 3).

The project is funded by the Green Climate Fund (GCF), the German Federal Ministry for Economic Cooperation and Development (BMZ), and the Swiss Development Cooperation (SDC) with GIZ being the project's accredited entity. The German contribution is part of the wider German support in the priority area "Environmental policy, conservation and sustainable use of natural resources in the South Caucasus", which aims at the sustainable use of natural resources, biodiversity conservation and climate protection, particularly for the benefit of the rural population. Similarly, both the share of renewables in the energy composition as well as the energy efficiency levels will increase.

Especially rural households using firewood as their source of heating energy will benefit from improved air quality and reduced fuelwood demand through eased access to energy efficient stoves. Forest-related small and medium-sized enterprises and their employees will receive support to improve economic efficiency and environmental sustainability of their business activities. Additionally, staff members of relevant public institutions (National Forestry Agency NFA, Department of Environmental Supervision DES, Environmental Information and Education Centre EIEC, Rural Development Agency RDA, municipalities) will receive direct support through human capacity development measures and grant finance.

ECO.Georgia primarily contributes to achieving the SDG 15 (Protect, restore and promote sustainable use of terrestrial ecosystems) of the 2030 Agenda of the UN, but also to achieving SDG 7 (Ensure access to affordable, reliable, sustainable and modern energy for all), SDG 13 (Take urgent action to combat climate change and its impacts), SDG 1 (End poverty in all its forms everywhere), and SDG 5 (Achieve gender equality and empower all women and girls).

The duration of ECO.Georgia is from April 2021 until March 2029.

## 2. Description of the Assignment

### 2.1. Context

The production of fuelwood stoves in Georgia is currently unregulated, and the energy efficiency level of stoves in the market is typically low, often less than 30-40%. This lack of focus on energy efficiency and environmental factors during the stove production leads to an indoor air pollution, health risks, deforestation, higher long-term heating costs, and energy poverty.

The EU Commission Regulation 2015/1185 (hereinafter the Ecodesign Regulation) is an essential instrument to regulate the production of solid fuel local space heaters, including fuelwood stoves. This regulation sets out ecodesign standards for fuelwood stoves, which aims to improve heating efficiency and reduce environmental impact.

However, while Ecodesign Regulation creates a basis for the standardized approach for the fuelwood stove production, it has not been transposed into Georgian national legislation, as it is not obliged under the Association Agreement between Georgia and the EU.

Creating a standardized technical framework for fuelwood stoves would help to alleviate the pressure on forests and promote the production and use of alternative fuels. This would result in a healthier indoor environment, for women, girls, men, and boys, as well as elderly people who spend more time around stoves and are therefore at increased risk of health problems. Consequently, the production of energy efficient stoves, with its positive impact on emission reduction and air quality improvement, will have a more pronounced human health.

Therefore, in 2023, in the context of ECO.Georgia project, the Regulatory Impact Assessment (RIA) was carried out for Ecodesign Regulation. The purpose of the RIA was to assess the impact of regulations on the fuelwood stove industry in Georgia.

The RIA aimed to consider the views of all stakeholders involved and determine the most effective solution to establish a standardized framework without imposing additional burdens or prohibition on stove manufacturers.

The RIA team conducted a series of activities, including legal analysis, qualitative and quantitative assessments, and extensive consultations with stakeholders. They conducted comprehensive interviews with all relevant stakeholders and carefully considered their perspectives during the assessment process. Through these consultations, the primary objective of the policymaker was identified as addressing the population's unsustainable use of solid fuels and their negative impacts. This can be achieved by promoting sustainable growth in the market for energy efficient stoves and alternative fuels.

After a thorough analysis of various policy alternatives, the RIA team has made recommendations on how to implement these objectives in the most effective and efficient manner possible.

The RIA identified three possible policies in this regard:

- Policy Alternative 1 - Full implementation of the Ecodesign Regulation (with a 2-year transition period).
- Policy Alternative 2 – Implementation of the Ecodesign Regulation as a production standard.
- Policy Alternative 2\* - Implementation of the Ecodesign Regulation as a production standard with additional support for producers.

The RIA team evaluated the qualitative impact of each proposed policy alternative across various dimensions, including social, economic, environmental, and gender considerations. A cost-benefit analysis was used to determine the monetary value of the projected benefits and costs of implementing each policy alternative. Furthermore, a multi-criteria analysis was carried out as well.

The analysis reveals that all three policy alternatives offer a promising path towards improvement, far surpassing the status quo of doing nothing. However, Policy Alternative 2 seems to be the most promising choice among the three. This option involves adopting the Ecodesign Regulation as a standard for energy efficient stoves. This would consolidate all requirements of Ecodesign Regulation, serving as the sole guiding principle for sustainable and responsible manufacturing practices within the country. It is worth noting that this policy alternative is exempt from mandatory market surveillance.

After careful consideration and discussions with the main partners MoESD and MEPA, as well as the involved stakeholders, it was concluded that Alternative Policy 2\* is the most suitable policy alternative to be implemented.

As a crucial step towards implementing Alternative Policy 2\*, it is vital to develop a normative act that will effectively incorporate its provisions into the Georgian legislative framework. To achieve this, the ECO.Georgia Project aims to hire a consultant responsible for providing consultancy services and support in developing the mentioned normative act.

Additionally, to ensure the successful implementation of this policy, the ECO.Georgia Project will provide the consultant with all relevant studies that have been created in the frame of the project and are available, including the above-mentioned RIA.

## 2.2. Objective(s) of the assignment and work packages

The objective of the assignment is to prepare a draft package of technical regulation based on Alternative Policy 2\* as recommended and described in the RIA.

The consultant is required to work closely with the relevant departments and/or entities of the MoESD to develop the normative act package.

In particular, the consultant shall fulfil the following tasks:

- **Work package 1 (WP1): Draft technical regulation:** to draft a technical regulation and start consultation with MoESD and working group.
- **Work package 2 (WP2): Public consultations:** to plan and conduct extensive consultations with stove producers, NGOs, and other relevant public entities together with MoESD.
- **Work package 3 (WP3): Governmental consultations:** to attend meetings with different governmental institutions as required. To obtain feedback and comments and ensure they are incorporated in the package of technical regulation and deliver the final package of technical regulation.

## 2.3. Outputs/deliverables

Expected outputs are:

- **Output 1 from WP1** The initial draft technical regulation package
- **Output 2 from WP 2** The public consultations' summary report
- **Output 3 from WP 3** The final deliverable\*
- **Output 4:** A short, conclusive report on the tasks that will be implemented from each

work package.

**\*The final deliverable shall be the technical regulation outlining mandatory energy performance and environmental specifications for energy-efficient stoves, along with the relevant compulsory documentation required by the Georgian legislation.**

## 2.4. Schedule and timeframe

	<b>Deadline</b>	<b>Number of experts</b>	<b>Number of days per expert</b>
Output 1: The initial draft technical regulation	Withing 1 month after the contract is signed		Up to 7days
Output 2: The public consultations' summary report	Within 3 months after the contract is signed		Up to 5 days
Output 3: The final package of technical regulation	Within 4 months after the contract is signed		Up to 16 days
Output 4: The report to the GIZ/ECO.Georgia	By the end of 5 <sup>th</sup> month after the contract is signing		Up to 2 days
<b>Travel expenses</b>		<b>Number of experts</b>	<b>Number of days/nights per experts</b>
• None			

## 3. Concept

In the tender, the tenderer is required to submit a technical proposal showing how the objectives defined in Chapter 2 are to be achieved and if applicable under consideration of further method-related requirements (technical-methodological concept).

The technical proposal will be evaluated in accordance with the assessment grid which consists of followings:

### (2.1) Concept

- a. interpretation of the objective /assignment (2.1)
- b. cooperation during the implementation (stakeholders in the implementation, reference projects etc.) (2.1)
- c. a work plan in a visual form (2.1)

## 4. Expert profile

### Personnel concept

The tenderer is required to provide personnel who are suited to filling the positions described, on the basis of their CV, the range of tasks involved and the required qualifications.

The CV of the personnel proposed meeting the requirements below must be submitted using the format specified in the terms and conditions for application. The CV shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long.

## Expert 1: Lawyer

(5.1.1) General qualification:

- **Education:** University Degree; master's or higher degree in law, or international law.
- **Professional Experience:** 5 years of experience analysing national (Georgian) and international legislative acts, providing relevant recommendations.

(5.1.2) Specific qualification:

- **Specific Professional experience:** 3 years of experience analysing Georgian administrative legislation and advising harmonization of EU acquis, accordingly, providing recommendations on relevant activities for policy development and drafting the legal acts.

(5.1.4) Linguistic skills (state language):

- **Business fluency** in English.

## 5. Timing and duration

June to November 2024

## 6. Place of assignment

Tbilisi, Georgia

## 7. Reporting

- Reports are to be prepared according to the GIZ template to be provided by the project.
- All documents (output 1 -the initial draft technical regulation, output 2- the public consultations' summary report and output 3 the final package of technical regulation) shall be delivered electronically (text files and/or pp slides) in Georgian.
- The consultant shall provide the public consultations' summary report and (output 2) the final report (output 4) to ECO.Georgia in English according to the GIZ template to be provided by the project.
- The consultant is expected to coordinate very closely with GIZ/ECO.Georgia.
- The consultant shall keep a time sheet (8 hours = 1 working day).

## 8. Other provisions

### 8.1 Budgeting and payment

Interim payments will be effected after the provision of the output 1 and output 2 up to 12 working days.

Final payment will be effected after provision of timesheet for accomplished 18 working days and provision of the output 3 and output 4.

Participation expenses in the workshops, meetings, which will be useful for development of the technical regulation package and requested by GIZ is not included in the contract and will be covered by GIZ.

### 8.3 Requirements on the format of the financial bid

Please calculate your price bid in line with the costing requirements. The specifications for pricing are defined in the attached price schedule which is required to be used for the preparation of the financial offer.