



# EU4ITD – CATALYSING ECONOMIC AND SOCIAL LIFE (CESL)

## REGIONAL OR LOCATION-SPECIFIC VALUE CHAINS – CALL FOR PROJECT IDEAS

Financed by the EU and the German government, "EU4ITD – Catalysing Economic and Social Life" (<u>CESL</u>) seeks to improve the people's livelihoods in Georgian regions, thus contributing to a decrease in outward migration to the Tbilisi. The project is implemented by <u>GIZ</u> in the framework of the national initiative, the <u>Pilot Integrated Regional Development</u> <u>Programme</u>.

As part of its remit to stimulate or increase income generation (by activating untapped economic potential), CESL seeks to:

- Identify gaps in value chains which have a regional scope or are location-specific, and
- Provide financing to fill such gaps.

To this end, CESL is **soliciting project ideas** which could, after appropriate due diligence, be funded.

Such project ideas:

- 1. May be submitted by any non-governmental legal person<sup>1</sup> which is both registered and operating in one (or more) of the following regions: Guria, Imereti, Kakheti, Kvemo Kartli, Mtskheta-Mtianeti, Racha, Lechkhumi, and Kvemo Svaneti, Samegrelo and Zemo Svaneti, Samstkhe-Javakheti, Shida Kartli.
- 2. Must have a primary "public benefit"<sup>2</sup> goal.
- Must relate to a value chain which is either regional in scope and/or concerns a specific location (or locations)

   for example, materials which are typically produced in a defined territory but used to manufacture goods elsewhere. Further, each value chain must relate directly to at least one of the regions indicated above.
- 4. Must clearly identify gaps in the existing value chain and propose solutions to fill them.
- 5. Must have an implementation period which ends no later than 27 September 2025.
- 6. Cannot involve investment by CESL in any land, infrastructure (including buildings) or plant owned by central or local government.

In the case of interest, applications should be submitted in Georgian to <u>euitdcesl@giz.de</u> using the attached form. Indicatively, maximum and minimum budgets are set at ₾225,000 and ₾75,000 respectively, though higher/lower amounts may also be considered. The call will remain open for applications **until 31 May 2025**.

After receipt of an application, CESL will conduct appropriate due diligence (e.g. contacting the applicant followed by a site visit). The project idea will subsequently be assessed against the criteria set out on the next page; in this process, the results of CESL's due diligence activities will be taken into account. The applicant will be formally notified of the outcome of assessment,<sup>3</sup> and in the case it is positive, CESL will proceed to negotiate in more detail concerning project content, modalities, and contractual relations (most likely taking the form of grant financing under a contract concluded between GIZ and the applicant). Note that contracts will only be concluded with legal persons which have updated their registration data in line with Law on Entrepreneurs.

<sup>&</sup>lt;sup>1</sup> Thus, central government bodies and local self-government administration are not eligible to apply under this call. However, subsidiary bodies founded by central or local self-government (e.g. LEPLs) are eligible.

<sup>&</sup>lt;sup>2</sup> Projects with a "public benefit goal" involve the implementation of activities which aim at improving the social and/or economic, and/or environmental quality of life of people living in a defined area (e.g. in a certain municipality or region), or of specific target groups of such people.

<sup>&</sup>lt;sup>3</sup> Note that there will be no assessment or notification in the case of proposals which are in breach of one of more of the six basic conditions in indicated in the text above.

In the case of queries, CESL's regional representatives should be contacted as follows: <u>nino.khukhua@giz.de</u> (Guria, Racha, Lechkhumi, and Kvemo Svaneti, Samegrelo and Zemo Svaneti), <u>mariam.zhorzhikashvili@giz.de</u> (Imereti, Samstkhe-Javakheti, Shida Kartli), and <u>zurab.tsignadze@giz.de</u> (Kakheti, Kvemo Kartli, Mtskheta-Mtianeti).

## ASSESSMENT CRITERIA AND MARKING SCHEME

The criteria used to assess applications, together with the marking scheme, are set out in the table below. Each application will be awarded a score of between 0 and 10 against each criterion,<sup>4</sup> 6 being considered a "pass". Each score will then be multiplied by the weighting for the respective criterion to get an overall score out of a maximum of 1,000. It is anticipated that CESL will only proceed to the negotiation stage if a project idea receives 700 (or above) and a passing grade for each criterion.

Criterion	Scoring range	Pass	Weighting	Pass after weighting
Relevance	0 to 10	6	35	210
Feasibility	0 to 10	6	35	210
Sustainability	0 to 10	6	15	90
Commitment	0 to 10	6	15	90
Total				600

For clarification purposes, each criterion, together with associated key questions, is outlined below.

Criterion	Key questions
Relevance	<ul> <li>The value chain identified is real and sufficiently specific to be addressed by CESL (e.g. the "tourism value chain" would be too vague).</li> <li>The value chain is either regional in nature or location-specific (or both).</li> <li>The value chain relates to at least one of the regions indicated in the call.</li> <li>The gap identified in the value chain exists in fact and is worthy of addressing (i.e. it is not such a small gap that addressing it would make little difference to e.g. income generation of actors involved in it).</li> <li>The project proposed has a clear public benefit focus.</li> <li>The project proposed would not (easily) be undertaken by a private investor – i.e. any public funding would not displace the private sector.</li> <li>The project proposed would not (easily) be funded under national support schemes.</li> </ul>
Feasibility	<ul> <li>The solution proposed to fill the gap identified in the value is convincing; the solution takes account of the reason the gap exists in the first place.</li> <li>The activities proposed to realise the solution 1) are realistic; 2) are commensurate with the budget indicated; 3) can be completed by 27 September 2025.</li> <li>It is reasonable to expect that the public benefits anticipated will be achieved at the end of project implementation (or shortly thereafter).</li> <li>The legal person (or persons) indicated as responsible for implementing the activities has the necessary capacity.</li> <li>Any ownership or rights-of-use issues (e.g. with regard to land or property) necessary for project implementation are clear (e.g. the legal person proposing a project owns or has the legal right to use the building in which new equipment is to be installed).</li> </ul>

<sup>&</sup>lt;sup>4</sup> 0 to 1.9 – very poor, 2 to 3.9 – poor, 4 to 5.9 – unsatisfactory; 6 – satisfactory; 6.1 to 7.9 – good, 8 to 10 – excellent

Criterion	Key questions		
Sustainability	<ul> <li>After project implementation has come to an end, there is a clear and convincing path with regards to maintaining its results (e.g. responsible organisations have budgets to ensure the maintenance of equipment purchased with grant financing).</li> <li>The legal person (or persons) indicated as responsible for post-implementation has the necessary capacity and interest.</li> </ul>		
Commitment	<ul> <li>The legal person (or persons) responsible for implementation of the activities and post-implementation show a demonstrable interest in the project (e.g. via enthusiasm, through the nature of the organisations, or, potentially, through commercial interest)</li> <li>Activities are foreseen which are additional to those proposed for support from CESL (e.g. to be implemented by the applicant on its own).</li> <li>Financial contributions are foreseen additional to that supplied by CESL (e.g. from other sources, such as the applicant's own budget or via Georgian public sector schemes).</li> </ul>		

#### ANNEX 1

# **APPLICATION FORM**

Guidance on how to complete this form is indicated in italics; it should be deleted in the completed form.

GENERAL INFORMATION		
Applicant	Indicate name, ID number (if appropriate), and legal status.	
Contact person	Indicate name, position, e-mail, and telephone number.	
Project title	Indicate the title of the project. It should not be longer than a single line of text.	

	PROJECT CONTENT	
Regions concerned	Indicate which of the regions indicated in the call are addressed by the project idea.	
Value chain	Describe the value chain addressed by the project idea, including the geographical locations concerned.	
Gap in the value chain	Outline the gap in the value chain which has been identified.	
Reason for gap in the value chain	Explain why the gap identified in the value chain exists (e.g. addressing the gap is commercially unattractive so is unlikely to be addressed by the private sector).	
Proposed solution	Describe the solution proposed to address the gap identified in the value chain.	
Public benefit	Describe the benefits to the public anticipated as a result of the realisation of the solution proposed to address the gap identified in the value chain.	
Activities	Outline what activities need to be implemented – and by whom – in order for the proposed solution to be realised.	
Post imple- mentation	Describe what needs to be done by whom after the project (e.g. grant financing) come to an end – e.g. maintenance of equipment and making it available to actors in the relevant value chain.	
Capacity of implementers	Outline the capacity of the individuals and/or organisations responsible for the activities and post-implementation (thereby showing that activities and post-implementation stand a realistic chance of success).	

TIMING AND FINANCES		
Implementation	Indicate the period foreseen for project implementation (start date and number of	
period	months).	
Estimated	Indicate the total estimated budget in GEL for the project (including financing from all	
budget in GEL	sources).	
Sources of	List the foreseen sources of financing and the estimated amount in GEL per source (e.g.	
financing	from GIZ, from the applicant, or from other sources).	

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