
CONFIDENTIAL

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

**Project number/
cost centre:**
G-011655-001/0105

Tender number
10060771

Title of the assignment: Provision of Economic Expertise for the Further Development of the Forest Model Toolbox (under FIMS)

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I. General information

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 Center EIEC, Rural Development Agency RDA, municipalities) will receive direct support through human capacity development measures.

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 project including all its activities has been approved by the Government of Georgia through Decree N743 from April 08, 2026 amending Decree N1542 from August 31, 2021, approving the signature of the Implementation Agreement between the

Government of Georgia and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) for the ECO.Georgia project.

The duration of ECO.Georgia is from April 2021 until May 2030

2. Context

Forest-related developments in Georgia. In December 2013, the National Forest Concept has been approved by the Georgian parliament as political framework for the Reform of the Forest Sector. Based on relevant statements and commitments in international agreements relevant for the forest sector and recognised by Georgia, five main principles have been agreed for the future forest management: (1) Principle of sustainable management of forest, (2) Precautionary principle to maintain protective functions of forest and their ecological balance, (3) “All forests are local”, (4) Separation of policy, management and supervision functions, and Forestry as an integral part of the sustainable development of the country.

As a part of the Forest Sector Reform, a new Forest Code was approved by the Parliament of Georgia in May 2020. As required by the revised Forest Code, the physical and institutional set-up of a **Forest Information and Monitoring System (FIMS)** as a centralised digital infrastructure for all forest-related information of Georgia has been initiated. The FIMS is required to provide, analyse and utilize data for the various stakeholders in the forest sector, enabling sustainable management, transparent supervision, monitoring, evaluation and reporting and this way to contribute to the well-informed decision-making process in forestry sector.

In 2024 a list of FIMS modules and sub-modules and tools was officially approved by the Ministerial Order N2-389 “*on the Instructions for Running the Forest Information and Monitoring System*” issued by MEPA of 25th March, 2024¹.

Forest Model toolbox

The Forest Modelling Toolbox is embedded as a special feature within the FIMS. It is supposed to simulate forest growth and development, test management interventions, and assess the economic impacts of alternative scenarios. It can be started based on data from several sources like NFI, FMI, FMP or the sub-module “annual planning” in Forest Operations. The toolbox plays a central role, both for the project and as a future planning and controlling instrument and integral component of the FIMS.

The toolbox development started on the early stages of ECO.Georgia project and key processes included the concept development and stakeholder engagement (rounds of discussions with partners and stakeholders (NFA, MEPA)), mobilising, updating and harmonizing different datasets, and preparation of the early versions of the tool. Besides, institutionalisation of the toolbox has also been initiated, though not finalised as it requires further works. Furthermore, a format of the report with consolidated data, necessary for the toolbox, has been defined based on the database structure of the Timber Resource Management (TRM) electronic system which is managed by NFA and which contains data from all steps of the timber harvesting and sorting process – from the cutting area until the business service yards. The intention of this analysis was to get economic data for the business planning features of the Forest Toolbox. However this analysis is still not completed. The TRM system was not intended to generate such

¹ <https://matsne.gov.ge/ka/document/view/6120875?publication=0&scroll=0> (available in Georgian only)

a report for the Forest Modelling Toolbox purposes, and this is a limitation for having a toolbox allowing the modelling of realistic management scenarios. Defining the structure of the report and identifying the data to be retrieved from the TRM system database were necessary steps towards addressing the abovementioned limitation. However, further efforts are needed to make the report generation functional.

So, the Forest Modeling Toolbox still needs to be finalized before it becomes a fully functional tool and, since the toolbox is deemed to be a part of FIMS, this shall be within the FIMS development process which is another process supported by ECO.Georgia project with the backstopping from international experts with whom the contractor is supposed to cooperate and coordinate.

3. GIZ shall hire the contractor for the anticipated contract term, from November 2026 to December 2028
4. The contractor shall provide the following service, in close cooperation with FIMS Technical Working Group and UNIQUE Land Use (the organization backstopping the FIMS development process):

Task 1 - Concept revision: In coordination with the ongoing FIMS development process, contribute to the toolbox concept and the relevant fact sheet revision process.

Up to 2 working days

Task 2 - Expertise of the Forest Modelling Tool: provide economic expertise of the tool and contribute to the finalisation of it.

Up to 20 working days

Task 3 - Development of the Forest Model Toolbox as FIMS module in connection with the Forest Resource Database, inspecting the data foundation and producing of a single consolidate report. In this context, discussing with the TRM IT support team facilitation of the report-producing process.

Up to 10 working days

Task 4 - Contribution to the communication and stakeholder engagement: support and participate in meeting with partners on the modelling toolbox, including presenting the toolbox and round-table discussions with stakeholders.

Up to 4 working days.

Milestones/partial works	Date/location/responsibility	Criteria for acceptance
Milestone 1. Revised concept/fact sheet for the modelling toolbox	Within 4 months after contracting	Revised documents
Milestone 2. Written input covering economic aspects of the modelling toolbox	Within 8 months after contracting	Technical report on expertise
Milestone 3. Final report reflecting all the works done by the contractor.	Within 14 months after contracting	Final report

Reports and any other documents shall be delivered in English.

II. Tender requirements

1. Qualifications of proposed staff

The tenderer is required to propose personnel for the positions specified here and described with respect to the areas of responsibility and qualifications on the basis of relevant CVs.

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

1.1 Expert 1:

1.1.1 General qualifications

Education: Master's degree or equivalent in economics
Professional experience: 5 years of practical experience with economic modelling in forestry / forest resources

1.1.2 Experience in the region/knowledge of the country

Working experience in Georgia

1.1.3 Language skills:

business fluency in Georgian and English B2

2. Quantitative requirements

Fee days	Number of experts	Number of days per expert	Comments
Implementation	1	36	A contractor shall work up to the number of days assigned per each task in I.4,
Other costs	Number of experts	Amount per experts	Comments
Flexible remuneration <i>(This can be used only for cost items specified in the original agreement).</i>	1		A budget of GEL 2000.- is foreseen for flexible remuneration. Please take this budget into account in your price schedule. Use of the flexible remuneration item requires prior written approval from GIZ.

Calculate your financial bid exactly in line with the quantitative requirements of the specification of inputs above. There is no contractual right to use up the full days/travel or workshops or budgets. The number of days/travel/workshops and the budgets will be contractually agreed as **maximum amounts**. The regulations on pricing are contained in the price schedule.

III. Requirements on the format of the tender

The CV submitted for each expert can have a maximum of four pages. The concept (if required) should not exceed five pages. If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered).

IV. Other provisions

1. Budgeting and payment

Payments will be effected after provision of timesheets and the delivery of services mentioned above (in two instalments):

- Interim payment can be effected after provision of milestones 1 and 2.
- Final payment can be effected after provision of the milestone 3

Annexes

- Forest Modelling Toolbox Factsheet - an excerpt from the "Forest Information and Monitoring System - Fact Sheets of Software Modules" (2023).