

Expression of Interest TERMS OF REFERENCE

MUKHRANI VALLEY SPATIAL DEVELOPMENT PLAN

A. Introduction

1. Georgia has received a loan from the Asian Development Bank (ADB), the Project Readiness Financing (PRF), to prepare the Liveable Cities Investment Program (LCIP) multi-tranche financing facility. The LEPL Spatial and Urban Development Agency (SUDA) intends to use a portion of the proceeds of this loan to procure Consultant services for the preparation of Mukhrani Valley Spatial Development Plan (MVSDP).
2. The Mukhrani Valley is currently facing several challenges: rapid urbanization on agricultural land, the development of new highway and accompanying industrial clusters without long-term vision and consideration of its effects on Tbilisi Agglomeration, the booming use of the Mukhrani valley villages for second homes (summer houses) for Tbilisians and internally displaced person settlements in Tserovani and Natakhtari further increases the number of commuters to Tbilisi. All these threaten Mukhrani Valley's agricultural land, which is a high-quality strategic asset within the Tbilisi agglomeration area.
3. Given the strong link between the Valley and Tbilisi and the fast pace of urbanisation, it is essential to have a comprehensive planning document to guide sustainable development. The main objective for the consultant is to create a Spatial Development Plan of Mukhrani Valley.

B. Background

4. Mukhrani Valley has been inhabited since ancient times, archaeological traces tell us about a rich and strong cultural and economic past. Due to its physical and geographical conditions, Mukhrani is favorable for agricultural activities, which is why it has always been attractive to local residents and visitors from many other cultures, ethnicities and interests. Mukhrani Valley is a part of Shida Kartli Valley. It mainly represents the area irrigated by the Ksani River. Historically, this valley had man-made irrigation canals, defense-fortification structures, religious and residential buildings, commercial and agricultural developments.

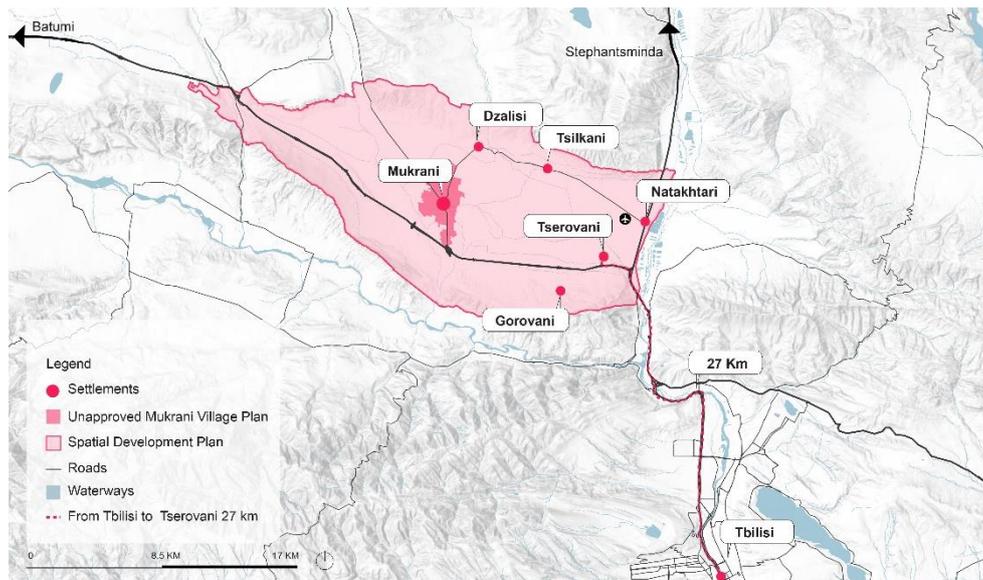


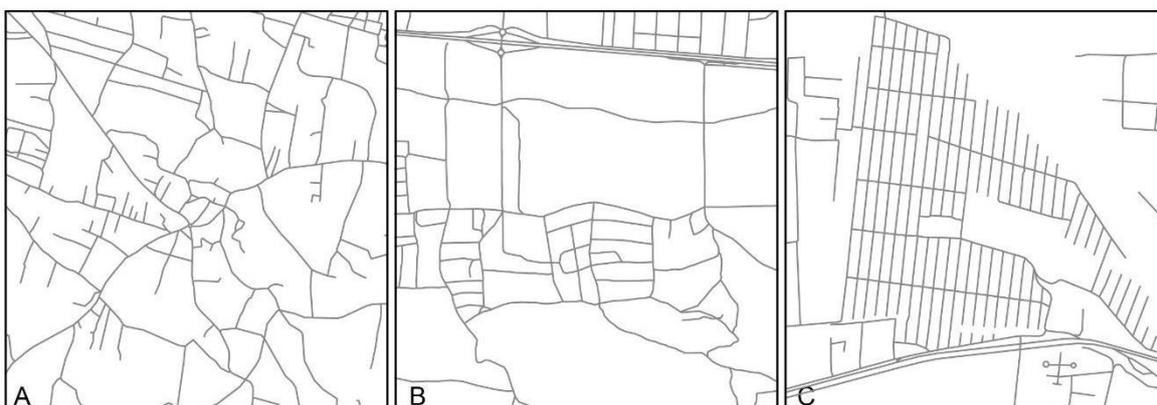
Figure 1- Mukhrani Valley Key Map

5. The Mukhrani Valley area is bounded by the Kvernaki range from the south, the latitudinal branches of the Yalno range in the southern direction of the Caucasus from the north, the left bank of the Aragvi river from the east, and the right and left banks of the Ksani

river from the west. The study area is mainly in Mtskheta Municipality and partially in Kaspi Municipality.

6. The Valley is traversed by the country's main transport artery, including highways **E60 and E117**, as well as a high-voltage power transmission line connected to the international network (500kV transmission line Mukhrani Valley). **The intersection of east-west and north-south highways provides a strategic position for logistics.** Additionally, gas and oil supply mains run through the area. Within the study area, there is also the Natakhtari Airfield, a small aviation base and domestic airport located in Natakhtari. The airport offers domestic tourist flights, which are important to consider as part of the transportation network.

7. The Mukhrani Valley is a **multifunctional area**, boasting agricultural, manufacturing, warehousing, and recreational facilities. It has three primary types of settlements: traditional villages, a rising number of secondary home ("summer house") settlements, and Internally displaced person camp settlements.



*Figure 2-Types of Urban fabric of settlements in Mukhrani Valley
Size--~2KmX2Km A - Mukhrani Village B - Tserovani C - Tserovani IDP Camp*

8. In the past two decades, **industrial clusters** have been forming in Natakhtari, also other production facilities are scattered along the highway and in various villages without a cohesive plan. The scope and capabilities of most of these facilities located in the Mukhrani Valley are designed to serve the agglomeration, the country, and in some cases the international market (See Figure 3).

9. In Mukhrani Valley the trend is vivid that **agricultural land is urbanized in a chaotic way.** Currently, there are more than 40 production facilities (See Annex 1) in the Mukhrani Valley, most of which are linked to the food industry. These benefit from the rich freshwater resources of the artesian basin beneath the valley. The area boasts high-quality water, ideal for food and beverage production, with the added benefit of being conveniently close to Tbilisi. Among these food industry facilities are confectionery factories, fruit and vegetable processing plants, poultry farms, and dairy product manufacturers. Of particular note in the food industry are the sophisticated wine production facilities, which also offer wine tours, tastings, and sales opportunities. Additionally, there are other notable facilities in the area, including those for cardboard and related products manufacturing, disinfectant production, and pharmaceutical products derived from recycled paper. The valley also has refrigeration and storage facilities, as well as facilities for building material storage and production. Therefore, mainly near the highway, there are car transportation services that cover a huge area.

10. Mukhrani Valley has rich agricultural land with an existing waterway system, making it a valuable asset. Given its proximity to Tbilisi, the area can serve as a productive space for the city, enhancing rural-urban linkages and **ensuring food security.** Protecting and preserving the agricultural land from over-urbanization is essential to maintain the area's capacity for food production.

11. When planning, it is crucial to consider the following **infrastructure facilities** that should play a significant role: the 24.7 km long Mukhrani Canal engineering-irrigation system, and the partially preserved Windbreak line. Additionally, the Dusheti section of the old military road, which has lost its function and is now abandoned, also passes through the Mukhrani Valley and warrants attention. The intersection of east-west and north-south highways offers a strategic position for logistics, which should be discussed in relation to the Tbilisi mobility network.

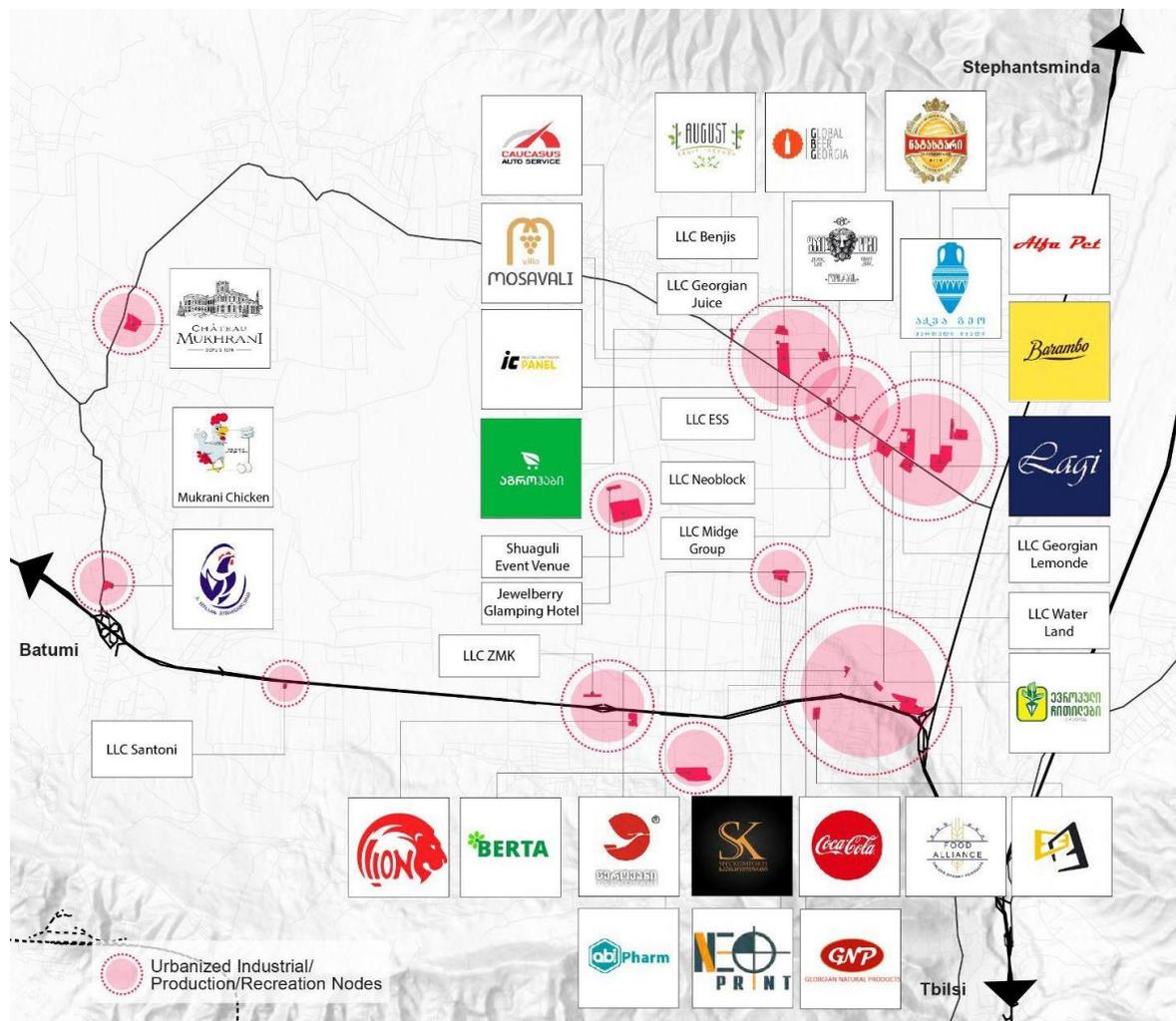


Figure 3-Main Urbanized Nodes Scheme (Industry/Production/Recreation) (See Annex 1)

12. Due to its proximity to Tbilisi, the Mukhrani Area attracts significant **interest in urbanization from developers** as well. Various concept designs have been proposed for large areas, ranging from 18 to 75 hectares. For instance, LLC International Trading Investment's concept design for settlement spans almost 75 hectares and introduces foreign and avant-garde design concepts unlike in Georgia's context. Analyzing these proposals is crucial to determining how development can be guided in a more sustainable manner.

13. Mukhrani Valley has numerous **cultural heritage monuments**. There are many former settlements, tombs, remains of fortifications, engineering structures, religious buildings, and other structures in the Mukhrani Valley that might need further archaeological studies. In Mukhrani Valley, the most important and unique monument for Georgia is the former **settlement of Dzalisi**, located in the village of Dzalisi. This former settlement dates back to the 8th century BC - AD. Numerous artifacts and historical-documentary sources found prove the rich historical-cultural past of this region.

14. Wine production and related activities ("wine tours", tasting) in the Mukhrani Valley are considered one of the centers of Europeanization of wine culture in Georgia, incorporating European winemaking technology. In the village of Mukhrani, Mr. Ivane Mukhran-Baton built a large wine cellar in the 1870s. The first Georgian sparkling wines were created in this winery in 1882. Today, Château Mukhrani wines are produced here, achieving significant success on the international stage. Château Mukhrani has won gold and double gold at the Concours Mondial de Bruxelles and Mundus Vini. Since 2011, the company has developed wine tourism and hospitality services, offering various wine tours, corporate events, weddings, and celebrations. The Château Mukhrani restaurant, Samepo Marani 1878, offers visitors top-class service and a specially selected "A La Carte" menu, combining the best of Georgian and European culinary traditions. **Château Mukhrani serves as a successful model for agro-wine-tourism development and the commercialization of cultural heritage**, therefore the entire Mukhrani Valley has a potential for educational tourism, particularly with the presence of the Cereal Crop Selection Station.

15. During the heavy spring rains, flooding often occurs in the area (Village Tserovani experienced flooding in May 2024). It is crucial to analyze and understand the water system in relation to the risks and potential uses associated with it.

C. Objectives

16. The primary objective is to develop an integrated spatial vision for Mukhrani Valley that defines an industrial and agro-production cluster, strengthens rural and urban linkages to ensure food security, considers its role in the Tbilisi Agglomeration, and leverages the potential for agro-tourism while celebrating local culture.

The specific objectives of the MVSDP are to:

- Define an Industrial Cluster Vision with spatial and urban regulation considering production, storage and transportation in relation with Tbilisi agglomeration and broader country scale (east-west and north-south crossing);
- Answer to key question – is Mukhrani valley long-term best-use Agriculture or any other use?
- Assess the combination of engineering, energy and transport infrastructure, where are the overlaps and how are they integrated?
- Provide guidance for socio-economic development of the Valley on a country level and its role and impact in country's socio-economic scene;
- Define the potential for agro tourism, propose framework guidelines for land consolidation practices for potential and existing developers;
- Ensure the Valley protection and adapt it to risks, considering natural, climate, and man-made factors (e.g. Gremiskhevi (Narekvavi) reservoir);
- Ensure protection of agricultural land and uncover its full potential;
- Support the connectivity agenda and the development of modern and low-carbon mobility considering the Tbilisi agglomeration;
- Drive the strategic location of investments from both the public and the private sectors, Identify spatial talents (areas with high potential but no relevant infrastructure);
- Define borders of buildable and non-buildable areas, and provide regulation guidelines for urban development to avoid uncontrolled urban sprawls, considering potential natural and cultural heritage in urbanized areas;
- Ensure ways of improving social infrastructure in order to enhance socio-demographic conditions in the Valley(education, healthcare, housing, public transport, cycling and walking, water & waste management, and energy);
- Uncover the potential of the local communities by considering local traditions, archeological sites, cultural and landscape heritage;
- Analyze urban settlement typologies and communities;
- Identify and plan green and blue corridors;
- Propose Density Management methodology/analysis - identify optimal population (local + second housing) density to ensure that infrastructure and services are used efficiently without overcrowding. (The key here is the commuting to Tbilisi)
- Define Guidelines for IDP settlements and how to improve them – key recommendations - social inclusion;
- Provide recommendations for developing the Tbilisi Agglomeration Spatial Plan;
- Define recommendations for developing beautification guidelines for housing, industrial buildings and streets („facade improvements“ for existing and new housing).

17. The consultant is encouraged to divide the study area into **strategic areas** to further analyze patterns, characteristics and potential. The consultant will propose in its offer a multi-scalar approach to enable 'zoom in and zoom out' on strategic areas and specific issues.

18. The Mukhrani Valley planning unit will be bounded by the Kvernaki range from the south, the latitudinal branches of the Yalno range in the southern direction of the Caucasus from the north, the left bank of the Aragvi river from the east, and the right and left banks of the Ksani river from the west. The consultant may adjust the study area as needed to suit the research requirements.

19. **Climate resilience and low-carbon development** will be at the forefront of all proposals, given the high degree of vulnerability of the valley to climate change and anthropogenic pressures and Georgia's international commitments (National Determined Contributions). The consultant shall pay full attention to the need to decrease GHG emissions and increase the urban resilience of municipalities. Socio-economic, natural risk and climate change data will be analyzed to make well-informed decision, and climate adaptation, including disaster risk management and mitigation will be mainstreamed throughout the MVSDP. SUDA will coordinate to share multi-hazard risk vulnerability maps prepared by NEA to the consultant.

20. The MVSDP is also used as an opportunity for the Government of Georgia (GoG) and the ADB to prepare a **priority investment plan**. The link between planning and implementation is at the core of this Plan. A prioritized list of investments (including cost estimates) will be developed to provide a roadmap and framework for the Ministry of Regional Development and Infrastructure (MRDI) and ADB to take it forward. One of the key outputs will be an investment plan, having short, medium and long-term components.

21. The MVSDP will be an opportunity to encourage proactive involvement of stakeholders and initiation to form Local Action Groups. **Stakeholder consultations and local focus group involvement** have high importance, and the consultant should pay particular attention to ensuring regular and sufficient participatory activities.

22. The MVSDP will be subject to a **Strategic Environment Assessment (SEA)** to analyze its likely environmental and public health impacts. The SEA's results and conclusions will be considered when adopting the Concept and Final Plans. The Consultant will be required to follow the legal requirements of the national Environmental Assessment Code (EAC), including the need for mandatory public hearings.

23. The Consultant will transfer technical knowledge and know-how to SUDA staff and other national and local counterparts throughout the preparation of the MVSDP & MVDP. Considering the EU candidate status granted to Georgia, the best **international practices** would apply through gradual approximation with the goals and objectives of the **European policies**, and all proposals should consider EU practices.

D. Scope and tasks

24. The study will deliver two key outputs: Mukhrani Valley Spatial Development Plan and the Priority Investment Plan (PIP). Table 1 summarizes the major activities and outputs.

Table 1: Major activities and outputs

Work Tasks	Deliverables	Indicative Completion dates
OUTPUT 1 - MVSDP		
Stage 1- Research		
Mobilization and kick-off meeting Data collection and review of plans, strategies, and planned projects Stakeholder mapping and engagement plan Development of GIS database and architecture Inception report Preparatory studies Draft Climate Vulnerability and Risk Assessment SEA screening Preparation of the Spatial and urban Analysis, maps, and SWOT Research Workshop Final Research report	Final Research report	Month 1.5 Month 3
Stage 2- Vision		
Strategic development scenarios Visioning workshops Definition of strategic directions and 'obvious' priority projects Vision, Strategy and Viability Workshop Final Vision and Strategy Report	Final Vision and Strategy report	Month 4.5
Stage 3 - Concept Plan		
Development of spatial strategies Strategic Environmental Assessment Scoping Concept Plan Workshop Revised Concept Plan for official approval	Final Concept plan report	Month 8
Stage 4 - Plan Development		
Final Plan development SEA final report and public hearing Plan Implementation Roadmap Draft Final Plan workshop Revised Final Plan for official approval	Final Plan Report	Month 10
OUTPUT 2 - PIP		
Priority Investment Plan		
Data collection and review of projects, plans, strategies Definition of Strategic directions and 'Obvious priority projects'		
Additional consultation and criteria definition Identification of Strategic and Catalytic priority projects		

Rapid economic and financial analysis Prioritization <i>PIP workshop</i> Draft PIP Final PIP	Draft PIP Final PIP	Month 7 Month 10
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25. Given the project timeline, the research phase will occur in the autumn. Since the consultant might need to gather data across different seasons, it is recommended to continue collecting research data until the end of stage 3.

26. If within 6 months after submission, the revised Concept Plans has not been approved, the phase 3 Final Plan will not be activated, and activities for Output 1 will not continue.

27. In case the need and upon approval of the Client of additional site surveys and/or site investigations, the consultant should firstly agree a budget for the work as provisional sum.

E. Qualification requirements and Team composition

28. SUDA will select and engage Consultants in accordance with ADB Procurement Policy and the associated Staff Instructions for ADB Administered Consulting Services and Technical Assistance Staff Instructions.

29. SUDA is looking for international company for Mukhrani Valley Spatial Development Plan. Consultants will be engaged through a single firm or a group, or a consortium of firms.

30. The consultant firm shall demonstrate technical competence and geographical experience based on project references:

- Significant experience in spatial and urban planning.
- Experience in strategic advisory on regional economic development and agricultural area development will be an advantage.
- Experience in Eastern Europe, Western Europe, and post-soviet countries; previous experience in Georgia is an advantage.

Table 2: Team Composition

CORE TEAM – KEY EXPERTS		
Position		PM
International Staff		
1	Spatial/ Urban Planner/Geographer/Team Leader	7.0
2	Regional Economic Development Specialist	3.0
	<i>Sub-total</i>	10.0
National Staff		
1	Spatial/ Urban Planner/Geographer/Deputy Team Leader	10.0
2	Agriculture Specialist	3.0
3	Economist	3.0
	<i>Sub-total</i>	16.0

EXTENDED TEAM – NON-KEY EXPERTS		
Position		PM
International Staff		
1	Legal and Policy Specialist	0.5
2	Agriculture Specialist	1.0
3	Transport and mobility specialist	1.0
4	GIS Specialist	1.0
	<i>Sub-total</i>	3.5
National Staff		
1	Infrastructure Engineer	2.0
2	Tourism specialist	2.0
3	Environment and climate change specialist	3.0
4	Transport and mobility specialist	3.0
5	Cultural Heritage Specialist	2.0
6	Legal and Policy Specialist	2.0
7	Facilitator, Stakeholder Engagement Specialist	2.0
8	Industry and logistics expert	2.0
9	GIS Specialist I	10.0
10	Head office support	2.0
11	Translator and interpreter	10.0
	<i>Sub-total</i>	40.0

F. Deliverables

31. The Consultant shall submit the following key project deliverables to SUDA. All reports shall be carried out in full consultation with relevant parties and stakeholders.

Table 3: Deliverables and Milestones

Phases	Deliverable	Milestone	Payment Schedule (% of the contract amount)
1	Inception reports	Month 1.5	
	Research Reports	Month 3	25%
2	Vision & strategy reports	Month 4.5	20%
3	Draft PIP Concept plan reports	Month 8	35%
4	Spatial arrangement plan report Final PIP	Month 10	20%
	*Biweekly progress report		
Optiona I	If activated: Concept design package of priority projects	Month 10	

**The Payment milestone percentages may be revised during negotiations before finalizing the contract.*

Phase I

The inception Report will include:

- Stakeholders mapping and Engagement plan
- Data collection/survey program
- The required changes to the outline scoping of the proposed works, if any.

The research report will include:

- Methodology of research
- Stakeholder engagement plan
- Preparatory studies
- Climate Vulnerability and Risk Assessment
- SEA screening
- Spatial and urban Analysis, maps, and SWOT
- Summary of stakeholder engagement activities

Phase II

Vision and Strategy report will include:

- Vision scenarios and strategic directions
- Vision and Strategy Viability Assessment
- Summary of stakeholder engagement activities

Phase III

The concept report will include:

- Concept plans as defined by the Code.
 - SEA scoping
- As well as a report with:
- Summary of stakeholder engagement activities
 - Draft Priority Investment Plan

Phase IV

The Final Spatial and urban development plan report will include:

- The Spatial Development plan as defined by the Code.
- The Development Plan as defined by the Code.
- SEA as defined by the Code.
- Compendium of analytical and thematic maps; All annexes with additional maps, data, analysis, presentations, guidelines, complete GIS, etc.

as well as a report with

- Stakeholder Engagement Summary Report.
- Final Priority Investment Plan
- Booklet- summary of the project

The consultant should provide SUDA with the GIS data and other working files at the end of each deliverable.

32. Each report must include an **executive summary** and should not **exceed 50 pages**. **Annexes should be used for supplementary data.**

33. The consultant will provide **biweekly reports** containing concise updates on process status, highlighting identified gaps, and signaling any required assistance.

34. All project reports shall be written in **Georgian and English** and shall be provided in both printed and electronic form. The consulting firm shall provide three printed copies of each report to SUDA. Electronic versions of the reports should be submitted in both MS Word and PDF formats. The consulting firm shall also provide SUDA with the final electronic version of all source files under self-explanatory file names and directory structure (including data collected, database, spreadsheets and models etc.).

G. Implementation Arrangements

35. SUDA will administer the project and supervise the implementation of the assignment. It is the primary route for all communication, reports, and project management aspects. The Consultant will report to SUDA who will approve the deliverables. A Steering committee (SC) will be created in coordination with SUDA, and composed of nominated representatives from key agencies and Kaspi and Mtketa Municipalities. The SC will (i) oversee the preparation of its goal, objectives and agreed scope; (ii) ensure coordination among key government agencies, regional and local authorities; and (iii) provide guidance and direction to SUDA in all implementation activities. The SC members will be present at key milestones workshops. The project will be approved by the Government. The precise details of the communication structure will be advised at the project inception stage.

36. As part of the review process, the Consultant shall submit the draft reports to SUDA as well as to all members of the Group and incorporate their comments during the finalization of the reports. These comments and inputs will be summarized in a comments matrix and shared with the group members for their information and deliberation as appropriate. Workshops will also be held with the Group on an as-needed basis and upon request of its members. Workshops will help seek input from other stakeholders.

37. SUDA may mobilize several students/ Interns with the help of universities to work full-time with consultants during the project to promote urban planning education, increase awareness among students, and create quality human resources.

38. Given the project's significant impact at the country level, the consultant will hold necessary meetings with the NSDC (National Spatial Development Concept of Georgia) consultant team to prevent potential miscommunication and overlap.

H. Annex

Annex 1- Preliminary List of Production, Industrial, and Recreational Facilities

Cadastral code	Ownership	Function
72.03.23.484	LLC Aqua Geo	Water bottling company
72.03.31.362 72.03.31.019	JSC Lomisi	Beer import, distribution Beer production Non-alcoholic beverages - production, sale
72.02.42.299	LLC Global Beer Georgia	Beer production Non-alcoholic beverages - production, sale
72.03.26.452	JSC Coca-Cola Bottle Georgia	Non-alcoholic beverages - production, sale
72.02.41.158	LLC Genius Brewing Company	Beer production
72.03.30.971	LLC Georgian Lemonde	Non-alcoholic beverages - production, sale
72.03.30.829	LLC Lagi	Non-alcoholic beverages - production, sale
72.03.31.293	LLC Water Land	Mineral water - production, sale
72.03.30.372	LLC Food Production Company	fruits and vegetables produce export
72.03.31.483	LLC Barambo	Food & Beverage / Bakery and Confectionery Products, Bakery and Confectionery Products
72.03.31.454	LLC Alfa-Pet	Manufacturing Semi fabricate plastic bottles
72.03.26.497	LLC Food Alliance	Enterprise for the production of frozen bread and cookies
72.02.42.363	LLC August Fruit Factory	Fruit Factory
72.02.42.275	LLC Benjis	Production of fruit alcoholic beverages
72.08.29.398	Agro Consortium Tserovani	Supply of food production
72.02.42.233	LLC Midge Group	Wine factory
72.08.25.867	LLC Eco Bohemia	Disinfectants - production, import, sale Detergents and cleaning products - production
72.08.30.444	LLC Speckomforti	Construction materials enterprise

72.02.40.282	LLC Neoprint	Waste paper - receiving points Paper - production, import, sale
72.02.40.155	LLC Abipharm	Trade in medicines (wholesale), pharmaceutical bases, production of medicines
72.02.40.212	LLC Georgian Natural Product	Food products - production Spices (flavors) - production, sales Production of vinegar Production of canned fruits and vegetables
72.08.22.127	LLC LGG	Production of aluminum, metal-plastic, glass, door and window
72.03.35.979	LLC IC Factory	Building material production
72.02.42.244	LLC Agrohub	greenhouse
72.02.41.245	LLC Neoblock	N/A
72.08.01.120	LLC Santoni	N/A
72.02.42.296	LLC ESS	Wood supplier
72.03.35.024	LLC Caucasus Auto service	Auto repair shop
72.03.35.210	LLC Georgian Juice	Soft drinks enterprise
72.08.12.446 Cluster	LLC Lion Trans	Service - Car transportation services - Cargo transportation services - Cargo transportation services
72.08.17.125	LLC ZMK	N/A
72.03.35.216	LLC Villa Mosavali	Recreation
N/A	Poultry of Nozadze	
Several	Chateau Mukhrani	
Several	Mukhrani chickens	
N/A	Agrocomp	
N/A	Campo	
N/A	Mukhrani cellar	

Source: <https://maps.gov.ge> <https://www.google.com/maps>

The list does not encompass all production, industrial, and recreational companies and needs to be updated during the research phase.