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# **1. BACKGROUND INFORMATION**

## **1.1. Partner country**

Armenia

## **1.2. Contracting authority**

European Commission

## **1.3. Country background**

Armenia is a landlocked country, with a population estimated at 2.963 million, bounded to the north and east by Georgia and Azerbaijan, and to the southeast and west by Iran and Türkiye, respectively. Borders with Azerbaijan and Türkiye are closed, significantly limiting Armenia's trade diversification opportunities as well as energy and transport connectivity. Armenia is an upper middle-income country with a gross domestic product (GDP) per capita of USD 5,080 in 2022, based on the criteria by the Development Assistance Committee of the Organisation for Economic Co-Operation and Development (OECD/DAC). Despite Armenia's economic growth of 12.6% in 2022, its weak connectivity and constant tensions with Azerbaijan undermine the prospect of a sustainable growth.

Around 64% of the population lives in urban areas and 36% live in rural areas. According to the National Statistics Service, in 2020, 57% of the urban population lived in the capital city of Yerevan. As of 1 January 2021, 47.2% of the population of the country were men and 52.8% were women. The poverty rate in 2019 (described as income equal or less than USD 5.5/day in 2011 purchasing power parity (PPP) terms) amounted to 44% and gradually declined to 23.5% in 2022. The proportion of women suffering from poverty is higher than that of men (54.7% and 45.3% respectively).

Following Azerbaijan's military operation in September 2023 as the latest escalation in the three-decade long conflict, almost the entire Armenian population of Nagorno-Karabakh – over 100 000 people – have fled to Armenia. A significant proportion of this population are vulnerable groups that require special assistance, including estimated 12 000 elderly, 30 000 children, 9 000 people with disabilities and people with chronic health conditions. According to UNFPA, approximately half of the displaced people are reported to be women and girls. The military offensive was followed by a ceasefire agreement and a signature of a decree dissolving all independent Nagorno Karabakh institutions, as of 1 January 2024. Thus, the majority of refugees will likely stay in Armenia indefinitely and the Government now faces the challenge to integrate them into Armenian social support structures and ensuring the socio-economic recovery of host communities. The influx of Karabakh-Armenians constitutes an increase of almost 3% of the population.

On 24 November 2017, the European Union and the Republic of Armenia signed the Comprehensive and Enhanced Partnership Agreement (CEPA). The trade chapter of CEPA establishes binding commitments in several key areas, including trade in services and investments, competition policy, state-owned enterprises, public procurement, intellectual property rights, sanitary and phytosanitary measures, and more. The parties undertake to facilitate legal proceedings for infringements of intellectual property rights and adopt border measures to ensure such rights are respected. More broadly, they commit to cooperating to implement obligations relating to intellectual property.

With regards to the protection of geographical indications originating in the territories of the parties, a main priority for the European Union is safeguarding geographical indications (GIs), in particular "Cognac" and "Champagne". CEPA contains provisions establishing mutual recognition and

protection of GIs between the EU and Armenia, and under article 237 Armenia has committed itself to phase out the use of the word cognac within a period of 13 years.

#### 1.4. Current situation in the sector

There is a long-lasting history behind the "Armenian Cognac," since 1863 Armenian producers have used the term "cognac," which has become "konjak," to designate their production.

In Armenia, there are around 40,000 vine growers out of 3 million inhabitants, and 35 companies produce "konjak." Consequently, all actions involving "Cognac" have important economic and social implications for Armenian producers and the agricultural sector. The previous considerations probably led to the allowance of exceptionally long transitional periods - 25 and 14 years respectively for exports and for sales in the domestic market for Armenian "Cognac."

Almost 93% of the total production, which amounts to 550,000 hectoliters, is exported, with Russia absorbing more than 90% of the exports. The fastest growing export markets for Hard Liquor of Armenia between 2018 and 2019 were Russia, Belarus, and Ukraine. Armenia also exports the same product under the name "brandy" to countries that protect the name "cognac."

The production of Armenian "konjak" is an important source of export income since exports represent about 8% in value of the country's total exports (this share was even higher in the past). This product, after mining products, stably occupies the second place in the structure of Armenian exports.

According to the information provided by the Ministry of Economy of RA, there are about 55 companies in Armenia that procure grapes for further processing into wine and brandy. The largest producers of Brandy in Armenia are the Yerevan Brandy Company and Yerevan Ararat Cognac-Wine-Vodka Combine OJSC. The next biggest producers are Proshyan Brandy Company OJSC and MAP CJSC. The rest of the producers are medium and small-size companies.

One of the world's largest spirits producer, Pernod-Ricard, bought the Armenian group Yerevan Brandy Company in 1998. This group owns the well-known brand "ArArAt," which sells its product without the term "Cognac." Ararat is also the most recognized brand in brandy's main export market, Russia. Market research shows that Yerevan Ararat Cognac-Wine-Vodka Combine OJSC's brand. The Armenian consumers are more aware of various brands though the list of topmost recognizable brands is dominated by the brands of aforementioned four large producers. Among the others, mostly small/medium enterprises, 15 produce wine and brandy, while the others only produce brandy. Data demonstrate that most producers have well-established distribution channels in Russia and all marketing activities and campaigns are provided through them. Small companies still have difficulty accessing the internal and external markets due to the low recognition and lack of marketing budgets.

**Fig 1. Ten major producers of Brandy in Armenia**

N	Company Name	Famous with the Brand
1.	Yerevan Brandy Company	ARARAT, NAIRI, ANI
2.	Armenia Wine Factory LLC	YEREVAN
3.	Yerevan Ararat Cognac-Wine-Vodka Combine OJSC	NOY CLASSIC
4.	Avshar Wine Factory LLC	GLADZOR
5.	Ijevan Wine Brandy Factory	IJEVAN
6.	MAP CJSC	ARAME
7.	Proshyan Brandy Factory OJSC	MANE, SHIRAZ
8.	"Shahnazaryan" Wine Brandy House	SHAHNAZARYAN
9.	Vedi Alco LLC	DUDUK
10	Great Valley LLC	TSAR TIGRAN

In 2010, together with the newly adopted Trademark Law, Armenia also adopted a law on Geographical Indications (GIs)..

In November 2023, the Ministry of Economy communicated to the European Commission its decision to terminate the use of the EU Geographical Indication (GI) ‘cognac’ and adopt the product name ‘Armenian Brandy’, while also declaring its decision to register this product name as a GI.

### **1.5. Related programmes and other donor activities**

The EU funded project titled “Strategic advice and capacity building on implementation of the necessary activities related to the termination of the use of the name "cognac" for products originating in Armenia and for the development of a new name of brandy in Armenia”, started on 1 February 2021 and had a duration of 14 months, until 31 March 2022.

The main objective of the project was to support Armenia in fulfilling the provisions included in Article 237 of CEPA agreement, which stipulates that the EU shall provide technical and financial assistance for the smooth and effective termination of the use of the name “Cognac” in Armenia and in its export markets. The project in particular:

- Provided advice on the institutional set-up for rebranding and marketing of a new name for brandy in Armenia;
- Identified initial regulatory measures/legislative changes related to rebranding;
- Provided advice for designing a comprehensive Technical Assistance program, in particular for the drafting of Terms of Reference for future support.

## **2. OBJECTIVES & EXPECTED OUTPUTS**

### **1.1 Overall objective**

The overall objective (Impact) to which this action contributes is:

Support the implementation of the CEPA, in particular of the provisions of Article 237 concerning Geographical Indications.

### **2.2 Specific objective(s)**

The specific objective (Outcomes) of this contract is as follows:

Specific Objective (Outcome) 1: Facilitate the termination of the use of the EU Geographical Indication (GI) “Cognac” for products originating in the Republic of Armenia and assist in designing and establishing a GI system for Armenian brandy.

Specific Objective (Outcome 2): Enhance the promotion and marketing potential of the Armenian brandy as a GI in domestic and export markets;

### **2.1. Expected outputs to be achieved by the contractor**

The expected outputs of this contract are as follows:

- Output 1 to Outcome 1: Armenian brandy GI system is established and functional;
- Output 2 to Outcome 1: National GI legislation is updated and enforcement rules are designed;
- Output 3 to Outcome 1: A functional testing and quality control system is designed;
- Output 1 to Outcome 2: A robust brand identity and marketing strategy is developed;

### 3. ASSUMPTIONS & RISKS

#### 3.1. Assumptions underlying the project

- Government maintains and enhances its foreign policy objectives of strengthening political and economic relationship with the EU.
- Armenia pursues its objective of effective implementation of CEPA. Government committed to private sector and SME development.
- Full capacity of the Government to perform functions of policy coordination, policy analysis (regulatory, fiscal, etc.) impact assessments, inter-ministerial coordination and public consultations.
- Consistent legislation, as well as maintaining the declared policy objectives during actual implementation.
- Proper implementation of action by the contracted/mandated entity.

#### 3.2. Risks

Risk	Risk Level	Mitigating Measure
Global economy uncertainty and volatility, or a downturn, with possible impacts on economic performance of the country, forcing the government's focus and resources away from its reform agenda	M	<ul style="list-style-type: none"> <li>- Engagement with other international organisations such as the World Bank, the World Trade Organisation on maintaining conditions conducive to global stability and growth</li> <li>- Close monitoring of macro-economic and Public Finance Management policies in Armenia</li> <li>- EU and other Development Partners' support to Public Finance Management (PFM) and macro-economic reforms</li> </ul>
Limited capacity of the Government to perform functions of policy coordination, policy analysis (regulatory, fiscal, etc.) impact assessments, inter-ministerial coordination and public consultations.	M	<ul style="list-style-type: none"> <li>- Policy dialogue and EU support for the Public Administration</li> </ul>
Adoption or inconsistent legislation, as well as deviation from the declared policy objectives during actual implementation.	M	<ul style="list-style-type: none"> <li>- Intensive policy dialogue</li> </ul>
Regional security situation may deteriorate with human, social and economic impact.	M	<ul style="list-style-type: none"> <li>- EU and other Development Partners' support projects for confidence building and conflict resolution</li> <li>- EU close monitoring and political dialogue with governments, civil society and relevant stakeholders in support of regional peace and stability, OSCE Minsk Group, UN system and other international organisations</li> </ul>

		- EU engagement with IMF and other IFIs.
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## 4. SCOPE OF THE WORK

### 4.1. General

#### 4.1.1. Project description

This project aims to support the Armenian brandy industry by establishing a unique Geographical Indication (GI) system. It will define the specific production zone, grape varieties, and methods, ensuring quality through robust controls and defining laboratory infrastructure requirements. A distinct brand identity and targeted marketing strategy will prepare the positioning of Armenian brandy competitively in both domestic and international markets. Through legal protection and producer training, the project aims to safeguard authenticity and empower producers, ultimately boosting the Armenian economy and preserving its cultural heritage.

#### 4.1.2. Geographical area to be covered

Geographical area to be is the territory of the Republic of Armenia.

#### 4.1.3. Target groups

The project will target stakeholders of the sector, either private or public. Within the private sector the project will address producers that use the protected name “Cognac”. Within the public sector the project will target those involved in the process of developing a national GI for Armenian quality wine distillate.

In the public sector the project will target in particular those associated with the legislative framework set-up and administrative capacity building like:

- Ministry of Economy as the leading institution in charge of the implementation of the CEPA agreement, conducting organizational and institutional reforms in order to protect EU GIs annexed to the CEPA;
- IPA (Intellectual Property Agency) as the leading institution in charge of registration of GIs and other IP rights (trademarks etc.);
- VWFA (Vine & Wine Foundation of Armenia) or a new future entity, carrying out control functions in the Brandy sector and enforcing IP rights in cooperation with competent authorities ;
- Finally, the project will benefit all Armenian consumers allowing them access to a product with specific and/or superior quality linked to GI.

### 4.2. Specific work

The project will be organised in the following phases and will comprise the following tasks and activities:

#### **Phase 1: Inception (4 months)**

##### ***GI Definition and Registration:***

- Conduct research and analysis, and if necessary, define the precise geographical delimitation of the production zone within Armenia.
- Support in the definition of strict cahier des charges for use of name and registration.

- Develop detailed production specifications for grape varieties, cultivation practices, distillation techniques, and aging requirements.
- Prepare and manage the application for national and international GI registration, adhering to relevant regulations and collaborating with stakeholders.
- Promote the inclusion of the new Armenian GI in “eAmbrosia”, the legal register of the names of agricultural products and foodstuffs, wine, and spirit drinks that are registered and protected across the EU.

Deliverables: Defined geographical zone, production specifications document, submitted GI registration applications.

## **Phase 2: Implementation (18 months)**

### ***Legal and Regulatory Framework:***

- Conduct legal analysis to assess existing national and international legislation related to GIs.
- Assist in the revision of current national legislation and develop further the regulatory framework specifically protecting the Armenian brandy GI, in line with latest EU standards.
- Collaborate with government agencies to establish effective enforcement mechanisms for Armenian Brandy, by proposing appropriate control, certification and accreditation bodies and defining their responsibilities and functions.

Deliverables: Legal analysis report, proposed changes in national legislation, development of enforcement regulations, study visits and implementation plan.

### ***Quality Control System Design***

- Support in developing capacity (organisational , technical and equipment) for controlling and implementing the use of the name
- Support the competent Armenian administration in the creation of a national, effective, GI system by proposing appropriate control, certification and accreditation bodies and defining their responsibilities and functions.
- Define laboratory infrastructure requirements and assess expertise within the Armenian brandy industry.
- Design a robust quality control system with standardized procedures for product verification and certification.
- Train personnel in the application of GI-specific testing methodologies and quality control procedures.

Deliverables: technical specifications for laboratory facilities (including list of the necessary equipment with its technical details, market research and cost estimate), designed quality control system procedures, and trained personnel, study visits.

### ***Brand Identity and Marketing Strategy***

- Develop a distinct brand identity and logo for the Armenian brandy GI, including brand book guidelines and preparatory communication materials.
- Craft a comprehensive market research for potential export markets.
- Craft a comprehensive marketing and communication strategy targeting both domestic and international markets.
- Analyse, assess and provide recommendations on the feasibility of protecting the GI in these new markets, in particular those who do not have frameworks for protecting GIs.
- Prepare a draft implementation plan, aligned to the strategy, including campaigns calendar, project phases, targets, monitoring through measurable outcomes, as well as proposed submission dates for all deliverables.

- Develop Key Performance Indicators (KPIs) that will support the authorities to assess the impact of the GI system producer certifications, market share, consumer awareness, and economic impact.

Deliverables: Brand identity guidelines, marketing/communication strategy, market research on export markets, implementation plan and performance measurement framework.

#### ***Producer Engagement and Capacity Building***

- Develop and implement training programs for producers on GI regulations, production standards, and quality control procedures.
- Support existing producer association or other collaborative mechanism to facilitate information sharing, best practices, and collective marketing efforts.

Deliverables: Training programs, study visits, and established producer collaboration mechanism.

### **Phase 3: Conclusion (2 months)**

#### ***Reporting and Sustainability***

- Prepare a final project report summarizing achievements, challenges encountered, and recommendations for sustainability.

Deliverables: project final report.

## **4.3. Project management**

### **4.3.1. Responsible body**

The Delegation of the European Union to Armenia is the Contracting Authority and will be responsible for managing the project.

### **4.3.2. Management structure**

The Contractor's primary counterpart will be the Ministry of Economy represented by the relevant Deputy Minister, responsible for the sector.

A Steering Committee will be set up to oversee and validate the overall strategic and operational direction of the project. It shall agree on 6 months' work plan, provide comments on the narrative and financial reports and project deliverables, and validate them. The Steering Committee may take necessary measures to ensure the proper implementation of the project according to the framework set by this document.

The project Steering Committee will include the following members:

- A representative of the EU Delegation to Armenia (co-chair)
- A representative of the Ministry of Economy (co-chair)
- Representatives of relevant beneficiaries of the action (as members)
- Representatives of the EU Commission may participate as observers.

The above list of members is not exhaustive and may be amended. The Contractor will provide secretarial support to the Steering Committee. The Contractor is responsible for the project's monitoring, which shall keep track of project's performance and achievements, and deliver adequate reports to the SC.

The Steering Committee will meet to discuss the inception report following its submission and at least quarterly thereafter. It will be the Contractor's responsibility to ensure that Steering Committee meetings are convened.

### **4.3.3. Facilities to be provided by the contracting authority and/or other parties**

N/A



## 5. LOGISTICS AND TIMING

### 5.1. Location

The project team will be based in Yerevan, with missions to be foreseen in other regions of Armenia. Missions in possible export markets, excluding Russia and Belarus, may also take place.

### 5.2. Start date & period of implementation

The intended start date is 15 June 2024 and the period of implementation of the contract will be 24 months from this date. Please see Articles 19.1 and 19.2 of the special conditions for the actual start date and period of implementation.

## 6. REQUIREMENTS

### 6.1. Personnel

Note that civil servants and other staff of the public administration, of the partner country or of international/regional organisations based in the country, shall only be approved to work as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well as proof that the expert is seconded or on personal leave.

#### 6.1.1. Key experts

Key experts have a crucial role in implementing the contract. These terms of reference contain the required key experts' profiles. The tenderer shall submit CVs and statements of exclusivity and availability for the following key experts:

#### **Key expert 1: Team leader (minimum number of working days 400)**

Qualifications and skills

- Master's Degree in the relevant fields of specialisation (e.g. agro-economy, food science, law, or business administration) or, in its absence, at least a Bachelor's degree in the relevant fields of specialisation and 5 years of professional experience in addition to the general professional experience requested below ;
- Proficiency in written and spoken English.

General professional experience

- Minimum 10 years of professional experience in project management, preferably in international development projects funded by the EU.

Specific professional experience

- Minimum 5 years of working experience relating to advising on the design of GI systems or similar intellectual property rights.
- Minimum 3 years of experience working in the agriculture or food or beverage sector, preferably with brandy or spirits.
- Proven experience as team leader in at least one technical assistance project of minimum 24 months;
- Experience conducting research and analysis.
- Experience working in post-Soviet countries or transition economies.

#### **Key expert 2: Legal expert (minimum number of working days 400)**

#### Qualifications and skills

- Master's degree in Law, preferably with specialization in Intellectual Property Law (IP).
- Fluent English skills,
- Knowledge of Armenian or Russian is considered an asset.

#### General professional experience

- Minimum 8 years of experience in legal practice, with at least 3 years focusing on IP law.
- Experience collaborating including technical experts, policymakers, and business stakeholders.

#### Specific professional experience

- Experience working with GIs and relevant international agreements. (Lisbon Agreement, TRIPS Agreement).
- Experience in countries that do not apply GI type of legislation, but other types of IPs such as trademarks.
- Experience in drafting and reviewing legal documents related to GI registration, protection and enforcement.
- Experience in advising clients on compliance with national and international GI regulations.

### **Key Expert 3: Quality control and laboratory expert (minimum number of working days 400)**

#### Qualifications and skills

- Master's degree in Food Science, Chemistry, or other related field.
- Knowledge in the use of analytical equipment and methodologies used for brandy quality testing.
- Strong understanding of laboratory quality management systems (e.g., ISO 17025) and accreditation standards.
- Working knowledge of relevant international standards for brandy production and analysis (e.g., OIV, Codex Alimentarius).
- Understanding of Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP) principles.
  
- Knowledge of English.

#### General professional experience

- At least 5 years of experience working in a quality control laboratory for a food or beverage company, preferably in the spirits industry.

#### Specific professional experience

- At least 3 years of experience in designing and managing quality control systems, including documentation, record-keeping, and internal audits.
- At least 3 years of experience developing and implementing quality control procedures for brandy production in accordance with GI specifications.
- Experience in validating analytical methods used for quality testing.
- Experience in training personnel in quality control procedures and the use of analytical equipment.
- Experience in advising or working in regulatory authorities and accreditation bodies. .

### **Key Expert 4: Production and technical expert (minimum number of working days 400)**

#### Qualifications and skills

- Bachelor's degree in Agriculture, Food Science, or other related field.
- Familiarity with international best practices in viticulture.
- Knowledge of English.
- Knowledge of Russian or Armenian will be an asset.

#### General professional experience

- Minimum 5 years of demonstrably working with Armenian brandy producers, understanding traditional production methods and current practices.

#### Specific professional experience

- Experience working in various capacities within the Armenian brandy industry, such as production, quality control, or technical consulting.
- Experience developing detailed production specifications for the Armenian brandy.
- Experience providing technical advice, training or support to producers on complying with production methods.

All experts must be independent and free from conflicts of interest in the responsibilities they take on.

### **6.1.2. Non-key experts**

CVs for non-key experts should not be submitted in the tender but the tenderer will have to demonstrate in their offer that they have access to experts with the required profiles.

The contractor must select and hire other experts as required according to the profiles identified in the organisation & methodology and/or these terms of reference. It must clearly indicate the experts' profile so that the applicable daily fee rate in the budget breakdown is clear. All experts must be independent and free from conflicts of interest in the responsibilities they take on.

The selection procedures used by the contractor to select these other experts must be transparent, and must be based on pre-defined criteria, including professional qualifications, absence of conflict of interests, language skills and work experience. The findings of the selection panel must be recorded. The selected experts must be subject to approval by the contracting authority before the start of their implementation of tasks.

Non-key experts with expertise in communication and marketing, as well as profiles with expertise in legal and technical fields related to the objectives of the contract will be required. All non-key experts should have a degree relevant to the tasks requested to deliver, and a minimum number of years of working experience, i.e minimum 5 years for junior experts and minimum 8 years for senior experts.

### **6.1.3. Support staff & backstopping**

The contractor will provide support facilities to their team of experts (back-stopping) during the implementation of the contract.

Backstopping and support staff costs must be included in the fee rates.

## **6.2. Office accommodation**

Office accommodation of a reasonable standard and of approximately 10 square metres for each expert working on the contract is to be provided by the contractor. The costs of the office accommodation are to be covered by the fee rates.

## **6.3. Facilities to be provided by the contractor**

The contractor must ensure that experts are adequately supported and equipped. In particular, it must ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support

their work under the contract and to ensure that its employees are paid regularly and in a timely fashion.

#### **6.4. Equipment**

No equipment is to be purchased on behalf of the contracting authority / partner country as part of this service contract or transferred to the contracting authority / partner country at the end of this contract. Any equipment related to this contract that is to be acquired by the partner country must be purchased by means of a separate supply tender procedure.

#### **6.5. Incidental expenditure**

The provision for incidental expenditure covers ancillary and exceptional eligible expenditure incurred under this contract. It cannot be used for costs that should be covered by the contractor as part of its fee rates, as defined above. Its use is governed by the provisions in the general conditions and the notes in Annex V to the contract. It covers:

- Travel costs and subsistence allowances for missions, outside the normal place of posting, undertaken as part of this contract. If applicable, indicate whether the provision includes costs for environmental measures, for example CO<sub>2</sub> offsetting.
- Direct costs incurred for registration of the new name as a GI, and all other related costs for registration of the trademark.
- Costs related to the organization of study-tour for Armenian officials and producers to countries in the European Union or other relevant countries in support of the project objectives.
- Costs related to the production and dissemination of training materials.
- Communication and visibility related costs.
- Costs for translation of documents.
- Logistical costs for organisation of meetings, workshops and trainings, including costs for interpretation.

The provision for incidental expenditure for this contract is EUR 200,000. This amount must be included unchanged in the budget breakdown.

Per diem are daily subsistence allowances that may be reimbursed for missions foreseen in these terms of reference or approved by the Contracting Authority, carried out by the contractor's authorised experts outside the expert's normal place of posting. The per diem is a maximum fixed flat-rate covering daily subsistence costs. These include accommodation, meals, tips and local travel, including travel to and from the airport. Taxi fares are therefore covered by the per diem. Per diem are payable on the basis of the number of hours spent on the mission. Per diem may only be paid in full or in half (no other fractions are possible). A full per diem shall be paid for each 24-hour period spent on mission. Half of a per diem shall be paid in case of a period of at least 12 hours but less than 24 hours spent on mission. No per diem should be paid for missions of less than 12 hours. Travelling time is to be regarded as part of the mission. Any subsistence allowances to be paid for missions undertaken as part of this contract must not exceed the per diem rates published on the website - [https://international-partnerships.ec.europa.eu/funding/guidelines/managing-project/diem-rates\\_en](https://international-partnerships.ec.europa.eu/funding/guidelines/managing-project/diem-rates_en) - in force at the time of contract signature.

The contracting authority reserves the right to reject payment of per diem for time spent travelling if the most direct route and the most economical fare criteria have not been applied.

Prior authorisation by the contracting authority for the use of the incidental expenditure is not needed with the exception of costs related to the organization of study-tour and trainings for Armenian officials and producers to countries in the European Union or other relevant countries.

## 6.6. Lump sums

The contractor shall include the following activities as lump sums:

Lump sum 1: a market research study on potential export markets, excluding Russia and Belarus. The market research study on potential export markets, among other should address the following elements: a) identify target markets, b) define market entry barriers and regulations, c) analyse market demand and trends, d) conduct competitive analysis, e) define market entry strategies, f) conduct risk assessment.

Lump sum 2: generic marketing strategy that takes into considerations the specificities of the identified export markets. The marketing strategy, among others, should define the following elements: a) purpose, b) vision, c) values, d) visual identity, e) audience profile, f) customers purchase perceptions, g) identification ideal customer, h) go-to-market, i) communication channels.

## 6.7. Expenditure verification

The provision for expenditure verification covers the fees of the auditor in charge of verifying the expenditure of this contract in order for the contracting authority to check that the invoices submitted are due. The provision for expenditure verification for this contract is EUR 20,000. This amount must be included unchanged in the budget breakdown.

This provision cannot be decreased but can be increased during execution of the contract.

## 7. REPORTS

### 7.1. Reporting requirements

Please see Article 26 of the general conditions. Interim reports must be prepared every six months during the period of implementation of the tasks. The narrative report should be based on the monitoring and evaluation system set up in the contract.. In the latter case, a narrative report must inform all the results as measured by the indicators defined in the logical framework. The narrative report must be provided along with the corresponding invoice, the financial report and an expenditure verification report defined in Article 28 of the general conditions. There must be a final report, a final invoice and the financial report accompanied by an expenditure verification report at the end of the period of implementation of the tasks. The draft final report must be submitted at least one month before the end of the period of implementation of the tasks. Note that these interim and final reports are additional to any required in Section 4.2 of these terms of reference.

Each report must consist of a narrative section and a financial section. The financial section must contain details of the time inputs of the experts, incidental expenditure and expenditure verification.

To summarise, in addition to any documents, reports and deliverable specified under the duties and responsibilities of each key expert above, the contractor shall provide the following reports:

<b>Name of report</b>	<b>Content</b>	<b>Time of submission</b>
Inception report	Analysis of existing situation and work plan for the project	No later than 1 month after the start of implementation
6-month progress report	Short description of progress against the achievement of the results as spelled out in the Logframe (attached to the contract, if any). The progress report (technical and financial) should include problems encountered; planned work for the next 6 months accompanied by an invoice	No later than 1 month after the end of each 6-month implementation period.

	and the expenditure verification report.	
Draft final report	Short description of the achievement of the results as spelled out in the Logframe ( attached to the contract, if any). The draft final report should include a description of the problems encountered and recommendations.	No later than 1 month before the end of the implementation period.
Final report	Short description of the achievement of the results as spelled out in the Logframe ( attached to the contract, if any). The final report should include a description of the problems encountered and recommendations; a final invoice and the financial report accompanied by the expenditure verification report.	Within 1 month of receiving comments on the draft final report from the project manager identified in the contract.

## 7.2. Submission & approval of reports

2 copies of the reports referred to above must be submitted to the project manager identified in the contract. The reports must be written in English. The project manager is responsible for approving the reports.

Country authorities should be involved in commenting on and approving the reports. In the absence of comments or approval by the partner country within the set deadline, the reports are deemed to be approved.

## 8. MONITORING AND EVALUATION

### 8.1. Definition of indicators

- Number of producers registered under the GI system.
- Percentage of Armenian brandy production adhering to GI specifications.
- Number of countries where Armenian Brandy is protected.
- Confirmation of Armenian brandy inclusion in "eAmbrosia".
- Presence of national legislation specifically protecting the Armenian brandy GI.
- Awareness among producers and consumers of legal protections.
- Availability and accessibility of legal analysis report.
- Number of technical specifications for laboratories produced and delivered.
- Number of personnel trained in GI-specific testing methodologies.

### 8.2. Special requirements

The project will be monitored according to standard EU procedures. Project monitoring and evaluation will be based on a periodic assessment of progress with the delivery of specified project results and achievement of project objectives.

The contractor will ensure assistance and support to the external consultants, monitors and evaluators appointed by the Contracting Authority to inspect or audit the records and accounts related to the service and make copies of both during and after provision of the services.

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