

REQUEST FOR EXPRESSION OF INTEREST (EOI)
(CONSULTANCY SERVICES - FIRM SELECTION)

Country – India

Reference No. - KERA/07/CS/2024/REOI

Date: 29/01/2024

Consultancy Services - Technical Service Agency support for developing 50 Productive Alliances between FPO /FPC and Agribusiness Players - Northern Kerala

The Government of India has applied for financing from the World Bank toward the cost of the *Kerala Climate Resilient Agri Value Chain Modernization (KERA) Project* and intends to apply part of the proceeds for consulting services.

The consulting services include support for developing 50 Productive Alliances in Northern Kerala (Kasaragod, Kannur, Wayanad, Kozhikode and Malappuram districts) for a duration of 3 years, ensuring full consistency with the TOR attached or referred to in this REOI].

The detailed Terms of Reference (TOR) for the assignment are attached to this request for expressions of interest.

The KERA now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria are:

- i. Experience working on projects related to market linkages between FPO/FPC and Agribusiness Players
- ii. Handholding FPOs/FPCs for central/state government or externally aided or private projects.

The firm shall furnish relevant documents such as award /contract agreement letter, audited balance sheet statement etc.

- iii. Financial Capacity - The firm shall have an average annual turnover of Rs. 75 crores in India in three out of the previous 5 financial years (FY 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23).

The Expressions of interest (EOI), preferably not more than 100 pages prepared by firms shall be containing all relevant information but not limited to:

- i. Introductory letter on letterhead (with contact details – name of contact person, address, telephone, fax, email, etc.) for participation in REOI.
- ii. Organization profile and branches/ offices within the country.
- iii. Brief note on explaining how the firm is best to deliver the task.
- iv. Information regarding fulfilment of criteria listed above. The EOI should contain relevant supporting documents to substantiate the claims of the Consultant.

The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank’s “Procurement Regulations for IPF Borrowers” July 2016 and Fifth Edition

September 2023. (“Procurement Regulations”), setting forth the World Bank’s policy on conflict of interest.

Consultants may associate with other firms to enhance their qualifications but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

A Consultant will be selected in accordance with the QCBS method set out in the Procurement Regulations.

The Client use the following electronic-procurement system to manage this Request for Expression of Interest (REoI) process:e-procurement system of Government of Kerala, <https://etenders.kerala.gov.in>. The electronic-procurement system will be used to manage REoI process such as issuing REoI, submissions of EoI, opening of EoIs etc.

Further information can be obtained at the address below during office hours

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For further details, Terms of Reference (ToR) may be referred as follows: -

Terms of Reference

Assignment Title	Technical Service Agency support for developing 50 Productive Alliances - Northern Kerala
Assignment Area	Northern Kerala - Kasaragod, Kannur, Wayanad, Kozhikode and Malappuram districts
Assignment Duration	Three Years

1. Background

Kerala, a state renowned for its progressive strides in economic development, is now embarking on a journey to revitalize its agricultural sector. While services form the cornerstone of its economy, agriculture continues to play a vital role, employing over 22% of the state's population and possess untapped potential amidst diverse agroecological conditions. However, challenges such as fragmented landholdings, low adoption of technology, low productivity and an ageing farming population have impeded agricultural growth. Government of Kerala seeks World Bank funding through the KERA (Kerala Climate Resilient Agri Value Chain Modernisation) project to address these challenges and unlock the sector's latent potential. This project envisions to transform agri supply and value chains to empower MSMEs and farmer-producer organizations to strengthen market infrastructure, and to promote regenerative agriculture practices to revive natural ecosystems and to build climate resilience. The envisioned outcomes include a thriving local economy with increased land and labour profitability, adoption of climate-smart agriculture, reduced GHG emissions, enhanced agricultural service delivery, and expanded employment opportunities.

2. Objectives of the Assignment

Enhancing small-holder commercialization for value addition is one of the components in the KERA Project. This component aims to augment the commercialization of market-based agricultural production systems by investing in market linkages and promoting climate smart value addition. It support efforts to build mutually beneficial alliances, henceforth known as Productive Alliances (PA), between FPCs/farmer groups and agribusinesses players (ABPs) with the project (i) providing the 'matchmaking' function to link FPCs with ABPs and (ii) providing targeted support for essential investments in value chain at local level.

The PA is an established methodology used in World Bank funded projects globally and is very effective for strengthening the market linkages between producers, buyers, and the public sector within the agriculture value chain. They typically result in a tri-partite agreement between FPCs, ABPs and the Government (i.e., the project) to support a business plan (with FPCs and ABPs as partners, and the project in a supporting role) which embodies commitments and obligations designed to elevate the relationships between FPCs and ABPs to more

sophisticated, remunerative long-term engagement. The project will facilitate the development of these PAs between farmers represented by FPCs and ABPs through matchmaking, technical advisory services and partial financing of the essential investments (for instance- processing, post-harvest, marketing infrastructure, storage structures, etc.) to realise the mutual benefits under such an arrangement. The core investments are financed through partial public grants provided and administered by the project with a contribution provided by the beneficiary on a sharing basis. The PA aims to support both the partners to improve their competitiveness in terms of price, cost, productivity, quality, and sales volume and provides holistic solutions to address market imperfections that inhibit smallholder producers' participation, in higher value chain and enable the FPCs and ABPs to increase their profitability through scaling up and/ or accessing newer markets (domestic/ global).

The process being implemented under this component to realise project objectives for PAs is as follows: The project will issue call for proposals (CFPs) and invite applications from FPCs and ABPs seeking to participate in such alliances through two separate 'windows'. These applications will include basic business proposals setting out the expected benefits from the PA. Window 1 will be for FPCs – in some cases individual FPCs may have pre-identified an ABC with whom they wish to partner although this is expected to be a minority; most proposals will seek partnerships without knowing specific ABCs, where the matchmaking function will be undertaken by the TSA to find appropriate partners for selected FPCs/ABPs. The project will then review these proposals and assess the readiness of FPCs to engage in PAs. Once approved to be included in the program, the project would require the signing of a tri-partite MoU between the ABP, FPC and the project setting out expectations, rights and obligations under the proposed PA. Once agreed by all parties, the project would then facilitate the preparation of a business plan for the PA, which confirms the commercial viability of the venture, and identifies constraints within the ABP and/ or FPC to it being realised. In particular, this business plan would identify necessary investments to be made by the individual FPCs/ ABPs that are essential to the realisation of the PA. The project includes a matching grant facility to which FPCs/ ABPs can avail to partially finance these investments. The project would facilitate continued support through the provision of technical services in the implementation of the business plan. Once the PA is established, and deemed sustainable by the FPC and ABP (expected after a maximum of three years) the project would exit that particular PA. The project would continue to monitor progress with the PA after exit, through the end of the KERA project.

It is expected that the project will support 50 PAs and each PA will involve one FPC and one ABP. The outcome indicator against which project achievements will be assessed is an increase in value of sales by at least 10% per FPO and ABP involved in productive alliances the project ends.

The process map for the PA is illustrated in Figure 1.

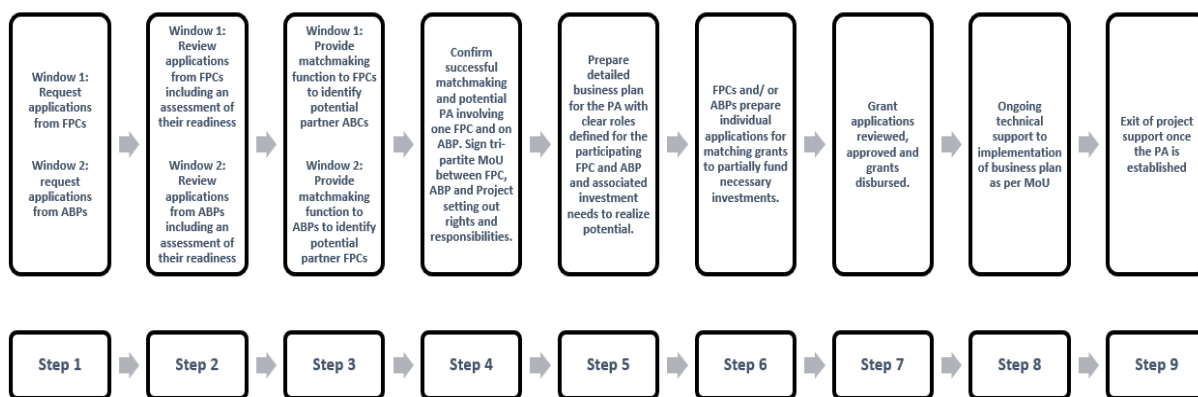


Figure 1. The process map for the PA

The project has done an initial assessment study to estimate status of existing FPCs in Kerala. It is estimated that Kerala has around 500 registered FPCs. The project will hire services of technical service agency (TSA) to support the implementation of this component. The project envisaged procuring three TSA contracts across the three regions of Kerala: (1) Northern (Kasaragod, Kannur, Wayanad, Kozhikode, Malappuram), (2) Central (Palakkad, Thrissur, Ernakulam, Idukki, Kottayam and (3) Southern (Alappuzha, Pathanamthitta, Kollam, Thiruvananthapuram). Each TSA would be recruited for three years.

The objective is to establish 50 productive alliances between FPCs and ABPs in the Northern Region.

The project is seeking to recruit a TSA to provide technical support services for steps 3, 4, 5, 6 and 8 as per the process map in Figure 1. As such, the TSA will work closely with the project in implementing this component.

The TSA will be provided with details of prospective PAs that have been received under the two ‘windows’ and reviewed by the project. Only those considered as having potential for success will be approved by the project and their details passed on to the TSA. At that point – step 3 – the TSA will engage directly with the FPCs/ ABPs in the initial ‘matchmaking’ function. Similarly, while the TSA will assist the FPCs/ ABPs in preparing their respective applications for the matching grant under Step 6, the review and decision-making process in approving grant applications, the disbursing of grants and all associated fiduciary responsibilities will remain with the project. The TSA will have no role in the Grant’s approval or disbursement process. They will, however, provide monitoring function on the utilisation of the grant, and reporting back to the Project.

The specific functions of the TSA are described in the detailed Scope of Work, below.

3. Scope of Services, Tasks and Expected Deliverables

3.1 Establish the Productive Alliance (Steps 3 – 5)

- (i) Once the candidate for PAs have been provided by the project, review the selected basic business proposals as included in their applications, submitted by FPCs and the ABPs and confirmed by the project for their technical and business viability.
- (ii) Review the capabilities and governance systems of the FPCs/ ABPs for identifying lacunas that can affect business operations and need strengthening during implementation.
- (iii) Provide the match-making service for participating FPCs/ ABPs and establish the linkage of the PA – each productive alliance should have 1 FPC and 1 ABP mandatorily.
 - a. This will include finding the right partner for the business ideas proposed/approved by FPCs and ABPs; as noted above the applications will be invited through two windows, one for FPC and second for ABPs. Identify the technical lacunas and external stakeholders who can help address those constraints (can be private researchers, corporates, academia, institutes). Collaborate with project team to provide technical support (theory and practices) to the PA through identified/ selected technical expert. In some cases individual FPCs may have pre-identified an ABP, and an ABP might have identified an FPC with whom they wish to partner although this is expected to be a minority; most proposals will seek partnerships without knowing specific ABCs/FPC , which is where the TSA will identify, facilitate dialogue and formalize the matchmaking service.
- (iv) Facilitate the business plan preparation of the FPCs and the ABPs by providing technical and business operational support, including environmental and social management plans
- (v) Market Assessment of the business plans for sustainable business, market development, product development and market access.
 - Identify opportunities for integrating climate resilience and/ or measures to ‘green’ the production systems embodied within the proposed business plans.
 - Facilitate the signing of tripartite agreement between FPCs, ABPs and the project authority.
 - Support the preparation of the grant applications of the participating FPC/ ABP based on the business plan for submission to the matching grants facility as appropriate.

3.2 Implementation of business plans (Step 8)

- i) Provide business advisory support to the FPCs/ ABPs on day-to-day operations (finance, human resources, inventory management, cost and accounting, etc.) and long-term business planning.
- ii) Provide technical support to FPCs and ABPs to access capital (loans from financial institutions, relevant grants from central or state government) and collaborate with project team to support in establishing credit linkages
- iii) Provide technical advisory to FPCs and ABPs on business strengthening and expansions via information/ analysis on new product development, new market

development, market access and alignment with consumer preferences; and facilitate the partners to implement the feasible ideas.

- iv) Promote convergence with cluster development plans of the project, as and when they are ready to be implemented on the ground. Collaborate with project team to ensure this convergence, wherever applicable.
- v) Provide requisite information on commercial partnerships, including training on conflict resolution in partnership, to both partner FPCs/ABPs.
- vi) Conflict resolution, as and when applicable, to ensure the implementation of the PA as approved.
- vii) Seek alternative arrangements for a sustained PA in case any original partner discontinues the partnership or is found to engage in business malpractices leading to their disassociation from the PA
- viii) Facilitate and support Coordination and convergence with existing schemes in other departments like DoA, Industries Department, MoFPI, Commodity Boards, KINFRA, etc to support the selected FPOs and ABPs and to establish relevant models as per specific requirements of Productive Alliance.
- ix) Provide tailored support to the FPCs to develop backward and forward market linkages as per their business plans and provide ongoing support through following to strengthen and expand business of the PA, as relevant.
 - Assess the demand and supply, market analysis, trend in production, SWOT analysis
 - Facilitate business conventions, information on trade fairs, interactions with exporters and major value chain players, etc.

3.3 Monitoring and reporting

- Undertake full monitoring of the activities under the PA and provide timely data and reporting to the project.
- Monitor the progress of the business to assess the performance of PA for defined indicators. The dashboard for tracking overall performance of selected FPOs and ABPs must be timely updated by TSA.
- Ensure compliances on World Bank's ESF in the finalized business plan.
- Ensure regulatory compliance on all relevant systems – financials, audit, pollution control, food safety, machine safety, storage guidelines, pest management, etc.; and ensure its understanding in the FPCs/ABPs to meet all regulatory compliances throughout the project period.
- Progress report to be submitted to the KERA Team monthly during the first year and in quarterly during 2nd and 3rd years, based on the deliverables. The progress in the number of FPCs/ ABPs having potential for PA, Terms of strengthened alliances, increase in sales to the partners, increased business activities of alliance etc. must also be reflected in the reports.

3.4 Geographical Coverage

This ToR relates specifically to the TSA to be provided in the Northern region (Kasargod, Kannur, Wayanad, Kozhikode, Malappuram). It is self-evident that the nature of the PAs – commodity selection, market potential, etc – must be appropriate to the local conditions.

3.5 Key Deliverables

Stages	Deliverables
1	Inception report
2	Review of selected business plans, review of governance systems of selected FPC/ABPs and Match making function prior to preparation of the Business Plans
3	Preparation of business plans for selected FPOs and ABPs
4	Identifying the Financial Institutions and facilitate negotiations between FI and projects
5	Market linkages of FPOs with buyers / processors for output marketing of their products
6	Other tangible interventions such as support FPOs & ABPs in grant release/productive alliance /Custom Hiring Service centers/Storage facilities/collection centers/ primary/secondary processing/ value adding common facility centers, etc.
7	Increased annual turnover of FPOs & ABPs from the baseline year

4. Team Composition and Qualifications of the key personnels

To realise the targets, the following minimum team structure should be adhered to, and the agency should be responsible for hiring and managing the team. The team structure proposed at the state and at the field level is indicated below:

Key Personnel Requirement

Sl. No.	Key Personnel	Number of Experts	Expected Educational Qualifications and Experience	Responsibilities
1.	Team Leader	1	<ul style="list-style-type: none"> Post- Graduate in Agriculture /Horticulture/Management/ Agribusiness Management / Rural Management / Rural Marketing or an MBA Fifteen years experience in agribusiness development 	<ol style="list-style-type: none"> Responsible for completing all deliverables and on-time execution. Timely meetings with project team and reporting to PMU.

			<p>and agri-marketing and currently at senior managerial level</p> <ul style="list-style-type: none"> • Five years experience as team leader of agribusiness projects. • Experience in agribusiness development and Agri-Marketing in the private sector is desirable • Experience in working with the FPCs are desirable 	<ol style="list-style-type: none"> 3. Final signatory for all completed DPRs 4. Collaboration with project team for any external technical advisory support to the PA 5. Ensuring conflict resolution and sustaining the PA
2.	Agribusiness Experts	5	<ul style="list-style-type: none"> • Post- Graduate in Agriculture / Horticulture/ Management/ Agribusiness Management / Economics/ Rural Management / Rural Marketing or be an MBA. • Five years of experience in the agribusiness private sector • Four years of experience of working with FPCs (business development, etc). • Relevant experience in related Govt / private sector projects/CSR is desirable. • Proficiency in Malayalam is desirable 	<ul style="list-style-type: none"> • Managing a minimum of 10 PA in business operations and required technical advisory. • Assess issues in implementation of the PA and address the issues. • Conflict resolution in PA • Identifying opportunities for new business development and market access for the PA • consultative meeting/preliminary meetings, workshops/seminars/conferences with the private sector, government institution, banks etc. • Prepare a database of market players / buyers in the region and outside with the team members and contacting them for exploring market linkages
Non-Key Experts				

1	Agribusiness associates		<ul style="list-style-type: none"> • Graduate/post-graduate degree holders, preferably in Management/Agriculture/Horticulture/Agribusiness Management/Rural Development/Rural Management/Social work/Economics • Three years experience in agribusiness and/or marketing. • Working experience working with the FPCs is desirable • Working knowledge of Malayalam 	<ul style="list-style-type: none"> • Supporting a minimum of 5 Productive alliances in their day-to-day operations and in managing the business • Updating the progress of Productive Alliances • Identify gaps/constraints (technical, HR, conflicts) in PA implementation and report to Team Leaders/ABEs
2	Data Entry operator		<ul style="list-style-type: none"> • Graduate, preferably in IT/Computer Application/Statistics • Two years experience in data entry and data management preferred • Experience in quantitative, qualitative analysis 	<ul style="list-style-type: none"> • Maintain the database of the FPOs and ABPs • Help DoA-IT Cell in updating the data on regular basis.

5. Reporting Requirements and Time Schedule for Deliverables and Payments

The consultant is expected to submit reports and documents in collaboration with other stakeholders (if any) according to the specified milestones. Payments will be disbursed in phases, contingent upon the delivery of the final versions of each output, as outlined in Table 1.

Table 1. Time Schedule and Payment Milestones for Deliverables

Stages	Deliverables	Timeline	Payment Milestones
1	Inception report	T+20 days	5%
2	Review of selected business plans, review of governance systems of selected FPC/ABPs and Match making function prior to preparation of the Business Plans	T+1 month	5%
3	Preparation of business plans for selected FPOs and ABPs (15 productive alliances)	T+ 4 months	10%*

Stages	Deliverables	Timeline	Payment Milestones
4	Preparation of business plans for selected FPOs and ABPs (15 productive alliances)	T+ 5 months	10%*
5	Preparation of business plans for selected FPOs and ABPs (20 productive alliances)	T+ 6 Months	10%*
6	Identifying the Financial Institutions and facilitate the negotiations between FI and projects	T+12 months	10%*
7	Market linkages of FPOs with buyers / processors for output marketing of their products	T+18 months	20%*
7	Other tangible interventions such as support FPOs & ABPs in grant release/productive alliance /Custom Hiring Service centers/Storage facilities/collection centers/ primary/secondary processing/ value adding common facility centers, etc.	T+24 months	10%*
8	Increased annual turnover of FPOs & ABPs from the baseline year	T+36 months	20%*

*# T is Date of signing of contract * Marked payments can be made on pro-rata basis*

6. Client's Input and Counterpart Personnel

- The consultant will report to the KERA PMU.
- The activities of the consultancy will be monitored and evaluated by the PMU through monthly meetings and progress reports.
- The KERA PMU shall support the successful bidder in facilitating the collection of published and non-sensitive information from relevant departments by providing authorization support to the successful bidder.

The consultancy should arrange for seating arrangement/office of their own in Thiruvananthapuram.