

# Terms of reference (ToRs) for the procurement of services above Euro 20000

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Terms of Reference Design of FPO Cell and its post-formation guidance	<b>Project number/ cost centre:</b> 14.0967.1-012.00
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## List of abbreviations

AVB	General Terms and Conditions of Contract (AVB) for supplying services and work 2018
ToRs	Terms of reference

## 1. Context

### Background

In India, the aggregation of small, marginal and landless farmers into FPOs is essential to building economic strength & market linkages of farmers for enhancing their income. Keeping this in mind, Government of India has launched a new Central Sector Scheme titled "Formation and Promotion of 10,000 Farmer Produce Organizations (FPOs)" with a clear strategy and committed resources to form and promote 10,000 new FPOs in the country with budgetary provision of Rs 6865 crores.

FPOs are being developed in produce clusters, wherein agricultural and horticultural produces are grown / cultivated for leveraging economies of scale and improving market access for members. "One District One Product" cluster to promote specialization and better processing, marketing, branding & export. Further Agriculture value chain organizations forming FPOs and facilitating 60% of market linkages for members produce.

Several institutional models for farmer-based organisations have been developed in India to help farmers organise themselves. This enables farmers to profit from economies of scale, lowering of costs, improvement in productivity and in establishing sustainable and profitable market linkages. The Govt of India intends to facilitate the development of these 10000 FPOs across the country and support them in the attainment of the above results and outcomes. Under this initiative, over 800 FPOs have been established in Karnataka. While many FPOs have been established across the country, most of them continue to struggle on multiple fronts- notably, organisational development and leadership, management skills, access to finance, technology, skills or timely guidance as well as access to markets

Therefore, additional ongoing efforts and institutional support is required both in developing and refining the knowledge, expertise, capacity development measures to support these FPOs. For that, the first step is to develop suitable institutions/ teams and build their capacities so that are able to provide the required guidance and handholding support to FPOs to enhance their management skills and organisational processes, as well as facilitate and support the development of FPOs as viable business entities. This would require external expertise that can help in designing and structuring these institutions. Subsequently, if required, the external experts can also guide the institutions in the task of FPO management and enterprise development.

In Karnataka, the CoE-FPO (Centre of Excellence for FPOs) has been established as an autonomous Institute by the Government of Karnataka. CoE-FPO functions as a knowledge partner for FPO capacity building and promotion in Karnataka, so that the FPOs can be capacitated as effective business enterprises working for the socio-economic advancement of its members.

The Govt of Karnataka seeks to set up a state-level FPO Cell for efficient inter-departmental (govt) coordination and timely convergence of activities pertaining to marketing, revenue, banking, etc of FPOs.

On behalf of the Govt of Karnataka, COE-FPO had approached GIZ seeking the latter's support in order to develop and establish a FPO Cell, that shall focus on building strong FPOs in Karnataka.

### Brief information on the project

#### **Green Innovation Centres for the Agriculture and Food Sector – India**

The project "Green Innovation Centres for the Agriculture and Food Sector" in India (hereafter called as the project or GIC) is part of the special initiative "One World – No Hunger" (SEWOH) of Germany's Federal Ministry for Economic Cooperation and Development (BMZ). The project addresses poverty and hunger in 16 countries, amongst them India. For the Green Innovation Centres India, sustainable agri-business, local innovation systems and competence development are the core concerns. In addition, the project is committed to the cross-cutting issues of water and soil management, climate change adaptation, renewable energy, gender, youth employment, digitalisation and agri-research.

The **Green Innovation Centre India** wants small-scale farming enterprises and rural entrepreneurs to get more money out of their work and to increase rural employment in the agri-food sector. To achieve this, it disseminates innovations along value chains based on three crops: **tomato, potato and apple**

in the Indian states **Maharashtra, Karnataka, Andhra Pradesh and Himachal Pradesh**. Field operations are ongoing since early 2016.

The project works in line with priorities of the Government of India, such as 'Doubling Farmers' Income by 2022'. Detailed information on the project can be found under <http://bit.ly/GIC-India>.

#### **A. Innovations in the potato, tomato and apple value chains.**

The Project has been developing innovations that are relevant to smallholder farmers and contribute to the enhancement of agricultural productivity and farmer incomes and job creation across the different value chains.

This is done in close cooperation with farmers and farmer collectives, government and research institutions as well as the private sector. The innovations encompass demonstrated improvements and additions to the package of practices for the above crops, soil health improvement, efficient and remunerative post-harvest management. The underlying principles of agroecology play an important role in the identification of solutions that also help in building climate resilience for the smallholders.

The solutions thus identified developed and proven are scaled up in order to integrate and expand their utilisation in other relevant agricultural belts in the country; again in close cooperation with the Govt of India, research institutions and the private sector. The overall aim of this project is to support partners in reducing climate change risks for vulnerable groups and sectors as well as capacity building of actors (different levels) in the planning, implementation and financing of climate adaptation initiatives at the State level. The project further supports stakeholders at the national and subnational level in policy formulation, preparation and implementation of tools and instruments which address climate change adaptation.

#### **B. Building and strengthening farmer capacities and institutions**

GIZ has been working in its project regions on developing viable models and institutional structures for farmer groups, collectives and organisations, including farmer producer organisations. Where needed, international expertise such as that available with German capacity building institutions like DGRV is utilised in close cooperation with Indian institutions such as IRMA, NABARD, MANAGE, BIRD, etc. These farmer institutions serve as relevant self-sustaining models that provide GIZ and its partners with relevant learning and expertise on the development of institutional structures as well as in the identification of management skills required to sustain these institutions. GIZ has also developed suitable and comprehensive knowledge material on the above, This material is currently being utilized for developing, training and capacity building of other farmer institutions in other regions in the country.

## **2. Tasks to be performed by the contractor**

Based on the discussions between GIZ, the Dept of Horticulture and CoE-FPO, it has been agreed that GIZ shall support the above initiative. GIZ shall engage a contractor/agency with the relevant expertise **(to be engaged under this contract)** to undertake the following:

### **TASK 1 (PHASE 1):**

Study and analyse existing knowledge and information of the FPO ecosystem (available with the Govt of Karnataka, CoE-FPO, other institutions and experts engaged in the research and development of FPOs in India with special emphasis on Karnataka) and conduct FGDs with key stakeholders to undertake and provide the following:

#### **A. FPO level assessment**

- Expectations primarily of farmers and markets
- GOK goals versus achievement. Across departments.
- Good results, successes and key success factors. Problems- what's not working and why?
- Challenges in FPO development in Karnataka – organizational, operational, behavioural/ social, financial, regulatory, etc
- Needs to be addressed and potential role of the FPO Cell

## **B. Systemic assessment**

- Assessment of inter-departmental coordination, convergence and alignment
- Assessment of existing infra, capacities, skills and experience esp. of COE and of existing entities such as KAPPEC.
- Fulfilment of expectations esp. on the market demand/ buyer end
- Derive/ recommend the org structure, skills, capacities, authority/ empowerment, resources required for FPO Cell. Who would head it?
- Identify priorities for the FPO Cell.
- Include formation of an incubation cell for building primary and secondary processing opportunities.
- Recommend framework for a FPO-centric market intelligence system production, price, availability, forecasts.

## **C. Global snapshot & learning**

- How have FPOs evolved globally? Especially in Europe? What were their journeys, challenges. How did they overcome these?
- What have these FPOs evolved into now? Especially the ones successful in business operations.
- How are they perceived and viewed in terms of their benefits, relevance and contribution to the economy?
- How have they managed to attract members and talent to run the operations?

## **TASK 2 (PHASE 2)**

To be undertaken after the institution of the FPO Cell by the Govt of Karnataka.

- Monthly progress monitoring and assessment.
- Guidance to FPO Cell on its management and for conducting its activities and programmes.
- Quarterly reviews and recommendations for course correction.
- Backstopping on upcoming questions, specifically on strategic relevance
- Joint identification and preparation for capacity development topics and themes if the need arises

### **Methodological guidance/ framework:**

There is a wealth of knowledge and information available both with the Govt of Karnataka, with GIZ and also in the public domain. The consultants shall utilise their own expertise and knowledge and experience, study the information available above, in order to assess and arrive at how relevant aspects can be applied to the design of the FPO Cell. They will also undertake focussed and limited focus group discussions and one-on-one discussions (including virtual) with key representatives of the Dept of Horticulture and the Watershed Dept, Govt of Karnataka and some key FPOs in Karnataka.

### **Accordingly, the following steps are envisaged for this assignment:**

- Step 1: Study undertaken and recommendations on the design of the FPO cell offered by the panel of experts.
- Step 2: Based on the recommendations of the team of experts and the joint agreement on formation of the FPO Cell and its strategy, the Govt of Karnataka to institute the FPO Cell and bring on board an experienced team to lead and manage it (accompanied by the consultants)..
- Step 3: The FPO Cell to identify and engage private sector entities/ collaborators for market linkage development, financial linkages, supply chain & logistics with regular coaching and guidance of the consultants.
- Step 4: Measures (mainly capacity development) are identified and planned to build the processes and capacities of CoE and the FPO Cell.
- Step 5: The panel of experts shall review and guide the implementation at regular intervals. Where needed suggest course correction.

The expected output and proposed timelines are as follows

TASK 1 (PHASE 1)		TASK 2 (PHASE 2)			
Study	Recommend	Formation of FPO Cell	Implement	Capacity building/handholding	Monitoring & course-correction
<b>0 to 3 months</b>	<b>Month 4</b>	<b>Month 5 to 6</b>	<b>Month 6 onwards</b>		
<ul style="list-style-type: none"> <li>GIZ to contract two experts-International and Indian.</li> <li>Experts to undertake study</li> </ul>	<ul style="list-style-type: none"> <li>Experts to undertake</li> <li>FPO assessment</li> <li>Systemic assessment</li> <li>Global snapshot &amp; learning</li> </ul> Define structure, roles, goals for FPO Cell	<ul style="list-style-type: none"> <li>DOH and WDD to form FPO Cell and depute/recruit personnel.</li> </ul> Collaborators and other stakeholders engaged.	<ul style="list-style-type: none"> <li>Inception workshop will various govt depts and stakeholders-Roles, responsibilities and goals.</li> </ul> Redressal mechanism/arbitration.	<ul style="list-style-type: none"> <li>Build FPO Cell capacities through structured interventions (TOT).</li> </ul> Market linkage facilitation by stakeholders and field practitioners.	<ul style="list-style-type: none"> <li>Monthly progress monitoring and assessment.</li> <li>Quarterly reviews and course correction.</li> </ul> Proof of concept and experiential learning.

#### Deliverables with timelines and format for delivery

Task	Deliverables (Output)	Timeline	Number of days
Task I (during Phase 1)	<ul style="list-style-type: none"> <li>Analysis report detailing the FPO situation, their needs and identification of priority aspects for a supporting structure like FPO cell. The report to cover all aspects outlined above under Task 1 covering A. FPO level assessment B. Systemic assessment C. Global snapshot and learning.</li> <li>Recommendations report on the need, role, composition, organisational structure, responsibilities and formation of the FPO Cell.</li> <li>Documented workshop proceedings: Stakeholder workshop to present the above and discuss the next steps to be taken by relevant stakeholders.</li> </ul>	End of phase I	Duration up to 6 months  45 work-days
Task II (During Phase II)	<ul style="list-style-type: none"> <li>In collaboration with the FPO Cell team, draft implementation plans and schedules for capacity building measures including workshops and knowledge sharing events.</li> <li>Structure and plan a system for guiding and reviewing monthly, the plans and activities of the FPO Cell.</li> <li>Identify relevant collaborators, esp. from the private sector, capacity building institutions and FPOs.</li> <li>Quarterly progress assessment report of FPO Cell activities and performance and progress in market linkage facilitation.</li> <li>Executive summary for policy makers (atleast once in 12 months)</li> </ul>	During phase II, plus towards its end.	After Phase I, Phase II duration up to 18 months  45 work-days

**Period of assignment: From 1<sup>st</sup> February 2023 till 31<sup>st</sup> July 2024**

### 3. Concept

In the bid, the bidder is required to show how the objectives defined in Chapter 2 (Phase 1 and Phase 2) are to be achieved, if applicable under consideration of further specific method-related requirements (technical-methodological concept). In addition, the bidder must describe the project management system for service provision.

#### **Technical-methodological concept**

**Strategy:** The bidder is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 2). Following this, the bidder presents and justifies the strategy with which it intends to provide the services for which it is responsible (see Chapter 2).

The bidder is required to present the stakeholders relevant for the services for which it is responsible and describe the **cooperation** with them.

The bidder is required to present and explain its approach to **steering** the measures with the project partners and its contribution to the planned results of installing a well-functioning FPO cell.

The bidder is required to describe the key **processes** for the services for which it is responsible and create a schedule that describes how the services according to Chapter 2 are to be provided. In particular, the bidder is required to describe the necessary work steps and, if applicable, take account of the milestones and contributions of other actors in accordance with Chapter 2.

The bidder is required to describe its contribution to knowledge management for the partner and GIZ and promote scaling-up effects (**learning and innovation**).

#### **Other specific requirements**

##### **Format for delivery:**

- Inception, recommendations, quarterly and annual progress reports: soft copy via email
- Final report: soft copy via email
- All copy rights are reserved for the project.
- All designs must follow the corporate design standards of GIZ as defined here: <https://www.giz.de/cdc/en/html/3097.html>
- All text/illustrations/infographics are to be sent separately in editable files and can be used for any other purposes within the GIZ project.

#### **Project management of the contractor**

The bidder is required to explain its approach for coordination with the GIZ project.

- The contractor is responsible for selecting, preparing, training and steering the experts (international and national, short and long term) assigned to perform the advisory tasks.
- The contractor makes available equipment and supplies (consumables) and assumes the associated operating and administrative costs.
- The contractor manages costs and expenditures, accounting processes and invoicing in line with the requirements of GIZ.
- The contractor reports regularly to GIZ in accordance with the AVB of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH from 2018

#### 4. Personnel concept

The contractor should bring in two experts with long standing local expertise, experience and proven skills in Rural Development and Management, working with rural farming communities; and experiences in Agribusiness and livelihood promotion, both internationally and in India. The team leader as well as the local expert should possess:

- Expertise in the development and implementation of suitable, practical solutions for the development of farmer organisations, covering organisational capacities.
- Hands on experience in the economics and capacity development of rural farmer organisations business activities, incl. their economic assessment.
- Understanding of the institutional framework and policies in the field of FPOs and rural farmer organisations in India and also other relevant countries.
- Expertise in guiding the development of related supporting system at the governmental level.
- Experience of conducting highly analytical work in organisational development of farmer based rural organisations as well as promotion agencies thereof.
- Experience of working with policy makers and translation of scientific information to actionable evidence.

#### Team leader

##### Tasks of the team leader

- Overall responsibility for the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ, partners and others involved in the project
- Personnel management, in particular identifying the need for short-term assignments within the available budget, as well as planning and steering assignments and supporting local short-term experts.
- Regular reporting in accordance with deadlines

##### Qualifications of the team leader

- Education/training (2.1.1): University qualification (Master/Phd) in Agricultural Economics/ Social Sciences (organisational development preferably)
- Language (2.1.2): Good business language skills in English (Level – C1)
- General professional experience (2.1.3): 15 years or more of professional experience in the Agricultural Science sector (focus on rural cooperative organisations) and working with rural communities in agriculture sector.
- Specific professional experience (2.1.4): 10 years in moderation and facilitation between heterogeneous stakeholders and being familiar with top-down and bottom-up approaches and presenting policy relevant recommendations.
- Leadership/management experience (2.1.5): 5 years or more of management/ leadership experience as project team leader or manager in a company
- Regional experience (2.1.6): Atleast 3 years of experience in India
- Development Cooperation (DC) experience (2.1.7): 10 years or more of experience in DC projects

#### Expert 1: Agribusiness and livelihood promotion thematic experts

##### Qualifications

- Education/training (2.2.1): Masters/ PhD in Agriculture and related Sciences/ Natural Resource Management
- Language (2.2.2): English and Hindi. Kannada would be an added advantage. (Level – C1)
- General professional experience (2.2.3): 10 years or more of experience in Rural Development and Management, working with rural farming communities; experience in Agribusiness and livelihood promotion.

- Specific professional experience (2.2.4): 10 years or more experience of working in the agriculture or allied sector with a focus on promoting livelihoods through community managed producer collectives like FPOs / FGCs / federated structures as well as a hands-on understanding on Indian policies and programmes on rural organisational development.
- Leadership/management experience (2.2.5): 2 years or more of management experience
- Regional experience (2.2.6): 10 years of experience in Karnataka & other Indian states
- Development Cooperation (DC) experience (2.2.7): 5 or more years

Soft skills of team members

In addition to their specialist qualifications, the following qualifications are required of team members:

- Team skills
- Initiative
- Communication skills
- Socio-cultural competence
- Efficient, partner- and client-focused working methods
- Interdisciplinary thinking

**5. Costing requirements**

**Assignment of personnel**

Team leader: On-site assignment and virtual assignment for 22 work-days

Expert 1:

Assignment in country of assignment (India) for 68 work-days.

**Travel**

The bidder is required to calculate the travel by the specified experts and the experts it has proposed based on the places of performance stipulated in Chapter 2 and list the expenses separately by daily allowance, accommodation expenses, flight costs and other travel expenses. The reimbursables costs should include the following

**Expert 1**

Details	No. of units
<b>Karnataka</b>	
Flight (to and fro Germany-India)	3 (trips; each trip for 5 days)
Accommodation (field + travel days)	15
Local Travel (field + local travel)	15
Per Diem (field + local + flight travel)	15

**Expert 2**

Details	No. of units
<b>Karnataka</b>	
Accommodation (field + travel days)	20
Local Travel (field + local travel)	35
Per Diem (field + local + flight travel)	35



**The total estimated budget for total travel costs is EUR 8.950 (This includes, flights, local travel, per diem & hotel costs).**

#### **Other costs**

- Visa costs
- Flexible remuneration: For unforeseeable events, a flexible remuneration item with an amount of **EUR 3.400** is provided, which can be used as required and agreed with GIZ. Reimbursement is made against proof

## **6. Requirements on the format of the bid**

The structure of the bid must correspond to the structure of the ToRs. In particular, the detailed structure of the concept (Chapter 3) is to be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). It must be legible (font size 11 or larger) and clearly formulated. The bid is drawn up in English (language).

**The complete bid shall not exceed 10 pages (excluding CVs & Other company profile documents).**

The CVs of the personnel proposed in accordance with the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages. The CVs must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in English (language).

If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment.

Please calculate your price bid based exactly on the aforementioned costing requirements. In the contract the contractor has no claim to fully exhaust the days/travel/workshops/ budgets. The number of days/travel/workshops and the budget amount shall be agreed in the contract as 'up to' amounts. The specifications for pricing are defined in the price schedule.