

**Terms of Reference (TOR) for Selection of Consultancy Services to Assess the performance of Farmer Producer Companies (FPC) promoted and supported under TNIAMP in Tamil Nadu**

**1. Background**

Development and promotion of Farmer Producer Companies (FPCs) is one of the systemic interventions that is being promoted by the Government of Tamil Nadu to sustainably increase the productivity of farms and income of farmers of the State. The Government of Tamil Nadu is implementing the Tamil Nadu Irrigated Agriculture Modernization Project (TNIAMP) with a broad objective to “enhance productivity and climate resilience of irrigated agriculture, improve water management and increase market opportunities for farmers and agro-entrepreneurs in selected sub-basin areas of Tamil Nadu.” The project is being implemented in four phases (I to IV).

The sub-component of the project “B.3 Agriculture Marketing, Value Addition, and Postharvest Management” focuses on enhancing farmers’ links to markets through postharvest management and value addition activities by establishing commodity groups (CGs) and farmer producer organizations (FPOs), integrating commercial value chains, and facilitating public-private partnerships (PPPs). Specific interventions envisaged are (a) setting up CGs; (b) setting up FPOs; (c) supporting existing FPOs in business expansion; (d) supporting productive postharvest management infrastructure; (e) supporting agriculture enterprise development; (f) modernization, automation, and digitization of traditional market channels; and (g) supporting studies, management strengthening, and innovations for improved service delivery and results. For this, the Department of Agricultural Marketing and Agri Business has empanelled Consultancy Firms to establish 79 New FPCs and support business expansion of 40 existing FPCs in the select sub-basins of the project during Phase-I and Phase-II. The districts covered in the Phase-I, Phase-II, Phase III and Phase IV are given in the following table:

<b>Phase-I Districts - 20 Nos (26 New FPCs &amp; 10 EFPCs)</b>				
Tiruchirappalli	Pudukkottai	Nagapattinam	Thiruvarur	Thanjavur
Perambalur	Kanchipuram	Chengalpattu	Cuddalore	Kallakurichi
Dharmapuri	Krishnagiri	Madurai	Virudhunagar	Tirunelveli
Thoothukudi	Dindigul	Theni	Coimbatore	Erode
<b>Phase-II Districts -17 Nos.- (24 FPCs &amp; 8 EFPCs)</b>				
Nagapattinam	Ariyalur	Tiruchirappalli	Vellore	Tiruvannamalai
Viluppuram	Cuddalore	Krishnagiri	Dharmapuri	Namakkal
Salem	Madurai	Sivagangai	Tirunelveli	Tenkasi
Erode	Karur	-	-	-

<b>Phase-III Districts 9 Nos.- (13 FPCs &amp; 10 EFPCs)</b>				
Dharmapuri	Tiruvannamalai	Ranipet	Cuddalore	Kallakurichi
Ariyalur	Kanchipuram	Tirunelveli	Tiruvallur	
<b>Phase-IV Districts - 10 Nos. – (16 FPCs &amp; 12 EFPCs)</b>				
Madurai	Sivagangai	Ramanathapuram	Ranipet	Cuddalore
Tiruvannamalai	Tiruchirappalli	Thanjavur	Thiruvarur	Nagapatinam

Consultancy Firms (CFs) were empanelled during both these phases to support both existing and new FPCs.

Given this context, Department of Agriculture Marketing and Agri Business calls for technical support from consulting organizations to submit proposals for assessing the impact that the project as achieved over the past years of implementation. The following sections of this TOR detail the scope of work and deliverables, timeline, minimum requirements for the consultancy and working arrangements.

## **2. Objective of the assignment:**

The objective of this assignment is to assess the performance of the Farmer Producer Companies (FPCs) promoted and supported by the TNIAM Project using a grading tool and to train the selected project staff to conduct gradings in future based on developed framework for assessment of the FPCs.

## **3. Scope of work:**

The TNIMAP project has made significant investment in the promotion of the FPCs and strengthening of the existing FPCs; most of these FPCs started different business operations – as per the support given to them by the project. In the remaining project period, there is a need to strengthen the FPCs by addressing the main constraints in their viability and growth, and to ensure the sustainability of the project supported FPCs beyond the project period.

This assignment is to assess the quality and performance of FPCs; this should highlight the strengths and weaknesses of each FPCs with reference to indicators of growth and sustainability for example – governance, business understanding, business operations and management (finance, operations, HR, IT, etc.), credit linkage, market linkage amongst other things. The consultant firm will develop a best practice method for assessing performance of FPCs which will be used to inform the project for the next steps to strengthen these institutions in the next two years and define the exit strategy. The following activities should be carried out by the service provider:

- 3.1. Development of the Grading Tool:** The consultant firm will develop a grading tool for determining the status of FPCs in key categories - a) governance; b) management; c) financial linkages; d) business understanding and operations; and e) access to markets and linkage with private players. The tool should be supported by a framework for analysis of the FPCs based on best practices across India, as elaborated in point no. 3.3 below. The tool should be able to make qualitative and quantitative assessment of the selected FPCs through the grading tool. The tool should be developed as such, and should be made App based such that the grading can be completed smoothly and can be transferred seamlessly to the MIS developed by the TNIAM Project. The App will be transferred to the project team to undertake grading of all FPCs during the project. Development of the grading tool should leverage the work of other institutions and learn from grading tools already being used by FPO/their promoting agencies/other relevant stakeholders.
- 3.2. Grading of the FPCs:** The consulting agency should conduct the grading of FPC supported and promoted by the project. TNIAMP has promoted 79 new FPCs and strengthened 40 FPCs during the project. The firm should complete the grading of 65 FPCs (a mix of old and new FPCs as selected by the project) in the prescribed time line and train the trainers to carry out grading of the remaining FPCs.
- 3.3. A short final report** based on the grading of the FPCs should be submitted by the consulting firm incorporating major issues observed in FPCs, demands of the FPCs, requirement at the FPC for sustainability and main steps that project can undertake to ensure success of the project supported FPCs. The report should have an annex of each FPC-wise analysis done by the agency, with assessment on key financial indicators and qualitative aspects.
- 3.4. Framework for FPCs analysis:** The agency should prepare a framework for analysis of FPCs which are at different lifecycle stages to differentiate between FPOs which are nascent vs emerging vs mature in terms of vintage and performance. This framework should learn from best practices in India that assures sustainability of the FPCs in the long run. The framework should provide the staff an understanding to evaluate the FPCs at different stages, steps to ensure sustainability beyond project period and concerns that should be addressed. This framework should be informed by the grading exercise conducted by the consulting firm for TNIAMP FPCs. The staff should be trained to undertake the grading exercise of the FPCs and use the framework for future assessments.

**3.5. Training of Trainers (ToT) on methodology for FPO analysis.** The consultant firm will conduct at least two capacity building and training sessions with the TNIAM Project team and the stakeholders of the FPOs on the framework, the grading tool, and to equip the government counterparts with the lessons and knowledge required for ensuring success and sustainability of the FPCs. The ToT will include hands-on session of the selected 36 staff identified by the TNIAM Project. The selected staff should accompany the consulting firm for grading of minimum 5 FPCs. The trainers will be identified by the TNIAM Project.

#### **4. Deliverables and payment terms**

**4.1. Inception report:** The consulting firm will submit an inception report describing the approach and methodology to complete the assignment.

**4.2. Development of Grading Tool:** The development of appropriate tool for assessment of status and performance of the FPCs supported by the TNIAMP is a critical task. The first draft of the grading tool should be submitted within 2 weeks from signing of the contract, which should be finalized after feedback from the project team. Grading tool is required to be finalized within 3 weeks from date of signing contract based on project team's feedback, and the App should be ready to be deployed on the field not later than a month from signing the contract.

**4.3. Grading the FPCs on-field with data inputs on the APP:** The consulting firm will carry out the assessment of the 65 FPCs (decided in consultation with the project) in accordance with the finalized grading tool, using the App based system and streamline the data transfer to project MIS.

**4.4. Recommendation Report:** as stated above, the consulting firm incorporating major issues observed in FPCs, demands of the FPCs, requirement at the FPC for sustainability and main steps that project can undertake to ensure success of the project supported FPCs. The report should have an annex of each FPC-wise analysis done by the agency. The report should also include –

**4.4.1.** Identification of gaps in functioning of FPCs based on (i) organizational capacities, (ii) technical training (iii) business management and propose suitable capacity building plan, (iv) business understanding and future scope of business expansion, (v) credit availability and linkages, etc.

**4.4.2.** Any new areas uncovered during the assessment which should be considered by the project for the successful implementation of the scheme.

**4.4.3.** Recommendations to department for course corrections in specific areas/regions and can also specific certain FPCs wherein specific project intervention will lead to high outcomes.

**4.4.4.** Deviation analysis

**4.4.5.** Short note on each FPC wise analysis.

**4.5. Development of Framework for FPCs analysis**–the consulting firm should develop this knowledge product which will suggest a framework for analysing FPCs at different stages of the project. It should derive from best practices across India (and globe, as relevant) and suggest a comprehensive framework to assess performance of nascent, emerging, and mature FPCs, and steps to strengthen them.

**4.6. Training of the trainers:** the consulting firm will train the trainers (36 staff - selected by the project team) to understand the framework and the grading tool and prepare them to use both the tools in the remaining project period based on context. The firm should also provide hands-on training to the selected trainers, by the project, by involving them in the grading exercise of at least 5 FPCs. (Different trainers can join different FPCs). Training of trainers will commence soon after finalization of the grading tool. First training (1-2 days, as needed) must be given on using the grading tool followed by hands-on training in the field. It must conclude with refresher training (2-3 days, as needed) at the end of exercise; and with a comprehensive training on using the framework of FPC analysis and differentiate the usage of grading tool and Framework and modify it during the project period for FPCs at different stages of a lifecycle.

The consulting firm is expected to conduct the grading exercise simultaneously in the field on different locations as advised by the project. Three team to be constituted, with each team consisting of two people – 1 Agribusiness expert and 1 Agri finance expert, to complete grading exercise.

<b>Sn</b>	<b>Deliverables</b>	<b>Timeline</b>
1	Submission of Inception Report	T+ 1 week
2	Submission of Grading Tool	T+2 weeks
3	Submission of draft framework for FPCs Analysis	T+ 8 weeks
4	Completion of grading of the FPCs on App based system	T+ 12 weeks
5	Data Transfer from App to the project MIS and handover of the App to the project	T+14 weeks
6	Submission of Draft Report (assessment and recommendation) based on grading exercise	T+ 14 weeks
7	Training of Trainers	T + 15 weeks

**Payment Terms:-**

<b>Sn</b>	<b>Deliverables of draft**</b>	<b>Timeline</b>	<b>Payment* corresponds to the final draft</b>
<b>1</b>	Acceptance of Inception Report	T+ 2 week	10%
<b>2</b>	Finalization and acceptance of Grading Tool	T+3 weeks	15%
<b>3</b>	Finalization and acceptance of framework for FPCs Analysis	T+ 10 weeks	15%
<b>4</b>	Completion of grading of the FPCs on App based system	T+ 12 weeks	20%
<b>5</b>	Data Transfer from App to the project MIS and handover of the App to the project	T+14 weeks	10%
<b>5</b>	Finalization and acceptance of Report (assessment and recommendation) based on grading exercise	T+ 16 weeks	15%
<b>6</b>	Training of Trainers	T + 16 weeks	15%

**The corresponding payment will be made on the submission and acceptance of final deliverable/report.** The deliverables should be finalized within a week from submission of first draft/product, in consultation and/or based on feedback from the project.

**5. Duration of contract**

The agency will be engaged for 4 months from the date of signing the contract.

**6. Selection Criteria–Consultant’s Qualification-based Selection (CQS)****6.1. Eligibility Criteria**

<b>S.No</b>	<b>Eligibility Criteria</b>	<b>Documentation Proof</b>
1	Firm should be a registered as a legal entity for at least 10 years since its date of incorporation	Copy of Registration Certificate Ministry of Corporate Affairs
2	Firm should have a minimum average annual turnover of INR 2.0 crores for the last 3 financial years (FY21, FY22, FY23)	Audited Turnover Certificate or Financial Statements
4	Firm should have experience of working in rural farm/non-farm sectors in India for a minimum of 5 years	Copy of Work Order/Completion Certificate/ Contract
5	The firm should have one/more than 2 state/central project assignments of similar nature and/or in relevant areas (agriculture. Farm/non-farm sector).	Copy of Work Order/Completion Certificate/ Contract

Only those Firms who meet the above eligibility criteria shall be evaluated further for technical scoring. Firms can form a Joint Venture to enhance their technical capabilities. In the technical scoring evaluation, credentials from both members of the JV will be considered. Maximum cumulative two members are allowed as JV partners.

**6.2** 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” November 2020” (“Procurement Regulations”), setting forth the World Bank’s policy on conflict of interest.

As per scope of the work of the subject assignment, the consultancy firms currently engaged with TNIAM Project and are directly working on formation and strengthening of the FPCs in the TNIAM Project will not be eligible to participate as it is deemed as conflict of interest as per above referred provisions of the Procurement Regulations.

**6.3 Criteria for Technical scoring**

<b>Scoring criteria for experience of the consulting firm</b>		
<b>S No</b>	<b>Criteria</b>	<b>Score assigned</b>
1	Experience of strengthening sustainable farmer producer companies	3 mark per project, with a maximum of 15 marks
2	Experience in conducting similar exercise of assessing performance/grading/rating of the number of farmer producer companies/ farmer producer organizations	10 marks for at least 20 FPCs; additional 2 marks for each additional 5 FPCs with maximum of 20 marks
3	Experience in conducting similar exercise of assessing the performance in multiple projects.	3 marks per project, with a maximum of 15 marks
<b>Total</b>		<b>50 Marks</b>

**6.4. Scoring criteria for adequacy and quality of the proposed methodology and work plan in responding to the Terms of Reference**

<b>S.No</b>	<b>Criteria</b>	<b>Score assigned</b>
1	Specific approach and methodology of the assignment	5 marks
2	Activity Schedule	2marks
3	Adequacy of the work plan	3 marks
<b>Total</b>		<b>10 marks</b>

**6.5 Scoring criteria for key experts' qualification and competence for the assignment**

<b>S.No</b>	<b>Title</b>	<b>Qualification</b>	<b>Duration</b>	<b>Score assigned</b>
1	Team Leader	MBA/M.Sc./M.Tech. or similar in Agri-Business Management or equivalent and more than 15 years of experience in working with the community-based organization; and 5 years of experience in strengthening the farmer producer companies, evaluation of the farmer producer companies and promoting sustainable farmer companies. Should also have experience in agribusiness and agri-marketing.	4 months	10 marks
		5 years of experience in strengthening the farmer producer companies, evaluation of the farmer producer companies and promoting sustainable farmer companies and experience in agribusiness and agri-marketing		5 Marks
2	Agri Business Expert (3 in numbers)	MSc (Ag)/MBA/M.Tech. in Agri-Business Management or equivalent and 5 years of experience in working with FPCs, agribusiness and of the FPCs for business operations. (1 Mark) X 3	2.5 months	3 Marks
		Experience in agri-marketing experience and evaluation/assessment of the FPCs for business operations. (1 Mark )X 3		3 Marks
		Experience in market linkage of the FPCs (1 Mark)X 3		3 Marks
3	Agri-finance expert (3 in numbers)	Agri-finance (3 in numbers) MBA/MA(Eco)/M(Com)/CA from a recognized University Should have at least 5 years' experience in working with FPCs, and in working on credit linkage of FPCs	2.5 months	3 Marks



S.No	Title	Qualification	Duration	Score assigned
		with formal financial institutions. (1 Mark ) X 3		
		experience in working with FPCs. (1 Mark )X 3		3 Marks
		working experience on credit linkage of FPCs with formal financial institutions. (1 Mark )X 3		3 Marks
4	IT/App Developer 1 No	Should have experience in developing app-based evaluation system for CBOs/FPCs; and working with hosts to deploy the systems.	1 month	2 Marks
5	Trainer 1 No	Should have 10 years' experience in preparing training modules, write-ups, and training of the government staff on CBOs/FPCs	1 month	5 Marks
<b>Total</b>				<b>40 Marks</b>

#### **7. Data, Services and Facilities to be provided by the Client.**

The Department of Agricultural Marketing and Agri Business and the ABPF will share available project data and information and make required introductions to the consulting firm. The list of FPCs under the project will be shared to the consultant after signing of the contract.

#### **8. Additional Instructions for Proposal Sub mission of Shortlisted Firms**

Following Expressions of Interest, shortlisted firms will be requested to provide technical and financial proposals based on standard templates to be shared at the time. The following additional instructions shall be taken in to account by shortlisted firms submitting proposals:

- *Technical Proposal:* The general description of the consultant's organization(s) should not exceed two pages. Key personnel should include at least seven staff (CVs of each proposed team member are expected).
- *Financial Proposal:* Payments will be by lump sum based on deliverables (see above). Therefore, in addition to staff salaries, any financial proposal of shortlisted firms should price in required travel, licenses/stock-footage, equipment requirements and other costs as there will be no reimbursable. Each major budget line item shall be made explicit (e.g., expected staff cost; travel cost etc.)

Principal Secretary/Commissioner  
Agrl Marketing & Agri Business.